

Hester Kevin
 Form 5
 February 09, 2012

FORM 5

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

OMB APPROVAL

OMB Number: 3235-0362
 Expires: January 31, 2005
 Estimated average burden hours per response... 1.0

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *
 Hester Kevin

2. Issuer Name and Ticker or Trading Symbol
 HOME BANCSHARES INC
 [HOMB]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
 12/31/2011

Director 10% Owner
 Officer (give title below) Other (specify below)
 Chief Lending Officer

P.O. BOX 966

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting

(check applicable line)

CONWAY, AR 72033

(City) (State) (Zip)

Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|----|-----|--|--|-----------------------------------|
| | | | | (A) | or | (D) | Price | | |
| Common Stock | ^ | ^ | ^ | ^ | ^ | ^ | 5,696 | D | ^ |
| Common Stock - Restricted | ^ | ^ | ^ | ^ | ^ | ^ | 4,021 ⁽⁵⁾ ⁽⁶⁾ | D | ^ |
| Common Stock | ^ | ^ | ^ | ^ | ^ | ^ | 1,782 | I | Held by IRA |
| Common Stock | ^ | ^ | ^ | ^ | ^ | ^ | 1,190.393 ⁽⁷⁾ | I | By 401(k) |

Edgar Filing: Hester Kevin - Form 5

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 2270
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| | | | | | (A) (D) | Date Exercisable Expiration Date | Title | |
| Stock Option | \$ 6.17 | ^ | ^ | ^ | ^ ^ | ^ (3) ^ (4) | Common Stock | 4,858 |
| Stock Option | \$ 7.85 | ^ | ^ | ^ | ^ ^ | ^ (1) ^ (2) | Common Stock | 2,430 |
| Performance Stock Option | \$ 11.09 | ^ | ^ | ^ | ^ ^ | 01/01/2010 03/13/2016 | Common Stock | 7,603 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Hester Kevin P.O. BOX 966 CONWAY, AR 72033 | ^ | ^ | ^ Chief Lending Officer | ^ |

Signatures

/s/Kevin Hester by Rachel Wesson 02/09/2012

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The option is exercisable in five equal annual installments. The first installment became exercisable on December 31, 2002.
- (2) The option expires 10 years from the exercisable date, therefore the first installment became exercisable on December 31, 2002 and expires on December 31, 2012.

Edgar Filing: Hester Kevin - Form 5

- (3) The option is exercisable in five equal annual installments. The first installment became exercisable on December 31, 1999.
- (4) The option expires 10 years from the exercisable date, therefore the first installment became exercisable on December 31, 1999 and would have expired on December 31, 2009.
- (5) Restricted Stock granted on February 2, 2011 will vest in 33 1/3% installments over three years each February 2nd.
- (6) Restricted Stock granted on January 22, 2010 will vest in 33 1/3% installments over three years each January 22nd.
- (7) Includes 3,775 shares acquired through the Home BancShares, Inc. 401(k) Plan since the last filing.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. **LLC First Lien Term Loan, 4.813%, 5/05/13 460 388,189 VML US Finance LLC (Venetian Macau):** Delay Draw Project Loan, 5.06%, 5/25/12 500 484,167 Funded Project Loan, 5.06%, 5/27/13 1,000 968,333

4,802,325

| Floating Rate Loan Interests | | Par (000) | Value |
|--|-----|--------------|------------|
| Household Durables 1.9% | | | |
| American Residential Services LLC Second Lien Term Loan, 12%, 4/17/15 | USD | 1,000 | \$ 986,173 |
| Simmons Bedding Co. Tranche Term Loan D, 4.50% 7.125%, 12/19/11 | | 1,686 | 1,565,920 |
| The Yankee Candle Co., Inc. Term Loan, 4.48% 4.81%, 2/06/14 | | 750 | 654,375 |
| | | | 3,206,468 |
| IT Services 3.3% | | | |
| Activant Solutions Inc. Term Loan, 4.688% 4.813%, 5/02/13 | | 1,229 | 1,062,899 |
| Audio Visual Services Group, Inc. Tranche Term Loan B, 5.06%, 2/28/14 | | 993 | 843,625 |
| Ceridian Corp. U.S. Term Loan, 5.464%, 11/09/14 | | 1,750 | 1,645,000 |
| First Data Corp.: | | | |
| Initial Tranche B-2, 5.222% 5.552%, 9/24/14 | | 1,795 | 1,645,493 |
| Initial Tranche B-3, 5.551% 5.552%, 9/24/14 | | 497 | 455,898 |
| | | | 5,652,915 |
| Independent Power Producers & Energy Traders 1.7% | | | |
| Calpine Generating Co. LLC Second Priority Term Loan, 11.07%, 4/01/10 | | 43 | 40,266 |
| Texas Competitive Electric Holdings Co. LLC (TXU): Term Loan B-2, 5.963% 6.303%, 10/10/29 | | 992 | 924,954 |

Edgar Filing: Hester Kevin - Form 5

| | | |
|--|-------|-----------|
| Term Loan B-3, 5.963% 6.303%, 10/10/14 | 1,985 | 1,846,050 |
| | | 2,811,270 |
| <hr/> | | |
| Industrial Conglomerates 1.1% | | |
| Sequa Corp. Term Loan, 6.06%, 12/03/14 | 1,997 | 1,900,082 |
| <hr/> | | |
| Insurance 0.5% | | |
| Alliant Holdings I, Inc. Term Loan, 5.801%, 8/21/14 | 992 | 912,469 |
| <hr/> | | |
| Internet & Catalog Retail 0.3% | | |
| FTD Group, Inc. Tranche Term Loan B, 7.50%, 8/04/14 | 500 | 485,000 |
| <hr/> | | |
| Leisure Equipment & Products 3.0% | | |
| 24 Hour Fitness Worldwide, Inc. Tranche Term Loan B, 4.97% 5.17%, 6/08/12 | 1,955 | 1,818,150 |
| Easton-Bell Sports, Inc. Tranche Term Loan B, 4.22% 4.44%, 3/16/12 | 1,995 | 1,795,408 |
| True Temper Sports, Inc. Term Loan B, 6.034% 6.061%, 3/15/11 | 1,533 | 1,379,258 |
| | | 4,992,816 |
| <hr/> | | |
| Machinery 2.5% | | |
| Blount, Inc. U.S. Term Loan B, 4.214%, 8/09/10 | 1,120 | 1,069,876 |
| Navistar International Corp.: | | |
| Revolving Credit Linked Deposit, 5.739% 6.046%, 1/19/12 | 400 | 368,500 |
| Term Advance, 6.046% 6.292%, 1/19/12 | 1,100 | 1,013,375 |
| OshKosh Truck Corp. Term Loan B, 4.22% 4.43%, 12/06/13 | 1,865 | 1,696,367 |
| | | 4,148,118 |
| <hr/> | | |
| Media 22.7% | | |
| Affinion Group Holdngs, Inc. Term Loan, 9.368%, 3/01/12 | 300 | 251,625 |
| AlixPartners, LLP Tranche Term Loan C, 4.79%, 10/12/13 | 1,085 | 1,043,859 |
| Bresnan Telecommunications, LLC Additional First Lien Term Loan B, 5.02%, 6/30/13 | 500 | 476,667 |
| Catalina Marketing Corp. Initial Term Loan, 5.801%, 10/01/14 | 995 | 934,050 |
| Cequel Communications LLC (Cebridge): | | |
| Second Lien Term Loan, 8.801% 8.804%, 5/04/14 | 1,000 | 876,000 |
| Term Loan, 4.791% 6%, 11/05/13 | 1,494 | 1,394,276 |

See Notes to Financial Statements.

8 SEMI-ANNUAL REPORT AUGUST 31, 2008

Explanation of Responses:

Schedule of Investments (continued)

BlackRock Floating Rate Income Strategies Fund II, Inc.

(Percentages shown are based on Net Assets)

| Floating Rate Loan Interests | | Par (000) | Value |
|--|-----|--------------|--------------|
| Media (concluded) | | | |
| Charter Communications, Operating LLC Replacement Term Loan, 4.67% 4.80%, 3/06/14 | USD | 3,980 | \$ 3,476,419 |
| Clarke American Corp. Tranche Term Loan B, 5.291% 5.301%, 6/30/14 | | 990 | 813,780 |
| Education Media and Publishing: | | | |
| First Lien Term Loan B, 6.464%, 11/14/14 | | 1,318 | 1,183,068 |
| Second Lien Term Loan, 6.464%, 11/14/14 | | 4,655 | 3,724,174 |
| GateHouse Media Operating, Inc. Initial Term Loan B, 4.81%, 8/28/14 | | 700 | 376,250 |
| Getty Images, Inc. Initial Term Loan, 7.25%, 7/02/15 | | 500 | 499,219 |
| Gray Television, Inc. Term Loan B, 3.97% 4.29%, 12/31/14 | | 900 | 747,034 |
| Hanley-Wood LLC Term Loan, 4.711% 4.717%, 3/08/14 | | 995 | 772,369 |
| Insight Midwest Holdings, LLC Term Loan B, 4.47%, 4/07/14 | | 2,025 | 1,944,634 |
| Intelsat Subsidiary Holding Co. Ltd. Tranche Term Loan B, 5.288%, 7/03/13 | | 946 | 906,893 |
| Knology, Inc. Term Loan, 5.038%, 6/30/12 | | 495 | 455,400 |
| Mediacom Broadband Group Tranche A Term Loan, 3.97% 3.98%, 3/31/10 | | 1,365 | 1,296,750 |
| Mediacom Illinois, LLC (Mediacom Communications, LLC): | | | |
| Term Loan C, 4.22% 4.23%, 1/31/15 | | 2,115 | 1,952,795 |
| Term Loan D, 4.22% 4.23%, 1/31/15 | | 997 | 920,165 |
| Metro-Goldwyn-Mayer, Inc. Tranche Term Loan B, 6.051%, 4/09/12 | | 1,909 | 1,438,318 |
| Multicultural Radio Broadcasting Inc. Term Loan, 5.422%, 12/18/12 | | 349 | 314,100 |
| NEP II Inc. Term Loan B, 5.051%, 2/16/14 | | 740 | 666,557 |
| National Cinemedia LLC Term Loan, 4.54%, 2/13/15 | | 750 | 674,598 |
| NextMedia Operating, Inc.: | | | |
| Delay Draw Term Loan, 6.466%, 11/15/12 | | 440 | 382,934 |
| First Lien Term Loan, 6.472%, 11/15/12 | | 829 | 721,371 |
| PanAmSat Corp.: | | | |
| Term Loan B, 5.288%, 1/03/14 | | 601 | 571,371 |
| Term Loan B-2, 5.288%, 1/03/14 | | 601 | 571,543 |
| Term Loan B-2C, 5.288%, 1/03/14 | | 601 | 571,371 |
| Penton Media, Inc. Second Lien Term Loan, 7.799%, 2/01/14 | | 493 | 374,016 |

Explanation of Responses:

Edgar Filing: Hester Kevin - Form 5

| | | | |
|---|-----|-------|------------|
| ProSiebenSat 1 Media AG Term Loan B, 6.86% 7.526%, 6/30/15 | EUR | 500 | 504,115 |
| San Juan Cable Term Loan B, 9.47%, 3/15/13 | USD | 1,124 | 985,718 |
| Spanish Broadcasting System, Inc. Tranche 2 First Lien Term Loan B, 4.56%, 6/10/12 | | 2,425 | 1,842,857 |
| Thomson Learning, Inc. Term Loan B-2, 7.50%, 7/05/14 | | 4,250 | 4,207,500 |
| Weather Channel Term Loan B, 7.205%, 6/01/15 | | 500 | 483,750 |
| | | | <hr/> |
| | | | 38,355,546 |

Multi-Utilities 3.7%

| | | | |
|---|--|-------|-----------|
| Riverside Energy Center Term Loan, 7.049%, 6/24/11 | | 3,973 | 3,972,694 |
| Rocky Mountain Energy Center LLC: Credit-Linked Deposit, 2.699%, 6/24/11 | | 340 | 339,834 |
| Term Loan, 7.049%, 6/24/11 | | 1,988 | 1,987,739 |
| | | | <hr/> |
| | | | 6,300,267 |

Floating Rate Loan Interests

**Par
(000)**

Value

Multiline Retail 1.3%

| | | | |
|---|--|-----------|--------------|
| Neiman Marcus Group, Inc. Term Loan, 4.422%, 4/06/13 | | USD 2,322 | \$ 2,154,910 |
|---|--|-----------|--------------|

Oil, Gas & Consumable Fuels 1.1%

| | | | |
|---|--|-----|-----------|
| Coffeyville Resources LLC: Funded Letter of Credit, 2.691%, 12/28/10 | | 162 | 147,568 |
| Tranche Term Loan D, 5.541% 6.75%, 12/30/13 | | 525 | 477,669 |
| Vulcan Energy Corp. Term Loan B-3, 6.25%, 8/12/11 | | 750 | 746,250 |
| Western Refining, Inc. Term Loan, 7.75%, 5/30/14 | | 495 | 427,038 |
| | | | <hr/> |
| | | | 1,798,525 |

Paper & Forest Products 2.9%

| | | | |
|---|--|-------|-----------|
| Boise Paper Holdings LLC (Aldabra Sub LLC) Second Lien Term Loan, 7.50%, 2/24/15 | | 748 | 744,785 |
| Georgia-Pacific LLC: First Lien Term Loan B, 4.219% 4.551%, 2/14/13 | | 1,580 | 1,491,830 |
| Term Loan B, 4.219% 4.551%, 12/20/12 | | 409 | 386,063 |
| NewPage Corp. Term Loan, 6.563%, 12/22/14 | | 1,243 | 1,211,723 |
| Verso Paper Finance Holdings LLC Term Loan, 9.033%, 2/01/13 | | 1,158 | 1,085,700 |
| | | | <hr/> |
| | | | 4,920,101 |

Edgar Filing: Hester Kevin - Form 5

Pharmaceuticals 0.9%

Pharmaceutical Technologies & Services (PTS)

Term Loan:

| | | | |
|-----------------|-----|-----|---------|
| 5.051%, 4/15/14 | | 990 | 863,775 |
| 7.205%, 4/15/14 | EUR | 495 | 639,045 |

1,502,820

Professional Services 0.2%

Booz Allen Hamilton, Inc. Tranche Term Loan B,

7.50%, 7/31/15

| | | |
|-----|-----|---------|
| USD | 250 | 250,104 |
|-----|-----|---------|

Real Estate 0.6%

Realty Corp. Letter of Credit, 2.44%, 10/10/13

| | |
|-------|-----------|
| 1,230 | 1,015,263 |
|-------|-----------|

Real Estate Management & Development 0.2%

Mattamy Funding Partnership Term Loan, 5.063%,

4/11/13

| | |
|-----|---------|
| 489 | 406,884 |
|-----|---------|

Road & Rail 0.6%

Rail America, Inc.:

Canadian Term Loan, 6.79%, 8/14/09

| | |
|-----|---------|
| 530 | 527,749 |
|-----|---------|

U.S. Term Loan, 6.79%, 8/14/09

| | |
|-----|---------|
| 469 | 467,252 |
|-----|---------|

995,001

Specialty Retail 0.8%

ADESA, Inc. (KAR Holdings Inc.) Initial Term Loan B,

5.06%, 10/21/13

| | |
|-----|---------|
| 983 | 874,279 |
|-----|---------|

Burlington Coat Factory Warehouse Corp. Term Loan B,

5.06%, 5/28/13

| | |
|-----|---------|
| 294 | 227,302 |
|-----|---------|

Claire's Stores Inc. Term Loan B,

5.219% 5.56%, 5/29/14

| | |
|-----|---------|
| 494 | 329,937 |
|-----|---------|

1,431,518

Textiles, Apparel & Luxury Goods 0.2%

Renfro Corp. Tranche Term Loan B, 5.92%

6.06%, 10/04/13

| | |
|-----|---------|
| 463 | 380,713 |
|-----|---------|

Wireless Telecommunication Services 0.2%

IPC Systems, Inc. Tranche Term Loan B-1,

5.051%, 6/02/14

| | |
|-----|---------|
| 495 | 371,250 |
|-----|---------|

Total Floating Rate Loan Interests 88.3%

149,076,219

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

Explanation of Responses:

AUGUST 31, 2008

9

Schedule of Investments (continued)

BlackRock Floating Rate Income Strategies Fund II, Inc.

(Percentages shown are based on Net Assets)

| Corporate Bonds | Par (000) | Value |
|---|--------------|------------|
| Auto Components 0.3% | | |
| The Goodyear Tire & Rubber Co., 6.678%, 12/01/09 (e) | USD 500 | \$ 500,000 |
| Building Products 1.5% | | |
| CPG International I, Inc., 9.904%, 7/01/12 (e) | 3,000 | 2,280,000 |
| Momentive Performance Materials, Inc. Series WI, 9.75%, 12/01/14 | 300 | 270,750 |
| | | 2,550,750 |
| Capital Markets 2.4% | | |
| E*Trade Financial Corp., 12.50%, 11/30/17 (f) | 3,000 | 3,210,000 |
| Marsico Parent Co., LLC, 10.625%, 1/15/16 (f) | 663 | 556,920 |
| Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (c)(e) | 244 | 202,460 |
| Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (d)(f) | 165 | 137,104 |
| | | 4,106,484 |
| Chemicals 3.6% | | |
| GEO Specialty Chemicals Corp. (g): 11.283%, 12/31/09 | 1,079 | 807,901 |
| 7.50%, 3/31/15 (a)(d)(f) | 647 | 484,459 |
| Hexion U.S. Finance Corp., 7.304%, 11/15/14 (e) | 3,000 | 2,287,500 |
| MacDermid, Inc., 9.50%, 4/15/17 (f) | 2,000 | 1,830,000 |
| NOVA Chemicals Corp., 5.953%, 11/15/13 (e) | 755 | 649,300 |
| | | 6,059,160 |
| Commercial Services & Supplies 1.1% | | |
| ARAMARK Corp., 6.301%, 2/01/15 (e) | 2,000 | 1,860,000 |
| Communications Equipment 1.4% | | |
| Nortel Networks Ltd., 7.041%, 7/15/11 (e) | 2,500 | 2,318,750 |

Explanation of Responses:

8

Edgar Filing: Hester Kevin - Form 5

| | | | |
|--|--|----------------------|--------------|
| Computers & Peripherals 1.0% | | | |
| Quantum Corp., 4.375%, 8/01/10 (g) | | 2,000 | 1,655,000 |
| Construction Materials 1.0% | | | |
| Nortek Holdings, Inc., 10%, 12/01/13 (f) | | 1,710 | 1,598,850 |
| Containers & Packaging 3.3% | | | |
| Berry Plastics Holding Corp., 6.651%, 9/15/14 (e) | | 850 | 637,500 |
| Clondalkin Acquisition BV, 4.776%, 12/15/13 (e)(f) | | 5,000 | 4,150,000 |
| Packaging Dynamics Finance Corp., 10%, 5/01/16 (f) | | 1,240 | 837,000 |
| | | | 5,624,500 |
| Diversified Financial Services 1.4% | | | |
| FCE Bank Plc, 7.125%, 1/16/12 | | EUR 2,000 | 2,447,210 |
| Diversified Telecommunication Services 0.4% | | | |
| Qwest Corp., 6.026%, 6/15/13 (e) | | USD 800 | 740,000 |
| Electronic Equipment & Instruments 0.7% | | | |
| NXP BV, 5.541%, 10/15/13 (e) | | 1,590 | 1,236,225 |
| Food & Staples Retailing 0.1% | | | |
| AmeriQual Group LLC, 9%, 4/01/12 (f) | | 250 | 162,500 |
| Health Care Equipment & Supplies 2.4% | | | |
| DJO Finance LLC, 10.875%, 11/15/14 | | 4,000 | 4,010,000 |
| Hotels, Restaurants & Leisure 4.8% | | | |
| American Real Estate Partners LP, 7.125%, 2/15/13 | | 4,000 | 3,495,000 |
| Harrah s Operating Co., Inc. (f): | | | |
| 10.75%, 2/01/16 | | 1,376 | 925,360 |
| 10.75%, 2/01/18 (d) | | 221 | 132,600 |
| Landry s Restaurants, Inc., 9.50%, 12/15/14 | | 1,500 | 1,485,000 |
| Corporate Bonds | | Par (000) | Value |
| Hotels, Restaurants & Leisure (concluded) | | | |
| Little Traverse Bay Bands of Odawa Indians, 10.25%, 2/15/14 (f) | | USD 1,565 | \$ 1,302,863 |
| Travelport LLC, 7.436%, 9/01/14 (e) | | 950 | 748,125 |
| | | | 8,088,948 |
| Household Durables 0.0% | | | |
| The Yankee Candle Co., Inc. 9.75%, 2/15/17 | | 100 | 63,500 |

Explanation of Responses:

Edgar Filing: Hester Kevin - Form 5

| | | | |
|--|--|-------|-----------|
| IT Services 0.5% | | | |
| First Data Corp., 9.875%, 9/24/15 (f) | | 1,000 | 862,500 |
| Independent Power Producers & Energy Traders 0.3% | | | |
| Texas Competitive Electric Holdings Co. LLC, 10.25%, 11/01/15 (f) | | 590 | 588,525 |
| Industrial Conglomerates 0.5% | | | |
| Sequa Corp. (f): 11.75%, 12/01/15 | | 320 | 281,600 |
| 13.50%, 12/01/15 (d) | | 744 | 606,332 |
| | | | 887,932 |
| Insurance 1.5% | | | |
| American International Group, Inc., 8.25%, 8/15/18 (f) | | 2,500 | 2,464,553 |
| Media 2.5% | | | |
| Charter Communications Holdings II, LLC, 10.25%, 9/15/10 | | 1,825 | 1,752,000 |
| Nielsen Finance LLC, 10%, 8/01/14 | | 1,150 | 1,164,375 |
| TL Acquisitions, Inc., 10.50%, 1/15/15 (f) | | 1,000 | 855,000 |
| Windstream Regatta Holdings, Inc., 11%, 12/01/17 (f) | | 748 | 433,840 |
| | | | 4,205,215 |
| Metals & Mining 2.5% | | | |
| FMG Finance Property Ltd., 6.811%, 9/01/11 (e)(f) | | 180 | 176,400 |
| Freeport-McMoRan Copper & Gold, Inc., 5.883%, 4/01/15 (e) | | 3,180 | 3,188,395 |
| Ryerson, Inc., 10.176%, 11/01/14 (e)(f) | | 840 | 802,200 |
| | | | 4,166,995 |
| Oil, Gas & Consumable Fuels 0.6% | | | |
| SandRidge Energy, Inc., 6.416%, 4/01/14 (e)(f) | | 1,000 | 937,821 |
| Paper & Forest Products 4.5% | | | |
| Abitibi-Consolidated, Inc., 6.276%, 6/15/11 (e) | | 2,000 | 915,000 |
| Bowater, Inc., 5.776%, 3/15/10 (e) | | 2,000 | 1,640,000 |
| NewPage Corp., 10%, 5/01/12 | | 2,000 | 1,940,000 |
| Verso Paper Holdings LLC Series B, 6.551%, 8/01/14 (e) | | 3,500 | 3,115,000 |
| | | | 7,610,000 |
| Pharmaceuticals 0.3% | | | |

Explanation of Responses:

Edgar Filing: Hester Kevin - Form 5

| | | |
|--|-------|-----------|
| Angiotech Pharmaceuticals, Inc., 6.56%, 12/01/13 (e) | 500 | 442,500 |
| <hr/> | | |
| Real Estate Management & Development 0.3% | | |
| Realogy Corp., 11%, 10/10/13 (d) | 1,215 | 571,050 |
| <hr/> | | |
| Road & Rail 0.0% | | |
| Swift Transportation Co., Inc., 10.554%, 5/12/14 (e)(f) | 175 | 61,250 |
| <hr/> | | |
| Semiconductors & Semiconductor Equipment 1.1% | | |
| Avago Technologies Finance Pte. Ltd., 8.311%, 6/01/13 (e) | 600 | 600,000 |
| Spansion, Inc., 5.935%, 6/01/13 (e)(f) | 1,690 | 1,174,550 |
| <hr/> | | |
| | | 1,774,550 |
| <hr/> | | |

See Notes to Financial Statements.

10 SEMI-ANNUAL REPORT

AUGUST 31, 2008

Schedule of Investments (continued)

BlackRock Floating Rate Income Strategies Fund II, Inc.

(Percentages shown are based on Net Assets)

| Corporate Bonds | Par (000) | Value |
|--|--------------|------------|
| <hr/> | | |
| Specialty Retail 0.7% | | |
| AutoNation, Inc., 4.791%, 4/15/13 (e) | USD 250 | \$ 206,250 |
| General Nutrition Centers, Inc., 7.199%, 3/15/14 (d)(e) | 350 | 292,792 |
| Michaels Stores, Inc., 11.375%, 11/01/16 | 940 | 601,600 |
| <hr/> | | |
| | | 1,100,642 |
| <hr/> | | |
| Wireless Telecommunication Services 1.6% | | |
| Cricket Communications, Inc., 9.375%, 11/01/14 | 1,030 | 1,020,988 |
| Digicel Group Ltd., 9.125%, 1/15/15 (d)(f) | 1,249 | 1,128,784 |
| Sprint Capital Corp., 7.625%, 1/30/11 | 625 | 625,000 |
| <hr/> | | |
| | | 2,774,772 |
| <hr/> | | |
| Total Corporate Bonds 42.3% | | 71,470,182 |

Explanation of Responses:

| Common Stocks | Shares | |
|---|-----------|-------------|
| Capital Markets 0.3% | | |
| E*Trade Financial Corp. | 145,213 | 464,682 |
| Chemicals 0.0% | | |
| GEO Specialty Chemicals, Inc. (a)(b) | 10,732 | 4,120 |
| Electrical Equipment 0.0% | | |
| Medis Technologies Ltd. (b) | 13,053 | 40,856 |
| Independent Power Producers & Energy Traders 0.1% | | |
| Reliant Energy, Inc. (b) | 10,424 | 177,521 |
| Semiconductors & Semiconductor Equipment 0.4% | | |
| Cypress Semiconductor Corp. | 19,444 | 630,374 |
| Total Common Stocks 0.8% | | 1,317,553 |
| Preferred Stocks | | |
| Capital Markets 0.0% | | |
| Marsico Parent Superholdco, LLC, 16.75% (f) | 44 | 37,620 |
| Total Preferred Stocks 0.0% | | 37,620 |
| Total Long-Term Investments | | |
| (Cost \$246,253,063) 131.4% | | 221,901,574 |
| Short-Term Securities | | |
| Beneficial Interest (000) | | |
| BlackRock Liquidity Series, LLC Cash Sweep Series, 2.41% (h)(i) | USD 1,790 | 1,790,059 |
| Total Short-Term Securities | | |
| (Cost \$1,790,059) 1.1% | | 1,790,059 |

Explanation of Responses:

Edgar Filing: Hester Kevin - Form 5

| Options Purchased | Contracts | Value |
|---|-----------|---------------|
| Call Options Purchased | | |
| Marsico Parent Superholdco LLC, expiring December 2009 at USD 942.86 | (j) \$ | 18,590 |
| Total Options Purchased (Cost \$10,756) 0.0% | | 18,590 |
| Total Investments (Cost \$248,053,878*) 132.5% | | 223,710,223 |
| Liabilities in Excess of Other Assets (32.5)% | | (54,857,616) |
| Net Assets 100.0% | | \$168,852,607 |

* The cost and unrealized appreciation (depreciation) of investments as of August 31, 2008, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|-----------------|
| Aggregate cost | \$248,075,693 |
| Gross unrealized appreciation | \$ 2,264,717 |
| Gross unrealized depreciation | (26,630,187) |
| Net unrealized depreciation | \$ (24,365,470) |

- (a) Security is fair valued.
- (b) Non-income producing security.
- (c) Issuer filed for bankruptcy or is in default of interest payments.
- (d) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (e) Variable rate security. Rate shown is as of report date. Maturity shown is the final maturity date.
- (f) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (g) Convertible security.
- (h) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

| Affiliate | Net Activity (000) | Income |
|-----------|--------------------------|--------|
| | | |

Edgar Filing: Hester Kevin - Form 5

BlackRock Liquidity Series, LLC
Cash Sweep Series

USD 1,790

\$36,575

(i) Represents the current yield as of report date.

(j) Amount is less than 1.

For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease.

See Notes to Financial Statements.

SEMI-ANNUAL REPORT AUGUST 31, 2008

11

Schedule of Investments (concluded) BlackRock Floating Rate Income Strategies Fund II, Inc.

Foreign currency exchange contracts as of August 31, 2008 were as follows:

| Currency Purchased | Currency Sold | | Settlement Date | Unrealized Appreciation |
|---------------------------|----------------------|-----------|------------------------|--------------------------------|
| USD 3,616,854 | EUR | 2,311,000 | 10/23/08 | \$ 236,550 |
| USD 2,400,361 | EUR | 1,639,000 | 10/23/08 | 2,993 |
| USD 3,853,478 | GBP | 1,943,000 | 10/23/08 | 326,189 |
| Total | | | | \$ 565,732 |

Swaps outstanding as of August 31, 2008 were as follows:

| | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|---|------------------------------|---|
| Sold credit default protection on Ford Motor Credit Co. and receive 3.80% Broker, UBS Warburg Expires March 2010 | USD 5,000 | \$(1,027,940) |
| Bought credit default protection on Dow Jones CDX North America High Yield Index Series 10, Class V1 and pay 5% Broker, Credit Suisse First Boston International | | |

Explanation of Responses:

Edgar Filing: Hester Kevin - Form 5

| | | |
|---|-----------|--------|
| Expires June 2013 | USD 2,000 | 5,728 |
| Bought credit default protection on Dow Jones CDX North America High Yield Series 10 Index and pay 5% | | |
| Broker, Morgan Stanley Capital Services, Inc. | | |
| Expires June 2013 | USD 700 | 28,692 |
| Bought credit default protection on Dow Jones CDX North America High Yield Index Series 10 and receive 5% | | |
| Broker, Morgan Stanley Capital Services, Inc. | | |