UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, 2022**

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______ to ________

Commission file number: **001-35593**

HOMETRUST BANCSHARES, INC.
(Exact name of registrant as specified in its charter)

Maryland	**45-5055422**
(State or other jurisdiction of incorporation of organization)	(I.R.S. Employer Identification No.)

10 Woodfin Street, Asheville, North Carolina 28801
(Address of principal executive offices; Zip Code)

(828) 259-3939
(Registrant's telephone number, including area code)

None
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $.01 per share	**HTBI**	**The NASDAQ Stock Market LLC**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 and 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☒

Non-accelerated filer ☐ Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

There were 15,720,503 shares of common stock, par value of $.01 per share, issued and outstanding as of May 4, 2022.

HOMETRUST BANCSHARES, INC. AND SUBSIDIARIES
10-Q
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Glossary of Defined Terms

The following items may be used throughout this Form 10-Q, including the Notes to Consolidated Financial Statements in Item 1 and Management's Discussion and Analysis of Financial Condition and Results of Operations in Item 2 of this Form 10-Q.

Term	Definition
ACL	Allowance for Credit Losses
AFS	Available-For-Sale
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
BOLI	Bank Owned Life Insurance
CARES Act	Coronavirus Aid, Relief, and Economic Security Act of 2020
CD	Certificate of Deposit
CDA	Collateral Dependent Asset
CECL	Current Expected Credit Losses
CET1	Common Equity Tier 1
COVID-19	Coronavirus Disease 2019
CPI	Consumer Price Index
DCF	Discounted Cash Flow
ECL	Expected Credit Losses
EPS	Earnings Per Share
ESOP	Employee Stock Ownership Plan
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit Insurance Corporation
FHLB	Federal Home Loan Bank
FRB	Federal Reserve Bank of Richmond
GAAP	Generally Accepted Accounting Principles in the United States
GSE	Government-Sponsored Enterprises
HELOC	Home Equity Line of Credit
LIBOR	London Interbank Offered Rate
MBS	Mortgage-Backed Securities
NCCOB	North Carolina Office of the Commissioner of Banks
OTTI	Other Than Temporary Impairment
PCD	Purchased Financial Assets with Credit Deterioration
PCI	Purchase Credit Impaired
PPP	Paycheck Protection Program
REO	Real Estate Owned
ROU	Right of Use
RSU	Restricted Stock Unit
SEC	Securities and Exchange Commission
SBA	U.S. Small Business Administration
SBIC	Small Business Investment Companies
TDR	Troubled Debt Restructuring

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

HOMETRUST BANCSHARES, INC. AND SUBSIDIARY
Consolidated Balance Sheets
(Dollars in thousands, except per share data)

	(Unaudited) March 31, 2022	June 30, 2021
Assets		
Cash	$ 19,783	$ 22,312
Interest-bearing deposits	32,267	28,678
Cash and cash equivalents	52,050	50,990
Commercial paper	312,918	189,596
Certificates of deposit in other banks	28,125	40,122
Debt securities available for sale, at fair value (amortized cost of $108,130 and $154,493 at March 31, 2022 and June 30, 2021, respectively)	106,315	156,459
Other investments, at cost	23,040	23,710
Loans held for sale	85,263	93,539
Total loans, net of deferred loan fees and costs	2,699,538	2,733,267
Allowance for credit losses on loans	(31,034)	(35,468)
Loans, net	2,668,504	2,697,799
Premises and equipment, net	69,629	70,909
Accrued interest receivable	7,980	7,933
REO	—	188
Deferred income taxes, net	12,494	16,901
BOLI	94,740	93,108
Goodwill	25,638	25,638
Core deposit intangibles, net	135	343
Other assets	54,954	57,488
Total Assets	$ 3,541,785	$ 3,524,723
Liabilities and stockholders' equity		
Liabilities		
Deposits	$ 3,059,157	$ 2,955,541
Borrowings	30,000	115,000
Other liabilities	57,497	57,663
Total liabilities	3,146,654	3,128,204
Commitments and Contingencies - See Note 9		
Stockholders' equity		
Preferred stock, $0.01 par value, 10,000,000 shares authorized, none issued or outstanding	—	—
Common stock, $0.01 par value, 60,000,000 shares authorized, 15,978,262 shares issued and outstanding at March 31, 2022; 16,636,483 at June 30, 2021	160	167
Additional paid in capital	136,181	160,582
Retained earnings	265,609	240,075
Unearned ESOP shares	(5,422)	(5,819)
Accumulated other comprehensive income (loss)	(1,397)	1,514
Total stockholders' equity	395,131	396,519
Total liabilities and stockholders' equity	$ 3,541,785	$ 3,524,723

The accompanying notes are an integral part of these consolidated financial statements.

HOMETRUST BANCSHARES, INC. AND SUBSIDIARY
Consolidated Statements of Income
(Dollars in thousands, except per share data)

	(Unaudited)			
	Three Months Ended March 31,		Nine Months Ended March 31,	
	2022	2021	2022	2021
Interest and dividend income				
Loans	$ 26,616	$ 27,629	$ 81,440	$ 84,564
Commercial paper and interest-bearing deposits	563	611	1,362	2,106
Debt securities available for sale	384	496	1,319	1,528
Other investments	632	585	1,867	1,729
Total interest and dividend income	28,195	29,321	85,988	89,927
Interest expense				
Deposits	1,151	1,996	4,028	7,596
Borrowings	4	1,632	45	5,007
Total interest expense	1,155	3,628	4,073	12,603
Net interest income	27,040	25,693	81,915	77,324
Provision (benefit) for credit losses	(45)	(4,100)	(4,005)	(6,180)
Net interest income after provision (benefit) for credit losses	27,085	29,793	85,920	83,504
Noninterest income				
Service charges and fees on deposit accounts	2,216	2,194	7,101	6,707
Loan income and fees	752	636	2,536	1,679
Gain on sale of loans held for sale	2,969	4,881	10,927	11,929
BOLI income	492	508	1,500	1,551
Operating lease income	1,661	1,432	4,920	4,107
Other	857	1,027	2,496	2,688
Total noninterest income	8,947	10,678	29,480	28,661
Noninterest expense				
Salaries and employee benefits	14,730	15,784	44,882	46,691
Occupancy expense, net	2,483	2,456	7,201	7,010
Computer services	2,455	2,581	7,148	7,108
Telephone, postage, and supplies	686	812	2,133	2,345
Marketing and advertising	573	319	2,110	971
Deposit insurance premiums	412	363	1,280	1,361
REO related expense, net	220	84	478	462
Core deposit intangible amortization	50	165	208	605
Prepayment penalties on borrowings	—	3,656	—	3,656
Other	4,190	4,286	12,285	12,740
Total noninterest expense	25,799	30,506	77,725	82,949
Net income before income taxes	10,233	9,965	37,675	29,216
Income tax expense	2,210	2,096	8,047	6,133
Net income	$ 8,023	$ 7,869	$ 29,628	$ 23,083
Per share data:				
Net income per common share:				
Basic	$ 0.51	$ 0.49	$ 1.87	$ 1.42
Diluted	$ 0.51	$ 0.48	$ 1.84	$ 1.40
Average shares outstanding:				
Basic	15,523,813	15,979,590	15,666,093	16,139,059
Diluted	15,793,012	16,485,718	15,997,377	16,339,130

The accompanying notes are an integral part of these consolidated financial statements.

HOMETRUST BANCSHARES, INC. AND SUBSIDIARY
Consolidated Statements of Comprehensive Income
(Dollars in thousands)

	(Unaudited)			
	Three Months Ended March 31,		Nine Months Ended March 31,	
	2022	2021	2022	2021
Net income	$ 8,023	$ 7,869	$ 29,628	$ 23,083
Other comprehensive loss				
Unrealized holding losses on debt securities available for sale				
Losses arising during the period	(2,595)	(839)	(3,781)	(724)
Deferred income tax benefit	598	193	870	166
Total other comprehensive loss	$ (1,997)	$ (646)	(2,911)	(558)
Comprehensive income	$ 6,026	$ 7,223	$ 26,717	$ 22,525

The accompanying notes are an integral part of these consolidated financial statements.

HOMETRUST BANCSHARES, INC. AND SUBSIDIARY
Consolidated Statements of Changes in Stockholders' Equity
(Dollars in thousands)

(Unaudited)
Three Months Ended March 31, 2022

	Common Stock		Additional Paid In Capital	Retained Earnings	Unearned ESOP Shares	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount					
Balance at December 31, 2021	16,303,461	$ 163	$ 147,552	$ 258,986	$ (5,555)	$ 600	$ 401,746
Net income	—	—	—	8,023	—	—	8,023
Cash dividends declared on common stock, $0.09/ common share	—	—	—	(1,400)	—	—	(1,400)
Common stock repurchased	(419,931)	(4)	(12,911)	—	—	—	(12,915)
Forfeited restricted stock	(2,600)	—	—	—	—	—	—
Retired stock	(8,627)	—	(270)	—	—	—	(270)
Granted restricted stock	40,123	—	—	—	—	—	—
Exercised stock options	65,836	1	1,038	—	—	—	1,039
Share-based compensation expense	—	—	507	—	—	—	507
ESOP compensation expense	—	—	265	—	133	—	398
Other comprehensive loss	—	—	—	—	—	(1,997)	(1,997)
Balance at March 31, 2022	15,978,262	$ 160	$ 136,181	$ 265,609	$ (5,422)	$ (1,397)	$ 395,131

(Unaudited)
Nine Months Ended March 31, 2022

	Common Stock		Additional Paid In Capital	Retained Earnings	Unearned ESOP Shares	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount					
Balance at June 30, 2021	16,636,483	$ 167	$ 160,582	$ 240,075	$ (5,819)	$ 1,514	$ 396,519
Net income	—	—	—	29,628	—	—	29,628
Cash dividends declared on common stock, $0.26/common share	—	—	—	(4,094)	—	—	(4,094)
Common stock repurchased	(1,095,763)	(11)	(32,307)	—	—	—	(32,318)
Forfeited restricted stock	(12,000)	—	—	—	—	—	—
Retired stock	(11,335)	—	(345)	—	—	—	(345)
Granted restricted stock	40,123	—	—	—	—	—	—
Stock issued for RSUs	7,118	—	—	—	—	—	—
Exercised stock options	413,636	4	6,077	—	—	—	6,081
Share-based compensation expense	—	—	1,407	—	—	—	1,407
ESOP compensation expense	—	—	767	—	397	—	1,164
Other comprehensive loss	—	—	—	—	—	(2,911)	(2,911)
Balance at March 31, 2022	15,978,262	$ 160	$ 136,181	$ 265,609	$ (5,422)	$ (1,397)	$ 395,131

HOMETRUST BANCSHARES, INC. AND SUBSIDIARY
Consolidated Statements of Changes in Stockholders' Equity
(Dollars in thousands)

(Unaudited)
Three Months Ended March 31, 2021

	Common Stock		Additional Paid In Capital	Retained Earnings	Unearned ESOP Shares	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount					
Balance at December 31, 2020	16,791,027	$ 168	$ 166,352	$ 242,182	$ (6,083)	$ 2,105	$ 404,724
Net income	—	—	—	7,869	—	—	7,869
Cash dividends declared on common stock, $0.08/common share	—	—	—	(1,284)	—	—	(1,284)
Common stock repurchased	(289,333)	(3)	(6,541)	—	—	—	(6,544)
Forfeited restricted stock		—	—	—	—	—	—
Retired stock	(8,473)	—	(195)	—	—	—	(195)
Granted restricted stock	43,260	—	—	—	—	—	—
Exercised stock options	118,866	2	1,712	—	—	—	1,714
Share-based compensation expense	—	—	489	—	—	—	489
ESOP compensation expense	—	—	193	—	132	—	325
Other comprehensive loss	—	—	—	—	—	(646)	(646)
Balance at March 31, 2021	16,655,347	$ 167	$ 162,010	$ 248,767	$ (5,951)	$ 1,459	$ 406,452

(Unaudited)
Nine Months Ended March 31, 2021

	Common Stock		Additional Paid In Capital	Retained Earnings	Unearned ESOP Shares	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount					
Balance at June 30, 2020	17,021,357	$ 170	$ 169,648	$ 242,776	$ (6,348)	$ 2,017	$ 408,263
Net income	—	—	—	23,083	—	—	23,083
Cumulative-effect adjustment due to the adoption of ASU 2016-13	—	—	—	(13,358)	—	—	(13,358)
Cash dividends declared on common stock, $0.23/common share	—	—	—	(3,734)	—	—	(3,734)
Stock repurchased	(566,455)	(6)	(11,717)	—	—	—	(11,723)
Forfeited restricted stock	(6,575)	—	—	—	—	—	—
Retired stock	(9,106)	—	(204)	—	—	—	(204)
Granted restricted stock	43,260	—	—	—	—	—	—
Exercised stock options	172,866	3	2,487	—	—	—	2,490
Share-based compensation expense	—	—	1,449	—	—	—	1,449
ESOP compensation expense	—	—	347	—	397	—	744
Other comprehensive income	—	—	—	—	—	(558)	(558)
Balance at March 31, 2021	16,655,347	$ 167	$ 162,010	$ 248,767	$ (5,951)	$ 1,459	$ 406,452

The accompanying notes are an integral part of these consolidated financial statements.

HOMETRUST BANCSHARES, INC. AND SUBSIDIARY
Consolidated Statements of Cash Flows
(Dollars in thousands)

	(Unaudited) Nine Months Ended March 31, 2022	2021
Operating activities:		
Net income	$ 29,628	$ 23,083
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision (benefit) for credit losses	(4,005)	(6,180)
Depreciation and amortization	7,107	7,042
Deferred income tax expense	5,277	3,600
Net accretion of purchase accounting adjustments on loans	(1,283)	(1,559)
Net amortization and accretion	1,582	916
Prepayment penalties paid on borrowings	—	3,656
Impairment on assets held for sale	87	—
Loss (gain) on sale of REO	7	(49)
BOLI income	(1,500)	(1,551)
Gain on sale of loans held for sale	(10,927)	(11,929)
Origination of loans held for sale	(387,252)	(464,173)
Proceeds from sale of loans held for sale	402,161	443,380
New deferred loan origination fees, net	(640)	(541)
Decrease (increase) in accrued interest receivable and other assets	(3,595)	1,238
ESOP compensation expense	1,164	744
Share-based compensation expense	1,407	1,449
Increase (decrease) in other liabilities	(971)	2,552
Net cash provided by operating activities	38,247	1,678
Investing activities:		
Purchases of debt securities available for sale	(9,762)	(95,636)
Proceeds from maturities, calls and paydowns of debt securities available for sale	55,600	59,021
Purchases of commercial paper	(463,446)	(519,781)
Proceeds from maturities and calls of commercial paper	340,999	586,862
Purchases of CDs in other banks	(996)	(4,930)
Proceeds from maturities of CDs in other banks	12,993	18,604
Net redemptions of other investments, at cost	670	10,047
Net decrease in loans	39,394	103,407
Purchase of BOLI	(132)	(139)
Purchase of equipment for operating leases	(2,888)	(7,877)
Payoff of equipment for operating leases	5,981	65
Purchase of premises and equipment	(6,043)	(15,095)
Proceeds from sale of assets held for sale	2,322	—
Proceeds from sale of REO	181	352
Net cash provided by (used in) investing activities	(25,127)	134,900
Financing activities:		
Net increase in deposits	103,616	122,722
Net decrease in short-term borrowings	(115,000)	—
Proceeds from long-term borrowings	60,000	—
Repayment of long-term borrowings	(30,000)	(203,656)
Common stock repurchased	(32,318)	(11,723)
Cash dividends paid	(4,094)	(3,734)
Retired stock	(345)	(204)
Exercised stock options	6,081	2,490
Net cash used in financing activities	(12,060)	(94,105)
Net increase in cash and cash equivalents	1,060	42,473
Cash and cash equivalents at beginning of period	50,990	121,622
Cash and cash equivalents at end of period	$ 52,050	$ 164,095

HOMETRUST BANCSHARES, INC. AND SUBSIDIARY
Consolidated Statements of Cash Flows (continued)
(Dollars in thousands)

	(Unaudited) Nine Months Ended March 31,	
	2022	**2021**
Supplemental disclosures:		
Cash paid during the period for:		
Interest	$ 4,080	$ 13,302
Income taxes	269	472
Noncash transactions:		
Unrealized loss in value of debt securities available for sale, net of income taxes	(2,911)	(558)
Transfer of loans to REO	—	108
Transfer of loans held for sale to loans held for investment	19,032	14,702
Transfer of loans held for investment to loans held for sale	12,827	—
ROU asset and lease liabilities for operating lease accounting	1,186	599
Transfer of premises and equipment to assets held for sale (included in other assets)	3,229	—

The accompanying notes are an integral part of these consolidated financial statements.

1. Summary of Significant Accounting Policies

The consolidated financial statements presented in this report include the accounts of HomeTrust Bancshares, Inc., a Maryland corporation ("HomeTrust"), and its wholly-owned subsidiary, HomeTrust Bank (the "Bank"). As used throughout this report, the term the "Company" refers to HomeTrust and the Bank, its consolidated subsidiary, unless the context otherwise requires.

The accompanying unaudited consolidated financial statements have been prepared in accordance with GAAP for interim financial information and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X as promulgated by the SEC. Accordingly, they do not include all the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the financial position and results of operations for the periods presented have been included. It is recommended that these unaudited interim consolidated financial statements be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended June 30, 2021 ("2021 Form 10-K") filed with the SEC on September 10, 2021. The results of operations for the nine months ended March 31, 2022 are not necessarily indicative of results that may be expected for the entire fiscal year ending June 30, 2022.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Various elements of the Company's accounting policies, by their nature, are inherently subject to estimation techniques, valuation assumptions, and other subjective assessments. In particular, management has identified the determination of the provision and the allowance for credit losses on loans as an accounting policy that, due to the judgments, estimates and assumptions inherent in this policy, is critical to an understanding of the Company's financial statements. This policy and the related judgments, estimates and assumptions is described in greater detail in the notes to the Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations (Critical Accounting Policies) in the 2021 Form 10-K. Management believes that the judgments, estimates and assumptions used in the preparation of the financial statements are appropriate based on the factual circumstances at the time. However, given the sensitivity of the financial statements to this critical accounting policy, the use of other judgments, estimates and assumptions could result in material differences in the Company's results of operations or financial condition. Further, subsequent changes in economic or market conditions could have a material impact on this estimate and the Company's financial condition and operating results in future periods.

The COVID-19 pandemic has caused significant, unprecedented disruption around the world that has affected daily living and negatively impacted the global economy. The effects of the COVID-19 pandemic may meaningfully impact significant estimates such as the allowance for credit losses or certain loan concentrations in the hospitality and healthcare industries. See "Note 6 - Loans and Allowance for Credit Losses on Loans" for more information on loans that have been modified or are in deferral due to COVID-19.

Reclassifications and corrections. To maintain consistency and comparability, certain amounts from prior periods have been reclassified to conform to current period presentation with no effect on net income or stockholders’ equity as previously reported.

2. Recent Accounting Pronouncements

Newly Issued but Not Yet Effective Accounting Standards

ASU 2021-05, "Leases (Topic 842): Lessors—Certain Leases with Variable Lease Payments." This ASU amends the lease classification requirements for lessors to classify as an operating lease any lease that would otherwise be classified as a sales-type or direct financing lease that would result in the recognition of a day-one loss at lease commencement, provided that the lease includes variable lease payments that do not depend on an index or rate. When a lease is classified as operating, the lessor does not recognize a net investment in the lease, does not derecognize the underlying asset and therefore, does not recognize a selling profit or loss. The amendments in this ASU are effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years and early adoption is permitted. The Company is currently evaluating the impact of adopting the new guidance on the consolidated financial statements.

ASU 2022-02, "Financial Instruments—Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures." This ASU eliminates the TDR recognition and measurement guidance and requires that an entity evaluate whether the modification represents a new loan or a continuation of an existing loan. The amendment also adjusts the disclosures related to modifications and requires entities to disclose current-period gross write-offs by year of origination within the existing vintage disclosures. The amendments in this ASU are effective for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years and early adoption is permitted. The Company is currently evaluating the impact of adopting the new guidance on the consolidated financial statements.

(Dollars in thousands, except per share data)

3. Debt Securities

Debt securities available for sale consist of the following at the dates indicated:

	March 31, 2022			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. government agencies	$ 18,988	$ 34	$ (446)	$ 18,576
MBS, residential	34,641	86	(664)	34,063
Municipal bonds	5,558	109	—	5,667
Corporate bonds	48,943	22	(956)	48,009
Total	$ 108,130	$ 251	$ (2,066)	$ 106,315

	June 30, 2021			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. government agencies	$ 18,975	$ 135	$ (37)	$ 19,073
MBS, residential	42,119	1,339	(54)	43,404
Municipal bonds	9,098	453	—	9,551
Corporate bonds	84,301	257	(127)	84,431
Total	$ 154,493	$ 2,184	$ (218)	$ 156,459

Debt securities available for sale by contractual maturity at March 31, 2022 and June 30, 2021 are shown below. MBS are not included in the maturity categories because the borrowers in the underlying pools may prepay without penalty; therefore, it is unlikely that the securities will pay at their stated maturity schedule.

	March 31, 2022	
	Amortized Cost	Estimated Fair Value
Due within one year	$ 33,546	$ 33,497
Due after one year through five years	33,384	32,322
Due after five years through ten years	6,559	6,433
Due after ten years	—	—
MBS, residential	34,641	34,063
Total	$ 108,130	$ 106,315

	June 30, 2021	
	Amortized Cost	Estimated Fair Value
Due within one year	$ 34,615	$ 34,684
Due after one year through five years	73,249	73,633
Due after five years through ten years	4,510	4,738
Due after ten years	—	—
MBS, residential	42,119	43,404
Total	$ 154,493	$ 156,459

The Company had no sales of debt securities available for sale during the three and nine months ended March 31, 2022 and 2021. There were no gross realized gains or losses for the three and nine months ended March 31, 2022 and 2021.

Debt securities available for sale with amortized costs totaling $53,266 and $52,603 and market values of $52,350 and $53,897 at March 31, 2022 and June 30, 2021, respectively, were pledged as collateral to secure various public deposits and other borrowings.

(Dollars in thousands, except per share data)

The gross unrealized losses and the fair value for debt securities available for sale aggregated by the length of time that individual securities have been in a continuous unrealized loss position as of March 31, 2022 and June 30, 2021 were as follows:

	March 31, 2022					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. government agencies	$ 14,554	$ (446)	$ —	$ —	$ 14,554	$ (446)
MBS, residential	21,093	(546)	2,290	(118)	23,383	(664)
Corporate bonds	23,888	(265)	14,309	(691)	38,197	(956)
Total	$ 59,535	$ (1,257)	$ 16,599	$ (809)	$ 76,134	$ (2,066)

	June 30, 2021					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. government agencies	$ 14,963	$ (37)	$ —	$ —	$ 14,963	$ (37)
MBS, residential	5,212	(28)	1,205	(26)	6,417	(54)
Corporate bonds	19,873	(127)	—	—	19,873	(127)
Total	$ 40,048	$ (192)	$ 1,205	$ (26)	$ 41,253	$ (218)

The total number of securities with unrealized losses at March 31, 2022 and June 30, 2021 were 124 and 28, respectively.

Management evaluates securities for impairment where there has been a decline in fair value below the amortized cost basis of a security to determine whether there is a credit loss associated with the decline in fair value on at least a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. All debt securities available for sale in an unrealized loss position as of March 31, 2022 continue to perform as scheduled and management does not believe that there is a credit loss or that a provision for credit losses is necessary. Also, as part of management's evaluation of its intent and ability to hold investments for a period of time sufficient to allow for any anticipated recovery in the market, management considers its investment strategy, cash flow needs, liquidity position, capital adequacy and interest rate risk position. Management does not currently intend to sell the securities within the portfolio and it is not more-likely-than-not that securities will be required to be sold. See "Note 1 – Summary of Significant Account Policies" in our 2021 Form 10-K for further discussion.

Management continues to monitor all of its securities with a high degree of scrutiny. There can be no assurance that management will not conclude in future periods that conditions existing at that time indicate some or all of its securities may be sold or would require a charge to earnings as a provision for credit losses in such periods.

Management excludes the accrued interest receivable balance from the amortized cost basis in measuring expected credit losses on investment securities and does not record an allowance for credit losses on accrued interest receivable. As of March 31, 2022, the accrued interest receivable for debt securities available for sale was $353.

4. <u>Other Investments</u>

Other investments, at cost, consist of the following at the dates indicated:

	March 31, 2022	June 30, 2021
LB of Atlanta stock	$ 3,038	$ 6,153
B stock	7,413	7,386
IC investments	12,589	10,171
otal	$ 23,040	$ 23,710

As a requirement for membership, the Bank invests in the stock of both the FHLB of Atlanta and the FRB. No ready market exists for these securities so carrying value, or cost, approximates their fair value based on the redemption provisions of the FHLB of Atlanta and the FRB, respectively. SBIC investments are equity securities without a readily determinable fair value and are recorded at cost.

(Dollars in thousands, except per share data)

5. Loans Held For Sale

Loans held for sale as of the dates indicated consist of the following:

	March 31, 2022	June 30, 2021
e-to-four family	$ 14,647	$ 31,873
A	8,105	4,160
LOCs - originated	62,511	57,506
otal	$ 85,263	$ 93,539

6. Loans and Allowance for Credit Losses on Loans

Loans consist of the following at the dates indicated:

	March 31, 2022	June 30, 2021
Commercial loans:		
Commercial real estate	$ 1,102,184	$ 1,142,276
Construction and development	251,668	179,427
Commercial and industrial	167,342	141,341
Equipment finance	378,629	317,920
Municipal finance	130,260	140,421
PPP loans	2,756	46,650
Total commercial loans	2,032,839	1,968,035
Retail consumer loans:		
One-to-four family	347,945	406,549
HELOCs - originated	128,445	130,225
HELOCs - purchased	26,911	38,976
Construction and land/lots	72,735	66,027
Indirect auto finance	83,903	115,093
Consumer	6,760	8,362
Total retail consumer loans	666,699	765,232
Total loans, net of deferred loan fees and costs	2,699,538	2,733,267
Allowance for credit losses on loans	(31,034)	(35,468)
Loans, net	$ 2,668,504	$ 2,697,799

(1) At March 31, 2022 and June 30, 2021 accrued interest receivable of $7,427 and $7,339 was accounted for separately from the amortized cost basis.

All qualifying one-to-four family first mortgage loans, HELOCs, commercial real estate loans, and FHLB of Atlanta stock are pledged as collateral by a blanket pledge to secure any outstanding FHLB advances.

Loans are monitored for credit quality on a recurring basis and the composition of the loans outstanding by credit quality indicator is provided below. Loan credit quality indicators are developed through review of individual borrowers on an ongoing basis. Generally, loans are monitored for performance on a quarterly basis with the credit quality indicators adjusted as needed. The indicators represent the rating for loans as of the date presented based on the most recent assessment performed. These credit quality indicators are defined as follows:

Pass—A pass rated asset is not adversely classified because it does not display any of the characteristics for adverse classification.

Special Mention—A special mention asset has potential weaknesses that deserve management's close attention. If left uncorrected, such potential weaknesses may result in deterioration of the repayment prospects or collateral position at some future date. Special mention assets are not adversely classified and do not warrant adverse classification.

Substandard—A substandard asset is inadequately protected by the current net worth and paying capacity of the obligor, or of the collateral pledged, if any. Assets classified as substandard generally have a well-defined weakness, or weaknesses, that jeopardize the liquidation of the debt. These assets are characterized by the distinct possibility of loss if the deficiencies are not corrected.

Doubtful—An asset classified doubtful has all the weaknesses inherent in an asset classified substandard with the added characteristic that the weaknesses make collection or liquidation in full highly questionable and improbable, on the basis of currently existing facts, conditions, and values.

Loss—Assets classified loss are considered uncollectible and of such little value that their continuing to be carried as an asset is not warranted. This classification is not necessarily equivalent to no potential for recovery or salvage value, but rather that it is not appropriate to defer a full write-off even though partial recovery may be effected in the future.

(Dollars in thousands, except per share data)

The following table presents the credit risk profile by risk grade for commercial loans by origination year:

	Term Loans By Origination Fiscal Year							
March 31, 2022	**2022**	**2021**	**2020**	**2019**	**2018**	**Prior**	**Revolving**	**Total**
Commercial real estate								
Risk rating:								
Pass	$ 135,883	$ 218,034	$ 162,102	$ 115,537	$ 119,739	$ 293,512	$ 23,238	$ 1,068,045
Special mention	730	—	401	432	15,377	13,410	—	30,350
Substandard	—	—	—	—	592	2,800	397	3,789
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total commercial real estate	$ 136,613	$ 218,034	$ 162,503	$ 115,969	$ 135,708	$ 309,722	$ 23,635	$ 1,102,184
Construction and development								
Risk rating:								
Pass	$ 26,859	$ 15,907	$ 2,241	$ 2,687	$ 4,530	$ 5,932	$ 187,373	$ 245,529
Special mention	—	—	—	—	—	186	4,715	4,901
Substandard	906	—	—	—	—	332	—	1,238
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total construction and development	$ 27,765	$ 15,907	$ 2,241	$ 2,687	$ 4,530	$ 6,450	$ 192,088	$ 251,668
Commercial and industrial								
Risk rating:								
Pass	$ 43,193	$ 21,537	$ 11,960	$ 11,645	$ 7,136	$ 22,202	$ 43,889	$ 161,562
Special mention	—	104	—	—	—	94	97	295
Substandard	—	670	347	860	—	53	3,555	5,485
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total commercial and industrial	$ 43,193	$ 22,311	$ 12,307	$ 12,505	$ 7,136	$ 22,349	$ 47,541	$ 167,342
Equipment finance								
Risk rating:								
Pass	$ 142,026	$ 125,396	$ 75,126	$ 32,142	$ 2,278	$ —	$ —	$ 376,968
Special mention	366	74	572	294	—	—	—	1,306
Substandard	—	—	49	156	—	—	—	205
Doubtful	—	—	—	150	—	—	—	150
Loss	—	—	—	—	—	—	—	—
Total equipment finance	$ 142,392	$ 125,470	$ 75,747	$ 32,742	$ 2,278	$ —	$ —	$ 378,629
Municipal leases								
Risk rating:								
Pass	$ 16,684	$ 24,550	$ 9,262	$ 11,768	$ 14,370	$ 42,005	$ 11,584	$ 130,223
Special mention	—	37	—	—	—	—	—	37
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total municipal leases	$ 16,684	$ 24,587	$ 9,262	$ 11,768	$ 14,370	$ 42,005	$ 11,584	$ 130,260
PPP loans								
Risk rating:								
Pass	$ —	$ 2,255	$ 501	$ —	$ —	$ —	$ —	$ 2,756
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total PPP loans	$ —	$ 2,255	$ 501	$ —	$ —	$ —	$ —	$ 2,756
Total commercial loans								
Risk rating:								
Pass	$ 364,645	$ 407,679	$ 261,192	$ 173,779	$ 148,053	$ 363,651	$ 266,084	$ 1,985,083
Special mention	1,096	215	973	726	15,377	13,690	4,812	36,889
Substandard	906	670	396	1,016	592	3,185	3,952	10,717
Doubtful	—	—	—	150	—	—	—	150
Loss	—	—	—	—	—	—	—	—
Total commercial loans	$ 366,647	$ 408,564	$ 262,561	$ 175,671	$ 164,022	$ 380,526	$ 274,848	$ 2,032,839

(Dollars in thousands, except per share data)

The following table presents the credit risk profile by risk grade for retail consumer loans by origination year:

	Term Loans By Origination Fiscal Year							
March 31, 2022	**2022**	**2021**	**2020**	**2019**	**2018**	**Prior**	**Revolving**	**Total**
One-to-four family								
Risk rating:								
Pass	$ 40,621	$ 68,486	$ 48,195	$ 31,537	$ 25,273	$ 123,383	$ 2,770	$ 340,265
Special mention	—	—	—	—	—	858	—	858
Substandard	128	—	1,013	540	434	4,243	—	6,358
Doubtful	—	—	—	—	—	157	—	157
Loss	—	—	—	—	—	307	—	307
Total one-to-four family	$ 40,749	$ 68,486	$ 49,208	$ 32,077	$ 25,707	$ 128,948	$ 2,770	$ 347,945
HELOCs - originated								
Risk rating:								
Pass	$ 627	$ 997	$ 286	$ 1,229	$ 227	$ 7,901	$ 116,176	$ 127,443
Special mention	—	—	—	—	—	9	—	9
Substandard	—	16	—	—	—	927	50	993
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total HELOCs - originated	$ 627	$ 1,013	$ 286	$ 1,229	$ 227	$ 8,837	$ 116,226	$ 128,445
HELOCs - purchased								
Risk rating:								
Pass	$ —	$ —	$ —	$ —	$ —	$ —	$ 26,278	$ 26,278
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	633	633
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total HELOCs - purchased	$ —	$ —	$ —	$ —	$ —	$ —	$ 26,911	$ 26,911
Construction and land/lots								
Risk rating:								
Pass	$ 1,373	$ 13,510	$ 1,691	$ 53	$ —	$ 1,967	$ 53,757	$ 72,351
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	384	—	384
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total construction and land/lots	$ 1,373	$ 13,510	$ 1,691	$ 53	$ —	$ 2,351	$ 53,757	$ 72,735
Indirect auto finance								
Risk rating:								
Pass	$ 19,476	$ 22,276	$ 17,783	$ 9,522	$ 10,238	$ 3,529	$ —	$ 82,824
Special mention	—	0 —	—	—	—	—	—	—
Substandard	62	195	321	136	250	115	—	1,079
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total indirect auto finance	$ 19,538	$ 22,471	$ 18,104	$ 9,658	$ 10,488	$ 3,644	$ —	$ 83,903
Consumer								
Risk rating:								
Pass	$ 572	$ 954	$ 653	$ 4,036	$ 118	$ 101	$ 257	$ 6,691
Special mention	—	—	—	—	—	—	—	—
Substandard	—	8	—	19	10	18	14	69
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total consumer	$ 572	$ 962	$ 653	$ 4,055	$ 128	$ 119	$ 271	$ 6,760
Total retail consumer loans								
Risk rating:								
Pass	$ 62,669	$ 106,223	$ 68,608	$ 46,377	$ 35,856	$ 136,881	$ 199,238	$ 655,852
Special mention	—	—	—	—	—	867	—	867
Substandard	190	219	1,334	695	694	5,687	697	9,516
Doubtful	—	—	—	—	—	157	—	157
Loss	—	—	—	—	—	307	—	307
Total retail consumer loans	$ 62,859	$ 106,442	$ 69,942	$ 47,072	$ 36,550	$ 143,899	$ 199,935	$ 666,699

(Dollars in thousands, except per share data)

The following table presents the credit risk profile by risk grade for commercial loans by origination year:

	Term Loans By Origination Fiscal Year							
June 30, 2021	**2021**	**2020**	**2019**	**2018**	**2017**	**Prior**	**Revolving**	**Total**
Commercial real estate								
Risk rating:								
Pass	$ 227,850	$ 177,691	$ 142,407	$ 158,147	$ 158,525	$ 220,834	$ 25,860	$ 1,111,314
Special mention	—	—	—	16,951	1,256	3,092	—	21,299
Substandard	—	—	—	630	4,993	3,642	398	9,663
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total commercial real estate	$ 227,850	$ 177,691	$ 142,407	$ 175,728	$ 164,774	$ 227,568	$ 26,258	$ 1,142,276
Construction and development								
Risk rating:								
Pass	18,262	6,523	10,349	6,008	2,693	7,153	123,843	$ 174,831
Special mention	—	—	—	—	—	286	3,827	4,113
Substandard	—	—	—	—	—	482	—	482
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	1	—	1
Total construction and development	$ 18,262	$ 6,523	$ 10,349	$ 6,008	$ 2,693	$ 7,922	$ 127,670	$ 179,427
Commercial and industrial								
Risk rating:								
Pass	29,606	14,010	18,826	10,759	15,346	10,589	36,165	$ 135,301
Special mention	—	21	438	110	32	125	37	763
Substandard	31	33	300	—	—	83	4,829	5,276
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	1	—	1
Total commercial and industrial	$ 29,637	$ 14,064	$ 19,564	$ 10,869	$ 15,378	$ 10,798	$ 41,031	$ 141,341
Equipment finance								
Risk rating:								
Pass	154,685	104,681	53,178	4,773	—	—	—	$ 317,317
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	323	—	—	—	—	323
Doubtful	—	—	280	—	—	—	—	280
Loss	—	—	—	—	—	—	—	—
Total equipment finance	$ 154,685	$ 104,681	$ 53,781	$ 4,773	$ —	$ —	$ —	$ 317,920
Municipal leases								
Risk rating:								
Pass	23,358	19,240	14,005	17,979	9,738	47,144	8,700	$ 140,164
Special mention	—	—	—	—	—	257	—	257
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total municipal leases	$ 23,358	$ 19,240	$ 14,005	$ 17,979	$ 9,738	$ 47,401	$ 8,700	$ 140,421
PPP loans								
Risk rating:								
Pass	29,667	16,983	—	—	—	—	—	$ 46,650
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total PPP loans	$ 29,667	$ 16,983	$ —	$ —	$ —	$ —	$ —	$ 46,650
Total commercial loans								
Risk rating:								
Pass	$ 483,428	$ 339,128	$ 238,765	$ 197,666	$ 186,302	$ 285,720	$ 194,568	$ 1,925,577
Special mention	—	21	438	17,061	1,288	3,760	3,864	26,432
Substandard	31	33	623	630	4,993	4,207	5,227	15,744
Doubtful	—	—	280	—	—	—	—	280
Loss	—	—	—	—	—	2	—	2
Total commercial loans	$ 483,459	$ 339,182	$ 240,106	$ 215,357	$ 192,583	$ 293,689	$ 203,659	$ 1,968,035

(Dollars in thousands, except per share data)

The following table presents the credit risk profile by risk grade for retail consumer loans by origination year:

	Term Loans By Origination Fiscal Year							
June 30, 2021	**2021**	**2020**	**2019**	**2018**	**2017**	**Prior**	**Revolving**	**Total**
One-to-four family								
Risk rating:								
Pass	$ 72,723	$ 52,987	$ 46,958	$ 40,461	$ 37,361	$ 143,531	$ 4,345	$ 398,366
Special mention	—	—	—	—	27	1,084	—	1,111
Substandard	246	981	—	216	86	5,037	—	6,566
Doubtful	—	—	—	—	—	191	—	191
Loss	—	—	—	—	—	315	—	315
Total one-to-four family	$ 72,969	$ 53,968	$ 46,958	$ 40,677	$ 37,474	$ 150,158	$ 4,345	$ 406,549
HELOCs - originated								
Risk rating:								
Pass	2,767	465	1,294	217	716	9,469	114,048	$ 128,976
Special mention	—	—	—	—	—	12	—	12
Substandard	—	—	159	—	38	935	105	1,237
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total HELOCs - originated	$ 2,767	$ 465	$ 1,453	$ 217	$ 754	$ 10,416	$ 114,153	$ 130,225
HELOCs - purchased								
Risk rating:								
Pass	—	—	—	—	—	—	38,523	$ 38,523
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	453	453
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total HELOCs - purchased	$ —	$ —	$ —	$ —	$ —	$ —	$ 38,976	$ 38,976
Construction and land/lots								
Risk rating:								
Pass	4,244	12,133	2,357	956	—	3,558	42,267	$ 65,515
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	96	—	416	—	512
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total construction and land/lots	$ 4,244	$ 12,133	$ 2,357	$ 1,052	$ —	$ 3,974	$ 42,267	$ 66,027
Indirect auto finance								
Risk rating:								
Pass	42,128	27,134	16,224	18,853	7,561	2,061	—	$ 113,961
Special mention	—	—	—	—	—	—	—	—
Substandard	29	415	195	273	143	75	—	1,130
Doubtful	—	—	—	—	—	—	—	—
Loss	2	—	—	—	—	—	—	2
Total indirect auto finance	$ 42,159	$ 27,549	$ 16,419	$ 19,126	$ 7,704	$ 2,136	$ —	$ 115,093
Consumer								
Risk rating:								
Pass	1,344	1,019	5,204	252	90	91	288	$ 8,288
Special mention	—	—	—	14	—	—	—	14
Substandard	—	3	19	11	4	10	11	58
Doubtful	—	—	—	—	—	—	—	—
Loss	—	1	1	—	—	—	—	2
Total consumer	$ 1,344	$ 1,023	$ 5,224	$ 277	$ 94	$ 101	$ 299	$ 8,362
Total retail consumer loans								
Risk rating:								
Pass	$ 123,206	$ 93,738	$ 72,037	$ 60,739	$ 45,728	$ 158,710	$ 199,471	$ 753,629
Special mention	—	—	—	14	27	1,096	—	1,137
Substandard	275	1,399	373	596	271	6,473	569	9,956
Doubtful	—	—	—	—	—	191	—	191
Loss	2	1	1	—	—	315	—	319
Total retail consumer loans	$ 123,483	$ 95,138	$ 72,411	$ 61,349	$ 46,026	$ 166,785	$ 200,040	$ 765,232

(Dollars in thousands, except per share data)

The following tables present aging analysis of past due loans (includes nonaccrual loans) by segment and class for the periods indicated below:

	Past Due				Total
	30-89 Days	90 Days+	Total	Current	Loans
March 31, 2022					
Commercial loans:					
Commercial real estate	$ —	$ 247	$ 247	$ 1,101,937	$ 1,102,184
Construction and development	—	246	246	251,422	251,668
Commercial and industrial	—	67	67	167,275	167,342
Equipment finance	65	33	98	378,531	378,629
Municipal finance	—	—	—	130,260	130,260
PPP loans	—	—	—	2,756	2,756
Retail consumer loans:					
One-to-four family	347	1,329	1,676	346,269	347,945
HELOCs - originated	28	178	206	128,239	128,445
HELOCs - purchased	142	—	142	26,769	26,911
Construction and land/lots	—	140	140	72,595	72,735
Indirect auto finance	307	156	463	83,440	83,903
Consumer	24	38	62	6,698	6,760
Total loans	$ 913	$ 2,434	$ 3,347	$ 2,696,191	$ 2,699,538

	Past Due				Total
	30-89 Days	90 Days+	Total	Current	Loans
June 30, 2021					
Commercial loans:					
Commercial real estate	$ 396	$ 1,680	$ 2,076	$ 1,140,200	$ 1,142,276
Construction and development	—	37	37	179,390	179,427
Commercial and industrial	634	19	653	140,688	141,341
Equipment finance	—	347	347	317,573	317,920
Municipal finance	—	—	—	140,421	140,421
PPP loans	—	—	—	46,650	46,650
Retail consumer loans:					
One-to-four family	1,112	1,124	2,236	404,313	406,549
HELOCs - originated	290	186	476	129,749	130,225
HELOCs - purchased	198	79	277	38,699	38,976
Construction and land/lots	6	35	41	65,986	66,027
Indirect auto finance	299	259	558	114,535	115,093
Consumer	378	36	414	7,948	8,362
Total loans	$ 3,313	$ 3,802	$ 7,115	$ 2,726,152	$ 2,733,267

(Dollars in thousands, except per share data)

The following table presents recorded investment in loans on nonaccrual status, by segment and class, including restructured loans. It also includes interest income recognized on nonaccrual loans for the nine months ended March 31, 2022.

	March 31, 2022	June 30, 2021	90 Days + & Still Accruing as of March 31, 2022	Nonaccrual With No Allowance as of March 31, 2022	Interest Income Recognized
Commercial loans:					
Commercial real estate	$ 1,033	$ 7,015	$ —	$ 284	$ 28
Construction and development	332	482	—	—	6
Commercial and industrial	919	49	—	—	17
Equipment finance	289	630	—	—	9
Retail consumer loans:					
One-to-four family	1,687	2,625	—	540	37
HELOCs - originated	207	476	—	—	2
HELOCs - purchased	633	453	—	—	19
Construction and land/lots	140	22	—	—	2
Indirect auto finance	505	438	—	—	17
Consumer	66	416	—	—	2
Total loans	$ 5,811	$ 12,606	$ —	$ 824	$ 139

The decrease in the nonaccrual balance in the above schedule, compared to June 30, 2021, is mainly due to the payoff of two commercial real estate loan relationships totaling $5.1 million during the nine month period.

TDRs are loans which have renegotiated loan terms to assist borrowers who are unable to meet the original terms of their loans. Such modifications to loan terms may include a lower interest rate, a reduction in principal, and/or a longer term to maturity. The above table excludes $10,691 and $11,088 of TDRs that were performing under their restructured payment terms as of March 31, 2022 and June 30, 2021, respectively.

The following table presents a breakdown of the provision (benefit) for credit losses included in our Consolidated Statements of Income:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2022	2021	2022	2021
Provision (benefit) for credit losses:				
Loans	$ (640)	$ (3,970)	$ (4,415)	$ (6,370)
Off-balance-sheet credit exposure	650	(130)	415	10
Commercial paper	(55)	—	(5)	180
Total provision (benefit) for credit losses	$ (45)	$ (4,100)	$ (4,005)	$ (6,180)

The following tables present analyses of the ACL on loans by segment for the periods indicated below:

	Three Months Ended March 31, 2022			Nine Months Ended March 31, 2022		
	Commercial	Retail Consumer	Total	Commercial	Retail Consumer	Total
Balance at beginning of period	$ 22,968	$ 7,965	$ 30,933	$ 24,746	$ 10,722	$ 35,468
Provision (benefit) for credit losses	(1,295)	655	(640)	(2,058)	(2,357)	(4,415)
Charge-offs	(261)	(73)	(334)	(2,011)	(179)	(2,190)
Recoveries	910	165	1,075	1,645	526	2,171
Net (charge-offs) recoveries	649	92	741	(366)	347	(19)
Balance at end of period	$ 22,322	$ 8,712	$ 31,034	$ 22,322	$ 8,712	$ 31,034

(Dollars in thousands, except per share data)

	Three Months Ended March 31, 2021			Nine Months Ended March 31, 2021		
	Commercial	Retail Consumer	Total	Commercial	Retail Consumer	Total
Balance at beginning of period	$ 24,899	$ 14,945	$ 39,844	$ 21,116	$ 6,956	$ 28,072
Impact of adoption ASU 2016-13	—	—	—	4,073	10,736	14,809
Provision (benefit) for credit losses	(1,750)	(2,220)	(3,970)	(1,750)	(4,620)	(6,370)
Charge-offs	(107)	(318)	(425)	(1,510)	(1,253)	(2,763)
Recoveries	356	254	610	1,469	842	2,311
Net (charge-offs) recoveries	249	(64)	185	(41)	(411)	(452)
Balance at end of period	$ 23,398	$ 12,661	36,059	$ 23,398	$ 12,661	$ 36,059

The following tables present ending balances of loans and the related ACL, by segment and class for the periods indicated below:

	Allowance for Credit Losses			Total Loans Receivable		
	Loans Individually Evaluated	Loans Collectively Evaluated	Total	Loans Individually Evaluated	Loans Collectively Evaluated	Total
March 31, 2022						
Commercial loans:						
Commercial real estate	$ —	$ 9,157	$ 9,157	$ 284	$ 1,101,900	$ 1,102,184
Construction and development	—	3,680	3,680	—	251,668	251,668
Commercial and industrial	1,311	1,593	2,904	2,150	165,192	167,342
Equipment finance	—	6,284	6,284	—	378,629	378,629
Municipal finance	—	297	297	—	130,260	130,260
PPP loans	—	—	—	—	2,756	2,756
Retail consumer loans:						
One-to-four family	—	4,400	4,400	2,493	345,452	347,945
HELOCs - originated	—	1,409	1,409	—	128,445	128,445
HELOCs - purchased	—	295	295	—	26,911	26,911
Construction and land/lots	—	903	903	—	72,735	72,735
Indirect auto finance	—	1,586	1,586	—	83,903	83,903
Consumer	—	119	119	—	6,760	6,760
Total	$ 1,311	$ 29,723	$ 31,034	$ 4,927	$ 2,694,611	$ 2,699,538

(Dollars in thousands, except per share data)

	Allowance for Loan Losses			Total Loans Receivable		
	Loans Individually Evaluated	Loans Collectively Evaluated	Total	Loans Individually Evaluated	Loans Collectively Evaluated	Total
June 30, 2021						
Commercial loans:						
Commercial real estate	$ 456	$ 12,826	$ 13,282	$ 5,729	$ 1,136,547	$ 1,142,276
Construction and development	—	1,801	1,801	80	179,347	179,427
Commercial and industrial	9	2,583	2,592	760	140,581	141,341
Equipment finance	—	6,537	6,537	275	317,645	317,920
Municipal finance	—	534	534	—	140,421	140,421
PPP loans	—	—	—	—	46,650	46,650
Retail consumer loans:						
One-to-four family	2	5,407	5,409	1,977	404,572	406,549
HELOCs - originated	—	1,512	1,512	—	130,225	130,225
HELOCs - purchased	—	452	452	—	38,976	38,976
Construction and land/lots	—	812	812	—	66,027	66,027
Indirect auto finance	—	2,367	2,367	—	115,093	115,093
Consumer	—	170	170	—	8,362	8,362
Total	$ 467	$ 35,001	$ 35,468	$ 8,821	$ 2,724,446	$ 2,733,267

In estimating ECL, ASC 326 prescribes that if foreclosure is probable, a CDA is required to be measured at the fair value of collateral, but as a practical expedient, if foreclosure is not probable, fair value measurement is optional. For those CDA loans measured at the fair value of collateral, a credit loss expense is recorded for loan amounts in excess of fair value. The following tables provide a breakdown between loans identified as CDAs and non-CDAs, by segment and class, and securing collateral, as well as collateral coverage for those loans for the periods indicated below:

	Type of Collateral and Extent to Which Collateral Secures Financial Assets					
March 31, 2022	Residential Property	Investment Property	Commercial Property	Business Assets	Financial Assets Not Considered Collateral Dependent	Total
Commercial loans:						
Commercial real estate	$ —	$ —	$ 282	$ —	$ 1,101,902	$ 1,102,184
Construction and development	—	—	—	—	251,668	251,668
Commercial and industrial	—	—	—	1,311	166,031	167,342
Equipment finance	—	—	—	—	378,629	378,629
Municipal finance	—	—	—	—	130,260	130,260
PPP loans	—	—	—	—	2,756	2,756
Retail consumer loans:						
One-to-four family	1,347	—	—	—	346,598	347,945
HELOCs - originated	—	—	—	—	128,445	128,445
HELOCs - purchased	—	—	—	—	26,911	26,911
Construction and land/lots	—	—	—	—	72,735	72,735
Indirect auto finance	—	—	—	—	83,903	83,903
Consumer	—	—	—	—	6,760	6,760
Total	$ 1,347	$ —	$ 282	$ 1,311	$ 2,696,598	$ 2,699,538
Total Collateral Value	$ 2,285	$ —	$ 288	$ —		

(Dollars in thousands, except per share data)

	Type of Collateral and Extent to Which Collateral Secures Financial Assets					
June 30, 2021	**Residential Property**	**Investment Property**	**Commercial Property**	**Business Assets**	**Financial Assets Not Considered Collateral Dependent**	**Total**
Commercial loans:						
Commercial real estate	$ —	$ 3,421	$ 2,308	$ —	$ 1,136,547	$ 1,142,276
Construction and development	—	80	—	—	179,347	179,427
Commercial and industrial	—	—	—	25	141,316	141,341
Equipment finance	—	—	—	—	317,920	317,920
Municipal finance	—	—	—	—	140,421	140,421
PPP loans	—	—	—	—	46,650	46,650
Retail consumer loans:						
One-to-four family	807	—	—	—	405,742	406,549
HELOCs - originated	—	—	—	—	130,225	130,225
HELOCs - purchased	—	—	—	—	38,976	38,976
Construction and land/lots	—	—	—	—	66,027	66,027
Indirect auto finance	—	—	—	—	115,093	115,093
Consumer	—	—	—	—	8,362	8,362
Total	$ 807	$ 3,501	$ 2,308	$ 25	$ 2,726,626	$ 2,733,267
Total Collateral Value	$ 1,160	$ 3,602	$ 2,723	$ 26		

(Dollars in thousands, except per share data)

The following table presents a breakdown of the types of concessions made on TDRs by loan class for the period indicated below:

	Three Months Ended March 31,					
	2022			2021		
	Number of Loans	Pre Modification Outstanding Recorded Investment	Post Modification Outstanding Recorded Investment	Number of Loans	Pre Modification Outstanding Recorded Investment	Post Modification Outstanding Recorded Investment
Other TDRs:						
Commercial:						
Commercial and industrial	2	$ 841	$ 835	—	$ —	$ —
Retail consumer:						
One-to-four family	1	37	37	2	212	212
HELOCs - originated	—	—	—	2	53	74
Indirect auto finance	1	5	5	3	28	32
Total	4	$ 883	$ 877	7	$ 293	$ 318

	Nine Months Ended March 31,					
	2022			2021		
	Number of Loans	Pre Modification Outstanding Recorded Investment	Post Modification Outstanding Recorded Investment	Number of Loans	Pre Modification Outstanding Recorded Investment	Post Modification Outstanding Recorded Investment
Below market interest rate:						
Retail consumer:						
One-to-four family	1	$ 124	$ 121	—	$ —	$ —
Total below market interest rate	1	124	121	—	—	—
Extended payment terms:						
Retail consumer:						
One-to-four family	1	35	35	—	—	—
HELOCs - originated	1	50	50	—	—	—
Total extended payment terms	2	85	85	—	—	—
Other TDRs:						
Commercial:						
Commercial real estate	—	—	—	1	4,408	4,407
Commercial and industrial	2	841	835	—	—	—
Retail consumer:						
One-to-four family	2	93	92	4	269	261
HELOCs - originated	1	18	18	2	53	74
Construction and land/lots	—	—	—	1	225	219
Indirect auto finance	6	89	82	11	150	110
Total other TDRs	11	1,041	1,027	19	5,105	5,071
Total	11	$ 1,250	$ 1,233	19	$ 5,105	$ 5,071

(Dollars in thousands, except per share data)

The following table presents loans that were modified as TDRs within the previous 12 months and for which there was a payment default during the periods indicated below:

	Three Months Ended March 31,			
	2022		2021	
	Number of Loans	Recorded Investment	Number of Loans	Recorded Investment
Other TDRs:				
Retail consumer:				
Indirect auto finance	—	$ —	1	$ 1
Total	—	$ —	1	$ 1

	Nine Months Ended March 31,			
	2022		2021	
	Number of Loans	Recorded Investment	Number of Loans	Recorded Investment
Other TDRs:				
Retail consumer:				
Indirect auto finance	2	$ 44	2	$ 26
Total	2	$ 44	2	$ 26

Other TDRs include TDRs that have a below market interest rate and extended payment terms. The Company does not typically forgive principal when restructuring troubled debt.

In determining the ACL, management considers TDRs for all loan classes, and the subsequent nonperformance in accordance with their modified terms, by measuring a reserve on a loan-by-loan basis based on either the value of the loan's expected future cash flows discounted at the loan's original effective interest rate or on the collateral value, net of the estimated costs of disposal, if the loan is collateral dependent.

Off-Balance-Sheet Credit Exposure

The Company maintains a separate reserve for credit losses on off-balance-sheet credit exposures, including unfunded loan commitments, which is included in other liabilities on the consolidated balance sheet. The reserve for credit losses on off-balance-sheet credit exposures is adjusted as a provision for credit losses in the consolidated statement of income. The estimate includes consideration of the likelihood that funding will occur and an estimate of ECLs on commitments expected to be funded over its estimated life, utilizing the same models and approaches for the Company's other loan portfolio segments described above, as these unfunded commitments share similar risk characteristics as its loan portfolio segments. The Company has identified the unfunded portion of certain lines of credit as unconditionally cancellable credit exposures, meaning the Company can cancel the unfunded commitment at any time. No credit loss estimate is reported for off-balance-sheet credit exposures that are unconditionally cancellable by the Company or for undrawn amounts under such arrangements that may be drawn prior to the cancellation of the arrangement. At March 31, 2022, the allowance for credit losses on off-balance-sheet credit exposures included in other liabilities was $2,738.

Modifications in Response to COVID-19

Beginning in March 2020, the Company began offering short-term loan modifications to assist borrowers during the COVID-19 pandemic. The CARES Act along with a joint agency statement issued by banking agencies and confirmed by FASB staff that short-term modifications made in response to COVID-19 were not considered TDRs; however, the relief offered by the CARES Act ended December 31, 2021.

The Bank offered payment and financial relief programs for borrowers impacted by COVID-19. These programs included loan payment deferrals for up to 90 days (which could be renewed for another 90 days under certain circumstances), waived late fees, and suspension of foreclosure proceedings and repossessions. Since March 2020, the Company received numerous requests from borrowers for some type of payment relief; however, the majority of these payment deferrals have ended and borrowers are again making regular loan payments.

As of March 31, 2022, the Company had no loans with full principal and interest payment deferrals related to COVID-19 which had been granted prior to January 1, 2022, compared to $107 at June 30, 2021. All loans placed on full payment deferral during the pandemic have come out of deferral and borrowers are either making regular loan payments or interest-only payments. As of March 31, 2022, the Company had $9,605 in commercial loan deferrals on interest-only payments compared to $78,850 at June 30, 2021.

(Dollars in thousands, except per share data)

7. Net Income per Share

The following is a reconciliation of the numerator and denominator of basic and diluted net income per share of common stock as of the dates indicated:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2022	2021	2022	2021
Numerator:				
Net income	$ 8,023	$ 7,869	$ 29,628	$ 23,083
Allocation of earnings to participating securities	(69)	(72)	(254)	(209)
Numerator for basic EPS - Net income available to common stockholders	$ 7,954	$ 7,797	$ 29,374	$ 22,874
Effect of dilutive securities:				
Dilutive effect of participating securities	—	2	—	2
Numerator for diluted EPS	$ 7,954	$ 7,799	$ 29,374	$ 22,876
Denominator:				
Weighted-average common shares outstanding - basic	15,523,813	15,979,590	15,666,093	16,139,059
Dilutive effect of assumed exercises of stock options	269,199	506,128	331,284	200,071
Weighted-average common shares outstanding - diluted	15,793,012	16,485,718	15,997,377	16,339,130
Net income per share - basic	$ 0.51	$ 0.49	$ 1.87	$ 1.42
Net income per share - diluted	$ 0.51	$ 0.48	$ 1.84	$ 1.40

Potential dilutive shares are excluded from the computation of earnings per share if their effect is anti-dilutive. There were 47,850 and 95,350 stock options that were anti-dilutive for the three and nine months ended March 31, 2022, respectively. There were 524,850 stock options that were anti-dilutive for each of the three and nine months ended March 31, 2021.

8. Equity Incentive Plan

The Company provides stock-based awards through the 2013 Omnibus Incentive Plan, which provides for awards of restricted stock, restricted stock units, stock options, stock appreciation rights and cash awards to directors, directors emeritus, officers, employees and advisory directors. The cost of equity-based awards under the 2013 Omnibus Incentive Plan generally is based on the fair value of the awards on their grant date. The maximum number of shares that may be utilized for awards under the plan is 2,962,400, including 2,116,000 for stock options and stock appreciation rights and 846,400 for awards of restricted stock and restricted stock units. Shares of common stock issued under the plan would be issued out of authorized but unissued shares, some or all of which may be repurchased shares. The Company repurchased a number of shares on the open market sufficient to cover awards of restricted stock and restricted stock units available to be granted under the 2013 Omnibus Incentive Plan, for $13,297, at an average cost of $15.71 per share during the year ended June 30, 2013.

The table below presents share-based compensation expense and the estimated related tax benefit for stock options and restricted stock for the three and nine months ended March 31, 2022 and 2021, respectively:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2022	2021	2022	2021
Share-based compensation expense	$ 507	$ 489	$ 1,407	$ 1,449
Tax benefit	120	115	332	341

(Dollars in thousands, except per share data)

The table below presents stock option activity and related information for the nine months ended March 31, 2022 and 2021:

	Options	Weighted-Average Exercise Price	Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Options outstanding at June 30, 2020	1,615,500	$ 18.12	4.4	$ 1,711
Granted	44,750	22.92	—	—
Exercised	(172,866)	14.40	—	—
Forfeited	(26,900)	25.77	—	—
Options outstanding at March 31, 2021	1,460,484	$ 18.57	3.9	$ 9,268
Exercisable at March 31, 2021	1,220,734	$ 17.24	3.2	$ 9,152
Non-vested at March 31, 2021	239,750	$ 25.31	7.7	$ 116
Options outstanding at June 30, 2021	1,319,456	$ 19.07	3.9	$ 11,657
Granted	42,850	31.35	—	—
Exercised	(413,636)	14.70	—	—
Forfeited	(20,800)	23.17	—	—
Options outstanding at March 31, 2022	927,870	$ 21.49	4.3	$ 7,541
Exercisable at March 31, 2022	756,720	$ 20.24	3.5	$ 7,028
Non-vested at March 31, 2022	171,150	$ 26.99	7.7	$ 513

Assumptions used in estimating the fair value of options granted during the nine months ended March 31, 2022 and 2021 are presented below:

	March 31, 2022	March 31, 2021
Weighted-average volatility	28.02 %	28.30 %
Expected dividend yield	1.12 %	1.35 %
Risk-free interest rate	1.90 %	0.72 %
Expected life (years)	6.5	6.5
Weighted-average fair value of options granted	$ 8.68	$ 5.61

At March 31, 2022, the Company had $1,076 of unrecognized compensation expense related to 171,150 stock options originally scheduled to vest over a five-year period. The weighted average period over which compensation cost related to non-vested awards expected to be recognized was 1.8 years at March 31, 2022. At March 31, 2021, the Company had $1,460 of unrecognized compensation expense related to 239,750 stock options originally scheduled to vest over a five-year period. The weighted average period over which compensation cost related to non-vested awards expected to be recognized was 2.0 years at March 31, 2021.

The table below presents restricted stock award activity and related information:

	Restricted Stock Awards	Weighted-Average Grant Date Fair Value	Aggregate Intrinsic Value
Non-vested at June 30, 2020	144,046	$ 25.89	$ 2,305
Granted	56,547	22.92	—
Vested	(45,296)	25.17	—
Forfeited	(7,650)	25.65	—
Non-vested at March 31, 2021	147,647	$ 24.98	$ 2,119
Non-vested at June 30, 2021	151,575	$ 25.06	$ 4,229
Granted	49,679	31.35	—
Vested	(53,744)	25.22	—
Forfeited	(12,000)	24.90	—
Non-vested at March 31, 2022	135,510	$ 27.41	$ 2,817

The table above includes non-vested performance-based restricted stock units totaling 33,218 and 28,852 at March 31, 2022 and 2021, respectively. Each issuance of these stock units is scheduled to vest over 3.0 years assuming the applicable dilutive EPS goals are met.

At March 31, 2022, unrecognized compensation expense was $3,137 related to 135,510 shares of restricted stock originally scheduled to vest over three- and five-year periods. The weighted average period over which compensation cost related to non-vested awards is expected to be recognized was 1.9 years at March 31, 2022. At March 31, 2021, unrecognized compensation expense was $3,196 related to 147,647 shares of restricted stock originally scheduled to vest over three- and five-year periods. The weighted average period over which compensation cost related to non-vested awards is expected to be recognized was 1.9 years at March 31, 2021.

9. Commitments and Contingencies

Loan Commitments – Legally binding commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. In the normal course of business, there are various outstanding commitments to extend credit that are not reflected in the consolidated financial statements. At March 31, 2022 and June 30, 2021, respectively, loan commitments (excluding $290,532 and $277,600 of undisbursed portions of construction loans) totaled $95,848 and $123,463 of which $29,156 and $45,270 were variable rate commitments and $66,692 and $78,193 were fixed rate commitments. The fixed rate loans had interest rates ranging from 1.08% to 8.65% at March 31, 2022 and 2.50% to 8.36% at June 30, 2021, and terms ranging from three to 30 years. Pre-approved but unused lines of credit (principally second mortgage home equity loans and overdraft protection loans) totaled $498,315 and $530,505 at March 31, 2022 and June 30, 2021, respectively. These amounts represent the Company's exposure to credit risk, and in the opinion of management have no more than the normal lending risk that the Company commits to its borrowers. The Company has two types of commitments related to certain one-to-four family loans held for sale: rate lock commitments and forward loan commitments. Rate lock commitments are commitments to extend credit to a customer that has an interest rate lock and are considered derivative instruments. The rate lock commitments do not qualify for hedge accounting. In order to mitigate the risk from interest rate fluctuations, the Company enters into forward loan sale commitments on a “best efforts” basis, which do not meet the definition of a derivative instrument. The fair value of these interest rate lock commitments was not material at March 31, 2022 or June 30, 2021.

The Company grants construction and permanent loans collateralized primarily by residential and commercial real estate to customers throughout its primary market areas. In addition, the Company grants equipment financing throughout the United States and municipal financing to customers throughout North and South Carolina. The Company’s loan portfolio can be affected by the general economic conditions within these market areas. Management believes that the Company has no significant concentration of credit in the loan portfolio.

Restrictions on Cash – In response to COVID-19, the FRB reduced the reserve requirements to zero on March 15, 2020. Prior to this change the Bank was required by regulation to maintain a varying cash reserve balance with the FRB.

Guarantees – Standby letters of credit obligate the Company to meet certain financial obligations of its customers, if, under the contractual terms of the agreement, the customers are unable to do so. The financial standby letters of credit issued by the Company are irrevocable and payment is only guaranteed upon the borrower's failure to perform its obligations to the beneficiary. Total commitments under standby letters of credit as of March 31, 2022 and June 30, 2021 were $17,492 and $8,681, respectively. There was no liability recorded for these letters of credit at March 31, 2022 or June 30, 2021, respectively.

Litigation – From time to time, the Company is involved in litigation matters in the ordinary course of business. These proceedings and the associated legal claims are often contested, and the outcome of individual matters is not always predictable. These claims and counter claims typically arise during the course of collection efforts on problem loans or with respect to actions to enforce liens on properties in which the Company holds a security interest. The Company is not a party to any pending legal proceedings that management believes would have a material adverse effect on the Company’s financial condition or results of operations.

10. Fair Value of Financial Instruments

The Company utilizes fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Debt securities available for sale are recorded at fair value on a recurring basis. Additionally, from time to time, the Company may be required to record at fair value other assets on a nonrecurring basis, such as impaired loans. These nonrecurring fair value adjustments typically involve application of lower of cost or market accounting or write-downs of individual assets. The Company measures the fair value of loans receivable under the exit price notion. The fair value of nonperforming loans is based on the underlying value of the collateral.

Fair Value Hierarchy

The Company groups assets at fair value in three levels, based on the markets in which the assets are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1: Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2: Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3: Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.

(Dollars in thousands, except per share data)

The methods of determining the fair value of assets and liabilities presented in this note are consistent with the methodologies disclosed in Note 20 of the 2021 Form 10-K.

Financial Assets Recorded at Fair Value

The following table presents financial assets measured at fair value on a recurring basis at the dates indicated:

	March 31, 2022			
	Total	**Level 1**	**Level 2**	**Level 3**
U.S government agencies	$ 18,576	$ —	$ 18,576	$ —
MBS, residential	34,063	—	34,063	—
Municipal bonds	5,667	—	5,667	—
Corporate bonds	48,009	—	48,009	—
Total	$ 106,315	$ —	$ 106,315	$ —

	June 30, 2021			
	Total	**Level 1**	**Level 2**	**Level 3**
U.S government agencies	$ 19,073	$ —	$ 19,073	$ —
MBS, residential	43,404	—	43,404	—
Municipal bonds	9,551	—	9,551	—
Corporate bonds	84,431	—	84,431	—
Total	$ 156,459	$ —	$ 156,459	$ —

There were no transfers between levels during the nine months ended March 31, 2022 and 2021.

The following table presents financial assets measured at fair value on a non-recurring basis at the dates indicated:

	March 31, 2022			
	Total	**Level 1**	**Level 2**	**Level 3**
Collateral dependent loans:				
Commercial real estate	$ —	$ —	$ —	$ —
Commercial and industrial	164	—	—	164
Total	$ 164	$ —	$ —	$ 164

	June 30, 2021			
	Total	**Level 1**	**Level 2**	**Level 3**
Collateral dependent loans:				
Commercial real estate	$ 4,841	$ —	$ —	$ 4,841
Equipment finance	275	—	—	275
Total	$ 5,116	$ —	$ —	$ 5,116

A loan is considered to be collateral dependent when, based on current information and events, the Company expects repayment of the financial assets to be provided substantially through the operation or sale of the collateral and the Company has determined that the borrower is experiencing financial difficulty as of the measurement date. For real estate loans, the fair value of the loan's collateral is determined by a third party appraisal, which is then adjusted for the estimated selling and closing costs related to liquidation of the collateral (typically ranging from 8% to 12% of the appraised value). For this asset class, the actual valuation methods (income, sales comparable, or cost) vary based on the status of the project or property. Additional discounts of 5% to 15% may be applied depending on the age of the appraisals. The unobservable inputs may vary depending on the individual asset with no one of the three methods being the predominant approach. For non-real estate loans, the fair value of the loan's collateral may be determined using an appraisal, net book value per the borrower's financial statements, or aging reports, adjusted or discounted based on management's historical knowledge, changes in market conditions from the time of the valuation, and management's expertise and knowledge of the customer and customer's business.

(Dollars in thousands, except per share data)

The stated carrying value and estimated fair value amounts of financial instruments as of March 31, 2022 and June 30, 2021, are summarized below:

	March 31, 2022				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets:					
Cash and cash equivalents	$ 52,050	$ 52,050	$ 52,050	$ —	$ —
Commercial paper	312,918	312,918	312,918	—	—
Certificates of deposit in other banks	28,125	28,125	—	28,125	—
Debt securities available for sale	106,315	106,315	—	106,315	—
Loans held for sale	85,263	86,338	—	—	86,338
Loans, net	2,668,504	2,620,750	—	—	2,620,750
FHLB stock	3,038	N/A	N/A	N/A	N/A
FRB stock	7,413	N/A	N/A	N/A	N/A
SBIC investments	12,589	12,589	—	—	12,589
Accrued interest receivable	7,980	7,980	—	553	7,427
Liabilities:					
Noninterest-bearing and NOW accounts	1,356,921	1,356,921	—	1,356,921	—
Money market accounts	1,026,595	1,026,595	—	1,026,595	—
Savings accounts	232,831	232,831	—	232,831	—
Certificates of deposit	442,810	439,407	—	439,407	—
Borrowings	30,000	29,997	—	29,997	—
Accrued interest payable	45	45	—	45	—

	June 30, 2021				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets:					
Cash and cash equivalents	$ 50,990	$ 50,990	$ 50,990	$ —	$ —
Commercial paper	189,596	189,596	189,596	—	—
Certificates of deposit in other banks	40,122	40,122	—	40,122	—
Debt securities available for sale	156,459	156,459	—	156,459	—
Loans held for sale	93,539	94,779	—	—	94,779
Loans, net	2,697,799	2,668,570	—	—	2,668,570
FHLB stock	6,153	N/A	N/A	N/A	N/A
FRB stock	7,386	N/A	N/A	N/A	N/A
SBIC investments	10,171	10,171	—	—	10,171
Accrued interest receivable	7,933	7,933	52	542	7,339
Liabilities:					
Noninterest-bearing and NOW accounts	1,281,372	1,281,372	—	1,281,372	—
Money market accounts	975,001	975,001	—	975,001	—
Savings accounts	226,391	226,391	—	226,391	—
Certificates of deposit	472,777	474,397	—	474,397	—
Borrowings	115,000	115,000	—	115,000	—
Accrued interest payable	52	52	—	52	—

The Company had off-balance sheet financial commitments, which included approximately $902,187 and $940,249 of commitments to originate loans, undisbursed portions of construction loans, unused lines of credit, and standby letters of credit at March 31, 2022 and June 30, 2021, respectively (see "Note 9 – Commitments and Contingencies"). Since these commitments are based on current rates, the carrying amount approximates the fair value.

(Dollars in thousands, except per share data)

11. Leases

As Lessee - Operating Leases

The Company's operating leases primarily include office space and bank branches. Certain leases include one or more options to renew, with renewal terms that can extend the lease term up to 15 additional years. The exercise of lease renewal options is at management's sole discretion. When it is reasonably certain that the Company will exercise its option to renew or extend the lease term, that option is included in estimating the value of the ROU and lease liability. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Most of the Company's lease agreements include periodic rate adjustments for inflation. The depreciable life of ROU assets and leasehold improvements are limited to the shorter of the useful life or the expected lease term. Leases with an initial term of 12 months or less are not recorded on the Company's Consolidated Balance Sheet. The Company recognizes lease expenses for these leases over the lease term.

The following table presents supplemental balance sheet information related to operating leases. ROU assets are included in other assets and lease liabilities are included in other liabilities.

Supplemental Balance Sheet Information:	**March 31, 2022**	**June 30, 2021**
ROU assets	$ 6,172	$ 5,498
Lease liabilities	6,961	5,926
Weighted-average remaining lease terms (years)	10.78	9.49
Weighted-average discount rate	2.89 %	3.18 %

The following schedule summarizes aggregate future minimum lease payments under these operating leases at March 31, 2022:

Fiscal year ending June 30:	
Remaining 2022	$ 1,573
2023	1,293
2024	847
2025	541
2026	414
Thereafter	3,653
Total undiscounted minimum lease payments	8,321
Less: amount representing interest	(1,360)
Total lease liability	$ 6,961

The following table presents components of operating lease expense for the three and nine months ended March 31, 2022 and 2021:

	Three Months Ended March 31,		**Nine Months Ended March 31,**	
	2022	**2021**	**2022**	**2021**
Operating lease cost (included in occupancy expense, net)	$ 347	$ 398	$ 1,215	$ 1,192
Variable lease cost (included in occupancy expense, net)	7	6	13	18
Sublease income (included in other, noninterest income)	(60)	(33)	(154)	(147)
Total operating lease expense, net	$ 294	$ 371	$ 1,074	$ 1,063

As Lessee - Finance Lease

The Company currently leases land for one of its branch office locations under a finance lease. The ROU asset for the finance lease totaled $2,052 at March 31, 2022 and June 30, 2021 and is included in other assets. The corresponding lease liability totaled $1,773 and $1,804 at March 31, 2022 and June 30, 2021, respectively, and is included in other liabilities. For the three and nine months ended March 31, 2022, interest expense on the lease liability totaled $23 and $70, respectively. The finance lease has a maturity date of July 2028 and a discount rate of 5.18%.

(Dollars in thousands, except per share data)

The following schedule summarizes aggregate future minimum lease payments under this finance lease obligation at March 31, 2022:

Fiscal year ending June 30:		
Remaining 2022	$	33
2023		134
2024		145
2025		146
2026		146
Thereafter		1,702
Total undiscounted minimum lease payments		2,306
Less: amount representing interest		(533)
Total lease liability	$	1,773

Supplemental lease cash flow information for the nine months ended March 31, 2022 and 2021:

	Nine Months Ended March 31,	
	2022	**2021**
ROU assets - noncash additions (operating leases)	$ 1,186	$ 599
Cash paid for amounts included in the measurement of lease liabilities (operating leases)	1,281	1,632
Cash paid for amounts included in the measurement of lease liabilities (finance leases)	100	100

As Lessor - General

The Company leases equipment to commercial end users under operating and finance lease arrangements. The Company's equipment finance leases consist mainly of construction, transportation, medical, and manufacturing equipment. Many of its operating and finance leases offer the lessee the option to purchase the equipment at fair value or for a nominal fixed purchase option; and most of the leases that do not have a nominal purchase option include renewal provisions resulting in some leases continuing beyond initial contractual terms. The Company's leases do not include early termination options, and continued rent payments are due if leased equipment is not returned at the end of the lease.

As Lessor - Operating Leases

Operating lease income is recognized as a component of noninterest income on a straight-line basis over the lease term. Lease terms range from one to five years. Assets related to operating leases are included in other assets and the corresponding depreciation expense is recorded on a straight-line basis as a component of other noninterest expense. The net book value of leased assets totaled $21,117 and $25,932 with a residual value of $12,941 and $15,330 as of March 31, 2022 and June 30, 2021, respectively.

The following table presents total equipment finance operating lease income and depreciation expense for the three and nine months ended March 31, 2022 and 2021:

	Three Months Ended March 31,		**Nine Months Ended March 31,**	
	2022	**2021**	**2022**	**2021**
Operating lease income	$ 1,661	$ 1,432	$ 4,920	$ 4,107
Depreciation expense	1,339	1,417	4,221	4,371

The following schedule summarizes aggregate future minimum lease payments to be received at March 31, 2022:

Fiscal year ending June 30:		
Remaining 2022	$	1,436
2023		4,989
2024		2,895
2025		889
2026		246
Thereafter		13
Total of future minimum lease payments	$	10,468

(Dollars in thousands, except per share data)

As Lessor - Direct Financing Leases

Finance lease income is recognized as a component of loan interest income over the lease term. The finance leases are included as a component of the equipment finance class of financing receivables under the commercial loan segment of the loan portfolio. For the three months ended March 31, 2022 and 2021, total interest income on equipment finance leases totaled $763 and $638, respectively. For the nine months ended March 31, 2022 and 2021, total interest income on equipment finance leases totaled $2,275 and $1,736, respectively.

The lease receivable component of finance lease net investment included within equipment finance class of financing receivables was $62.6 million and $63.3 million at March 31, 2022 and June 30, 2021, respectively.

The following schedule summarizes aggregate future minimum finance lease payments to be received at March 31, 2022:

Fiscal year ending June 30:	
Remaining 2022	$ 5,853
2023	21,226
2024	18,262
2025	13,038
2026	8,405
Thereafter	4,299
Total undiscounted minimum lease payments	71,083
Less: amount representing interest	(8,476)
Total lease receivable	$ 62,607

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

Certain matters in this Form 10-Q constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to our financial condition, results of operations, plans, objectives, future performance or business. Forward-looking statements are not statements of historical fact, but instead are based on certain assumptions and are generally identified by use of the words "believes," "expects," "anticipates," "estimates," "forecasts," "intends," "plans," "targets," "potentially," "probably," "projects," "outlook" or similar expressions or future or conditional verbs such as "may," "will," "should," "would," and "could." Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, assumptions, and statements about future economic performance and projections of financial items. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from the results anticipated or implied by our forward-looking statements.

The factors that could result in material differentiation include, but are not limited to:

- the effect of the COVID-19 pandemic, including on our credit quality and business operations, as well as its impact on general economic and financial market conditions and other uncertainties resulting from the COVID-19 pandemic, such as the extent and duration of the impact on public health, the U.S. and global economies, and consumer and corporate customers, including economic activity, employment levels and market liquidity;
- the credit risks of lending activities, including changes in the level and trend of loan delinquencies and write offs and changes in our allowance for credit losses and provision for credit losses that may be impacted by deterioration in the housing and commercial real estate markets;
- changes in general economic conditions, either nationally or in our market areas;
- changes in the levels of general interest rates, and the relative differences between short and long term interest rates, deposit interest rates, our net interest margin and funding sources;
- uncertainty regarding the limited future of LIBOR, and the expected transition toward new interest rate benchmarks;
- fluctuations in the demand for loans, the number of unsold homes, land and other properties and fluctuations in real estate values in our market areas;
- decreases in the secondary market for the sale of loans that we originate;
- results of examinations of us by the Board of Governors of the Federal Reserve System (“Federal Reserve”), the NCCOB, or other regulatory authorities, including the possibility that any such regulatory authority may, among other things, require us to increase our allowance for credit losses, write-down assets, change our regulatory capital position or affect our ability to borrow funds or maintain or increase deposits, which could adversely affect our liquidity and earnings;
- legislative or regulatory changes that adversely affect our business including the effect of Dodd-Frank Wall Street Reform and Consumer Protection Act, changes in laws or regulations, changes in regulatory policies and principles or the application or interpretation of laws and regulations by regulatory agencies and tax authorities, including changes in deferred tax asset and liability activity, or the interpretation of regulatory capital or other rules, including as a result of Basel III;
- our ability to attract and retain deposits;
- management's assumptions in determining the adequacy of the allowance for credit losses;
- our ability to control operating costs and expenses, especially costs associated with our operation as a public company;
- the use of estimates in determining fair value of certain assets, which estimates may prove to be incorrect and result in significant declines in valuation;
- difficulties in reducing risks associated with the loans on our balance sheet;
- staffing fluctuations in response to product demand or the implementation of corporate strategies that affect our workforce and potential associated charges;
- disruptions, security breaches, or other adverse events, failures or interruptions in, or attacks on, our information technology systems or on the third-party vendors who perform several of our critical processing functions;
- our ability to retain key members of our senior management team;
- costs and effects of litigation, including settlements and judgments;
- our ability to successfully integrate any assets, liabilities, customers, systems, and management personnel we may in the future acquire into our operations and our ability to realize related revenue synergies and cost savings within expected time frames and any goodwill charges related thereto;
- increased competitive pressures among financial services companies;
- changes in consumer spending, borrowing and savings habits;
- the availability of resources to address changes in laws, rules, or regulations or to respond to regulatory actions;
- adverse changes in the securities markets;
- inability of key third-party providers to perform their obligations to us;

- changes in accounting principles, policies or guidelines and practices, as may be adopted by the financial institution regulatory agencies, the Public Company Accounting Oversight Board or the Financial Accounting Standards Board;
- other economic, competitive, governmental, regulatory, and technological factors affecting our operations, pricing, products and services including the CARES Act; and
- other risks detailed from time to time in our filings with the SEC, including our 2021 Form 10-K.

Many of the 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 in this report 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 report might not occur and you should not put undue reliance on any forward-looking statements.

As used throughout this report, the terms "we", "our", "us", "HomeTrust Bancshares" and the "Company" refer to HomeTrust Bancshares, Inc. and its consolidated subsidiary, HomeTrust Bank (the "Bank"), unless the context indicates otherwise.

Overview

HomeTrust Bancshares, Inc., a Maryland corporation, was formed for the purpose of becoming the holding company for HomeTrust Bank in connection with the Bank’s conversion from mutual to stock form, which was completed on July 10, 2012 (the “Conversion”). As a bank holding company and financial holding company, we are regulated by the Federal Reserve. As a North Carolina state-chartered bank, and member of the FRB, the Bank's primary regulators are the NCCOB and the Federal Reserve. The Bank's deposits are federally insured up to applicable limits by the FDIC. The Bank is a member of the FHLB of Atlanta, which is one of the 12 regional banks in the FHLB System. Our headquarters is located in Asheville, North Carolina.

Our principal business consists of attracting deposits from the general public and investing those funds, along with borrowed funds, in commercial real estate loans, construction and development loans, commercial and industrial loans, equipment finance leases, municipal leases, loans secured by first and second mortgages on one-to-four family residences including home equity loans, construction and land/lot loans, indirect automobile loans, and other consumer loans. We also originate one-to-four family loans, SBA loans, and HELOCs to sell to third parties. In addition, we invest in debt securities issued by United States Government agencies and GSEs, corporate bonds, commercial paper and certificates of deposit in other banks insured by the FDIC.

We offer a variety of deposit accounts for individuals, businesses, and nonprofit organizations. Deposits and borrowings are our primary source of funds for our lending and investing activities.

We are significantly affected by prevailing economic conditions, as well as government policies and regulations concerning, among other things, monetary and fiscal affairs, housing and financial institutions. Deposit flows are influenced by a number of factors, including interest rates paid on competing time deposits, other investments, account maturities, and the overall level of personal income and savings. Lending activities are influenced by the demand for funds, the number and quality of lenders, and regional economic cycles.

Our primary source of pre-tax income is net interest income. Net interest income is the difference between interest income, which is the income that we earn on our loans and investments, and interest expense, which is the interest that is paid on our deposits and borrowings. Changes in levels of interest rates affect our net interest income.

A secondary source of income is noninterest income, which includes revenue we receive from providing products and services, including service charges and fees on deposit accounts, loan income and fees, lease income, gain on the sale of loans held for sale, and gains and losses from sales of debt securities.

An offset to net interest income is the provision for credit losses which is required to establish and maintain the ACL. All financial assets measured at amortized cost and off balance sheet credit exposures, including loans, investment securities and unfunded commitments are evaluated for credit losses. See "Note 1 – Summary of Significant Accounting Policies" in Item 1 of our 2021 Form 10-K for further discussion.

Our noninterest expenses consist primarily of salaries and employee benefits, occupancy expense, and computer services. Salaries and benefits consist primarily of the salaries and wages paid to our employees, payroll taxes, expenses for retirement and other employee benefits. Occupancy expenses, which are the fixed and variable costs of buildings and equipment, consist primarily of lease payments, property taxes, depreciation charges, maintenance and costs of utilities.

Our geographic footprint includes seven markets obtained through numerous strategic acquisitions as well as two de novo commercial loan offices. Looking forward, we believe opportunities currently exist within our market areas and in surrounding market areas to grow our franchise. While COVID-19 has dampened our growth activities, we believe as the local and global economies return to normalcy the Company remains in a position to create growth. We may also seek to expand our franchise through the selective acquisition of individual branches, loan purchases and, to a lesser degree, whole bank transactions that meet our investment and market objectives. We will continue to be disciplined as it pertains to future expansion focusing primarily on growth in our current and surrounding market areas.

At March 31, 2022, we had over 30 locations in North Carolina (including the Asheville metropolitan area, the "Piedmont" region, Charlotte, and Raleigh/Cary), Upstate South Carolina (Greenville), East Tennessee (including Kingsport/Johnson City, Knoxville, and Morristown) and

Southwest Virginia (including the Roanoke Valley). During the quarter ended September 30, 2021, we closed nine branches located in North Carolina, Tennessee, and Virginia.

Critical Accounting Policies and Estimates

Certain of our accounting policies are important to the portrayal of our financial condition, since they require management to make difficult, complex or subjective judgments, some of which may relate to matters that are inherently uncertain. Estimates associated with these policies are susceptible to material changes as a result of changes in facts and circumstances which could include, but are not limited to, changes in interest rates, changes in the performance of the economy and changes in the financial condition of borrowers.

The following represents our critical accounting policy:

Allowance for Credit Losses, or ACL, on Loans. The ACL reflects our estimate of credit losses that will result from the inability of our borrowers to make required loan payments. We charge off loans against the ACL and subsequent recoveries, if any, increase the ACL when they are recognized. We use a systematic methodology to determine our ACL for loans held for investment and certain off-balance-sheet credit exposures. The ACL is a valuation account that is deducted from the amortized cost basis to present the net amount expected to be collected on the loan portfolio. We consider the effects of past events, current conditions, and reasonable and supportable forecasts on the collectability of the loan portfolio. The estimate of our ACL involves a high degree of judgment; therefore, our process for determining expected credit losses may result in a range of expected credit losses. Our ACL recorded in the balance sheet reflects our best estimate within the range of expected credit losses. We recognize in net income the amount needed to adjust the ACL for management's current estimate of expected credit losses. Our ACL is calculated using collectively evaluated and individually evaluated loans.

Non-GAAP Financial Measures

In addition to results presented in accordance with GAAP, this report contains certain non-GAAP financial measures, which include: tangible book value, tangible book value per share and tangible equity to tangible assets ratio. Management has presented the non-GAAP financial measures in this discussion and analysis because it believes including these items provides useful and comparative information to assess trends in our core operations while facilitating the comparison of the quality and composition of our earnings over time and in comparison to our competitors. However, these non-GAAP financial measures are supplemental, are not audited and are not a substitute for operating results or any analysis determined in accordance with GAAP. Where applicable, we have also presented comparable earnings information using GAAP financial measures. Because not all companies use the same calculations, our presentation may not be comparable to other similarly titled measures as calculated by other companies. See "Comparison of Results of Operations" for more detailed information about our financial performance for the three and nine months ended March 31, 2022 and 2021.

Set forth below is a reconciliation to GAAP of tangible book value and tangible book value per share:

(Dollars in thousands, except per share data)	As of March 31, 2022	As of June 30, 2021	As of March 31, 2021
Total stockholders' equity	$ 395,131	$ 396,519	$ 406,452
Less: goodwill, core deposit intangibles, net of taxes	25,742	25,902	26,002
Tangible book value	$ 369,389	$ 370,617	$ 380,450
Common shares outstanding	15,978,262	16,636,483	16,655,347
Tangible book value per share	$ 23.12	$ 22.28	$ 22.84
Book value per share	$ 24.73	$ 23.83	$ 24.40

Set forth below is a reconciliation to GAAP of tangible equity to tangible assets:

(Dollars in thousands)	As of March 31, 2022	As of June 30, 2021	As of March 31, 2021
Tangible equity [(1)]	$ 369,389	$ 370,617	$ 380,450
Total assets	3,541,785	3,524,723	3,648,613
Less: goodwill, core deposit intangibles, net of taxes	25,742	25,902	26,002
Total tangible assets	$ 3,516,043	$ 3,498,821	$ 3,622,611
Tangible equity to tangible assets	10.51 %	10.59 %	10.50 %

(1) Tangible equity (or tangible book value) is equal to total stockholders' equity less goodwill and core deposit intangibles, net of related deferred tax liabilities.

Comparison of Financial Condition at March 31, 2022 and June 30, 2021

General. Total assets and liabilities increased by $17.1 million and $18.5 million to $3.5 billion and $3.1 billion, respectively, at March 31, 2022 as compared to June 30, 2021. Deposits increased by $103.6 million, or 3.5%, which were used to continue paying down borrowings during the period. In addition, excess liquidity from a $50.1 million, or 32.0%, decrease in debt securities available for sale, a $33.7 million, or 1.2%, decrease in loans receivable, a $12.0 million, or 29.9%, decrease in certificates of deposit in other banks, and a $8.3 million, or 8.8% decrease in loans held for sale was invested in commercial paper which increased by $123.3 million, or 65.0%, during the period.

Cash and cash equivalents and commercial paper. Total cash and cash equivalents increased $1.1 million, or 2.1%, to $52.1 million at March 31, 2022 from $51.0 million at June 30, 2021. Commercial paper increased $123.3 million, or 65.0%, to $312.9 million at March 31, 2022 from $189.6 million at June 30, 2021.

Debt securities available for sale and other investments. Debt securities available for sale decreased $50.1 million, or 32.0%, to $106.3 million at March 31, 2022 from $156.5 million at June 30, 2021. At March 31, 2022, certificates of deposit in other banks decreased $12.0 million, or 29.9%, to $28.1 million compared to $40.1 million at June 30, 2021. The decrease in certificates of deposit in other banks was due to $13.0 million in maturities partially offset by $1.0 million in purchases. All certificates of deposit in other banks are fully insured by the FDIC. Other investments at cost decreased $670,000, or 2.8%, to $23.0 million at March 31, 2022 from $23.7 million at June 30, 2021. Other investments at cost included SBIC investments, FRB stock, and FHLB stock totaling $12.6 million, $7.4 million, and $3.0 million, respectively. The overall decrease was driven by a $3.1 million, or 50.6%, reduction in FHLB stock as a result of the paydowns in borrowings.

Loans held for sale. Loans held for sale decreased $8.2 million, or 8.8%, to $85.3 million at March 31, 2022 from $93.5 million at June 30, 2021. The decrease was primarily driven by a $17.2 million, or 39.7%, decrease in mortgage loans held for sale, offset by a $5.0 million, or 8.7%, increase in HELOCs originated for sale and a $4.0 million, or 94.8%, increase in SBA loans held for sale.

Loans, net of deferred loan fees and costs. Total loans decreased $33.7 million, or 1.2%, to $2.7 billion at March 31, 2022 from the balance at June 30, 2021. The decrease in loans was driven by PPP forgiveness of $43.9 million and a $98.5 million, or 12.9%, decrease in retail consumer loans primarily within the one-to-four family loans and indirect auto loan portfolios. This decrease was partially offset by a $108.7 million, or 5.7%, increase in commercial loans (excluding PPP loans) as the Company continues its focus on the growth of the commercial loan segment.

Commercial and retail consumer loans consist of the following at the dates indicated:

(Dollars in thousands)	As of March 31, 2022	As of June 30, 2021	Change $	Change %	Percent of total March 31, 2022	Percent of total June 30, 2021
Commercial loans:						
Commercial real estate	$ 1,102,184	$ 1,142,276	$ (40,092)	(3.5)%	40.8 %	41.8 %
Construction and development	251,668	179,427	72,241	40.3	9.3	6.6
Commercial and industrial	167,342	141,341	26,001	18.4	6.2	5.2
Equipment finance	378,629	317,920	60,709	19.1	14.0	11.6
Municipal leases	130,260	140,421	(10,161)	(7.2)	4.8	5.1
PPP loans	2,756	46,650	(43,894)	(94.1)	0.1	1.7
Total commercial loans	2,032,839	1,968,035	64,804	3.3	75.3	72.0
Retail consumer loans:						
One-to-four family	347,945	406,549	(58,604)	(14.4)	12.9	14.9
HELOCs - originated	128,445	130,225	(1,780)	(1.4)	4.8	4.8
HELOCs - purchased	26,911	38,976	(12,065)	(31.0)	1.0	1.4
Construction and land/lots	72,735	66,027	6,708	10.2	2.7	2.4
Indirect auto finance	83,903	115,093	(31,190)	(27.1)	3.1	4.2
Consumer	6,760	8,362	(1,602)	(19.2)	0.3	0.3
Total retail consumer loans	666,699	765,232	(98,533)	(12.9)	24.7	28.0
Total loans	$ 2,699,538	$ 2,733,267	$ (33,729)	(1.2)%	100.0 %	100.0 %

Asset quality. Nonperforming assets decreased by $7.0 million, or 54.6%, to $5.8 million, or 0.16%, of total assets at March 31, 2022 compared to $12.8 million, or 0.36% of total assets at June 30, 2021. The significant decrease from June 30, 2021 was primarily a result of the payoff of two commercial real estate loan relationships totaling $5.1 million during the nine month period. Nonperforming assets included $5.8 million in nonaccruing loans and no REO at March 31, 2022, compared to $12.6 million and $188,000 in nonaccruing loans and REO, respectively, at June 30, 2021. Nonperforming loans to total loans was 0.22% at March 31, 2022 and 0.46% at June 30, 2021.

As of March 31, 2022, we had no loans with full principal and interest payment deferrals related to COVID-19 which had been granted prior to January 1, 2022, compared to $107,000 at June 30, 2021. All loans placed on full payment deferral during the pandemic have come out of deferral and borrowers are either making regular loan payments or interest-only payments. As of March 31, 2022, the Company had $9.6 million in commercial loan deferrals on interest-only payments compared to $78.9 million at June 30, 2021.

The ratio of classified assets to total assets decreased to 0.61% at March 31, 2022 from 0.76% at June 30, 2021. Classified assets decreased $5.0 million, or 18.5%, to $21.7 million at March 31, 2022 compared to $26.7 million at June 30, 2021 primarily due to the payoff of two commercial real estate loan relationships discussed above.

Our individually evaluated loans include loans on nonaccrual status and all TDRs, whether performing or on nonaccrual status under their restructured terms. Individually evaluated loans may be evaluated for reserve purposes using either the discounted cash flow or the collateral valuation method. As of March 31, 2022, there were $4.9 million in loans individually evaluated. For more information on these individually evaluated loans, see "Note 6 - Loans and Allowance for Credit Losses on Loans" in this Quarterly Report on Form 10-Q.

Allowance for credit losses. The ACL on loans was $31.0 million, or 1.15%, of total loans at March 31, 2022 compared to $35.5 million, or 1.30%, of total loans at June 30, 2021. The overall decrease was driven by lower expected credit losses estimated by management based on an improving economic outlook.

There was a net benefit for credit losses of $4.0 million for the nine months ended March 31, 2022, compared to a $6.2 million net benefit for the corresponding period in fiscal year 2021. Net loan charge-offs totaled $19,000 for the nine months ended March 31, 2022, compared to net charge-offs of $452,000 for the same period last year. Net charge-offs as a percentage of average loans was 0.00% for the nine months ended March 31, 2022 compared to net charge-offs of 0.02% for the corresponding period last year.

The allowance as a percentage of nonperforming loans increased to 534.06% at March 31, 2022 from 281.38% at June 30, 2021.

Deferred income taxes. Deferred income taxes decreased $4.4 million, or 26.1%, to $12.5 million at March 31, 2022 from $16.9 million at June 30, 2021. The decrease was primarily a result of a release and reduction of the ACL, depreciation on new equipment finance leases, and bonus tax depreciation on new premises.

Other assets. Other assets decreased $2.5 million, or 4.4%, to $55.0 million at March 31, 2022 from $57.5 million at June 30, 2021. The decrease was primarily driven by lower net operated lease assets and current taxes receivable, offset by a reclassification of assets held for sale from premises and equipment related to the nine branch closures.

Deposits. Deposits increased $103.6 million, or 3.5%, during the nine months ended March 31, 2022 to $3.1 billion, driven by our successful efforts to increase core deposits which increased $133.6 million, or 5.4%. Partially offsetting this deposit increase was a decrease of $30.0 million, or 6.3%, in certificates of deposit as part of our managed runoff of the portfolio.

The following table sets forth our deposits by type of deposit account as of the dates indicated:

	As of		Change		Percent of total	
(Dollars in thousands)	March 31, 2022	June 30, 2021	$	%	March 31, 2022	June 30, 2021
Core deposits:						
Noninterest-bearing accounts	$ 704,344	$ 636,414	$ 67,930	10.7 %	23.0 %	21.5 %
NOW accounts	652,577	644,958	7,619	1.2	21.3	21.8
Money market accounts	1,026,595	975,001	51,594	5.3	33.6	33.0
Savings accounts	232,831	226,391	6,440	2.8	7.6	7.7
Core deposits	2,616,347	2,482,764	133,583	5.4	85.5	84.0
Certificates of deposit	442,810	472,777	(29,967)	(6.3)	14.5	16.0
Total	$ 3,059,157	$ 2,955,541	$ 103,616	3.5 %	100.0 %	100.0 %

Borrowings. Borrowings decreased $85.0 million, or 73.9%, to $30.0 million at March 31, 2022 compared to $115.0 million at June 30, 2021 as excess liquidity was used to pay down borrowings.

Average Balances, Interest and Average Yield/Cost

Our operating results depend primarily on our net interest income, which is the difference between interest income on interest-earning assets, including loans and securities, and interest expense incurred on interest-bearing liabilities, including deposits and other borrowed funds. Interest rate fluctuations, as well as changes in the amount and type of interest-earning assets and interest-bearing liabilities, combine to affect net interest income. Our net interest income is affected by changes in the amount and mix of interest-earning assets and interest-bearing liabilities, referred to as a "volume change". It is also affected by changes in yields earned on interest-earning assets and rates paid on interest-bearing liabilities, referred to as a "rate change".

The following table presents the distribution of average assets, liabilities and equity, as well as interest income on average interest-earning assets and interest expense paid on average interest-bearing liabilities. All average balances are daily average balances. Nonaccruing loans have been included in the table as loans carrying a zero yield.

The following table presents the distribution of average assets, liabilities and equity, as well as interest income and fees on average interest-earning assets and interest expense and interest-bearing liabilities:

(Dollars in thousands)	For the Three Months Ended March 31, 2022 Average Balance Outstanding	2022 Interest Earned/ Paid	2022 Yield/ Rate	2021 Average Balance Outstanding	2021 Interest Earned/ Paid	2021 Yield/ Rate
Assets:						
Interest-earning assets:						
Loans receivable[1][2]	$ 2,791,650	$ 26,936	3.91 %	$ 2,779,094	$ 27,955	4.08 %
Commercial paper and deposits in other banks	342,878	563	0.67	522,256	611	0.47
Debt securities available for sale	111,874	384	1.39	153,871	496	1.31
Other interest-earning assets[3]	22,614	632	11.33	39,184	585	6.05
Total interest-earning assets	3,269,016	28,515	3.54	3,494,405	29,647	3.44
Other assets	258,126			258,858		
Total assets	$ 3,527,142			$ 3,753,263		
Liabilities and equity:						
Interest-bearing deposits:						
Interest-bearing checking accounts	$ 650,072	$ 310	0.19 %	$ 637,381	$ 391	0.25 %
Money market accounts	1,020,734	340	0.14	907,228	373	0.17
Savings accounts	227,936	40	0.07	212,809	39	0.08
Certificate accounts	441,314	461	0.42	516,221	1,193	0.94
Total interest-bearing deposits	2,340,056	1,151	0.20	2,273,639	1,996	0.36
Borrowings	33,599	4	0.05	465,111	1,632	1.42
Total interest-bearing liabilities	2,373,655	1,155	0.20	2,738,750	3,628	0.54
Noninterest-bearing deposits	714,753			553,045		
Other liabilities	39,374			56,655		
Total liabilities	3,127,782			3,348,450		
Stockholders' equity	399,360			404,813		
Total liabilities and stockholders' equity	$ 3,527,142			$ 3,753,263		
Net earning assets	$ 895,361			$ 755,655		
Average interest-earning assets to average interest-bearing liabilities	137.72 %			127.59 %		
Tax-equivalent:						
Net interest income		$ 27,360			$ 26,019	
Interest rate spread			3.34 %			2.90 %
Net interest margin[4]			3.39 %			3.02 %
Non-tax-equivalent:						
Net interest income		$ 27,040			$ 25,693	
Interest rate spread			3.30 %			2.87 %
Net interest margin[4]			3.35 %			2.98 %

(1) The average loans receivable balances include loans held for sale and nonaccruing loans.
(2) Interest income used in the average interest earned and yield calculation includes the tax equivalent adjustment of $320 and $326 for the three months ended March 31, 2022 and 2021, respectively, calculated based on a combined federal and state tax rate of 24%.
(3) The average other interest-earning assets consist of FRB stock, FHLB stock, and SBIC investments.
(4) Net interest income divided by average interest-earning assets.

(Dollars in thousands)	For the Nine Months Ended March 31, 2022 Average Balance Outstanding	2022 Interest Earned/ Paid	2022 Yield/ Rate	2021 Average Balance Outstanding	2021 Interest Earned/ Paid	2021 Yield/ Rate
Assets:						
Interest-earning assets:						
Loans receivable[1][2]	$ 2,810,205	$ 82,377	3.90 %	$ 2,826,886	$ 85,505	4.03 %
Commercial paper and deposits in other banks	311,457	1,362	0.58	454,609	2,106	0.62
Debt securities available for sale	124,053	1,319	1.42	131,332	1,528	1.55
Other interest-earning assets[3]	22,218	1,867	11.19	39,140	1,729	5.88
Total interest-earning assets	3,267,933	86,925	3.54	3,451,967	90,868	3.51
Other assets	259,570			256,026		
Total assets	$ 3,527,503			$ 3,707,993		
Liabilities and equity:						
Interest-bearing liabilities:						
Interest-bearing checking accounts	$ 640,194	1,038	0.22 %	$ 593,815	1,142	0.26 %
Money market accounts	1,002,542	1,056	0.14	860,170	1,337	0.21
Savings accounts	224,664	120	0.07	206,478	114	0.07
Certificate accounts	447,623	1,814	0.54	594,565	5,003	1.12
Total interest-bearing deposits	2,315,023	4,028	0.23	2,255,028	7,596	0.45
Borrowings	48,894	45	0.12	471,716	5,007	1.41
Total interest-bearing liabilities	2,363,917	4,073	0.23	2,726,744	12,603	0.62
Noninterest-bearing deposits	719,872			522,406		
Other liabilities	45,443			56,141		
Total liabilities	3,129,232			3,305,291		
Stockholders' equity	398,271			402,702		
Total liabilities and stockholders' equity	$ 3,527,503			$ 3,707,993		
Net earning assets	$ 904,016			$ 725,223		
Average interest-earning assets to average interest-bearing liabilities	138.24 %			126.60 %		
Tax-equivalent:						
Net interest income		$ 82,852			$ 78,265	
Interest rate spread			3.31 %			2.89 %
Net interest margin[4]			3.38 %			3.02 %
Non-tax-equivalent:						
Net interest income		$ 81,915			$ 77,323	
Interest rate spread			3.28 %			2.85 %
Net interest margin[4]			3.34 %			2.98 %

(1) The average loans receivable balances include loans held for sale and nonaccruing loans.
(2) Interest income used in the average interest earned and yield calculation includes the tax equivalent adjustment of $937 and $942 for the nine months ended March 31, 2022 and 2021, respectively, calculated based on a combined federal and state tax rate of 24%.
(3) The average other interest-earning assets consist of FRB stock, FHLB stock, and SBIC investments.
(4) Net interest income divided by average interest-earning assets.

Rate/Volume Analysis

The following table shows the effects that changes in average balances (volume) and average interest rates (rate) had on the interest earned on our interest-earning assets and interest-bearing liabilities:

(Dollars in thousands)	Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021		
	Increase/ (Decrease) due to		
	Volume	Rate	Total Increase/(Decrease)
Interest-earning assets:			
Loans receivable[1]	$ 126	$ (1,145)	$ (1,019)
Commercial paper and deposits in other banks	(210)	162	(48)
Debt securities available for sale	(135)	23	(112)
Other interest-earning assets	(247)	294	47
Total interest-earning assets	(466)	(666)	(1,132)
Interest-bearing liabilities:			
Interest-bearing checking accounts	8	(89)	(81)
Money market accounts	47	(80)	(33)
Savings accounts	3	(2)	1
Certificate accounts	(174)	(558)	(732)
Total interest-bearing deposits	(116)	(729)	(845)
Borrowings	(1,514)	(114)	(1,628)
Total interest-bearing liabilities	(1,630)	(843)	(2,473)
Net increase (decrease) in tax equivalent interest income	$ 1,164	$ 177	$ 1,341

(Dollars in thousands)	Nine Months Ended March 31, 2022 Compared to Nine Months Ended March 31, 2021		
	Increase/ (Decrease) due to		
	Volume	Rate	Total Increase/(Decrease)
Interest-earning assets:			
Loans receivable[1]	$ (504)	$ (2,624)	$ (3,128)
Commercial paper and deposits in other banks	(664)	(80)	(744)
Debt securities available for sale	(85)	(124)	(209)
Other interest-earning assets	(747)	885	138
Total interest-earning assets	(2,000)	(1,943)	(3,943)
Interest-bearing liabilities:			
Interest-bearing checking accounts	89	(193)	(104)
Money market accounts	221	(502)	(281)
Savings accounts	10	(4)	6
Certificate accounts	(1,236)	(1,953)	(3,189)
Total interest-bearing deposits	(916)	(2,652)	(3,568)
Borrowings	(4,488)	(474)	(4,962)
Total interest-bearing liabilities	(5,404)	(3,126)	(8,530)
Net increase (decrease) in tax equivalent interest income	$ 3,404	$ 1,183	$ 4,587

(1) Interest income used in the average interest earned and yield calculation includes the tax equivalent adjustment of $320 and $326 for the three months ended March 31, 2022 and 2021, respectively, calculated based on a combined federal and state income tax rate of 24%. Interest income used in the average interest earned and yield calculation includes the tax equivalent adjustment of $937 and $942 for the nine months ended March 31, 2022 and 2021, respectively, calculated based on a combined federal and state income tax rate of 24%.

Comparison of Results of Operations for the Three Months Ended March 31, 2022 and 2021

General. During the three months ended March 31, 2022, net income increased $154,000, or 2.0% to $8.0 million compared to $7.9 million for the three months ended March 31, 2021, while our diluted earnings per share increased to $0.51 compared to $0.48 for the same period in fiscal 2021. Third quarter of fiscal 2022 earnings were positively impacted by a $1.3 million, or 5.2%, increase in net interest income driven by lower borrowing costs, and a $4.7 million, or 15.4%, decrease in noninterest expense.

Net Interest Income. Net interest income increased by $1.3 million, or 5.2%, to $27.0 million for the quarter ended March 31, 2022, compared to $25.7 million for the comparative quarter in fiscal 2021. Interest and dividend income decreased by $1.1 million, or 3.8%, primarily driven by lower average balances on interest-earning assets combined with lower loan yields. This decrease was offset by a $2.5 million, or 68.2% decrease in interest expense.

Average interest-earning assets decreased $225.4 million, or 6.4%, to $3.3 billion for the quarter ended March 31, 2022. The main drivers of the change were decreases of $179.4 million, or 34.3%, in the average balance of commercial paper and deposits in other banks and $42.0 million, or 27.3%, in debt securities available for sale as the Company used excess liquidity to reduce borrowings, which declined by $431.5 million, or 92.8%, when compared to the prior period. Net interest margin (on a fully taxable-equivalent basis) for the three months ended March 31, 2022 increased to 3.39% from 3.02% for the same period a year ago as all higher rate long-term borrowings were repaid during the quarter ended June 30, 2021.

Total interest and dividend income decreased $1.1 million, or 3.8%, for the quarter ended March 31, 2022 as compared to the same quarter last year, which was primarily a result of a $1.0 million, or 3.7%, decrease in loan interest income. The lower loan interest income was driven by a decline in the average yield on loans of 17 basis points, from 4.08% to 3.91%. Loan interest income for the quarter included the amortization of $265,000 of PPP loan origination fees, a decline of $349,000 when compared to the $614,000 recognized in the prior period. The overall average yield on interest-earning assets increased 10 basis points to 3.54% for the current quarter compared to 3.44% in the same quarter last year primarily due to the change in the mix of interest-earning assets.

Total interest expense decreased $2.5 million, or 68.2%, for the quarter ended March 31, 2022 compared to the same period last year. The decrease was driven by a $1.6 million, or 99.8%, decrease in interest expense on borrowings as discussed above and a $845,000, or 42.3%, decrease in interest expense on deposits. The average balance of total deposits increased by $228.1 million, or 8.1%, with noninterest-bearing deposits and interest-bearing deposits increasing $161.7 million and $66.4 million, respectively. The increase in interest-bearing deposits was driven by a $113.5 million, or 12.5% increase in money market accounts, partially offset by a $74.9 million, or 14.5%, decrease in certificates of deposit. As stated above, average borrowings for the quarter ended March 31, 2022 decreased $431.5 million, or 92.8%, along with a 137 basis point decrease in the average cost of borrowings compared to the same period last year. The decrease in the average cost of borrowings was primarily driven by the early retirement of long-term borrowings reducing the average balance and partially driven by a shift to short-term borrowings at lower rates. The overall average cost of funds decreased 34 basis points to 0.20% for the current quarter compared to 0.54% in the same quarter last year.

Provision (Benefit) for Credit Losses. During the three months ended March 31, 2022, there was a $45,000 net benefit for credit losses compared to a $4.1 million net benefit for the corresponding quarter of fiscal 2021. Net loan recoveries totaled $741,000 for the three months ended March 31, 2022, compared to net recoveries of $185,000 for the same period last year. Annualized net recoveries as a percentage of average loans were 0.11% for the quarter ended March 31, 2022 compared to 0.03% for the corresponding quarter last year. See "Comparison of Financial Condition - Asset Quality" for additional details.

Noninterest Income. Noninterest income decreased $1.7 million, or 16.2%, to $8.9 million for the quarter ended March 31, 2022 from $10.7 million for the same period in the previous year. This change was primarily due to a $1.9 million, or 39.2%, decrease in gain on sale of loans, partially offset by a $229,000, or 16.0%, increase in operating lease income. The decrease in gain on sale of loans was driven by decreases in loan principal sold across all portfolios. During the quarter ended March 31, 2022, $53.4 million of residential mortgage loans originated for sale were sold with gains of $1.3 million compared to $106.5 million sold and gains of $2.7 million in the corresponding period in the prior year. There were $16.5 million of sales of the guaranteed portion of SBA commercial loans with gains of $1.5 million in the current quarter compared to $20.2 million sold and gains of $1.8 million for the same period last year. The Company sold $25.0 million of HELOCs during the quarter for a gain of $156,000 compared to $43.8 million sold and gains of $301,000 in the corresponding period last year.

Noninterest Expense. Noninterest expense decreased $4.7 million, or 15.4%, for the quarter ended March 31, 2022 as compared to the same period last year, which was primarily a result of a decrease of $3.7 million in prepayment penalties on long-term borrowings, and a $1.1 million, or 6.7%, decrease in salaries and benefits expense due to branch closures and lower mortgage banking incentive pay in the period.

Income Taxes. Our income tax expense for the three months ended March 31, 2022 increased $114,000, or 5.4%, to $2.2 million from $2.1 million for the three months ended March 31, 2021 primarily as a result of higher taxable income. The effective tax rates for the quarters ended March 31, 2022 and 2021 were 21.6% and 21.0%, respectively.

Comparison of Results of Operations for the Nine Months Ended March 31, 2022 and 2021

General. During the nine months ended March 31, 2022, net income increased by $6.5 million, or 28.4%, to $29.6 million from $23.1 million for the nine months ended March 31, 2021, while our diluted earnings per share increased to $1.84 for the nine months ended March 31, 2022 compared to $1.40 in the same period in fiscal 2021. Year-to-date earnings were positively impacted by a $5.2 million, or 6.3%, decrease in noninterest expense and a $4.6 million, or 5.9%, increase in net interest margin.

Net Interest Income. Net interest income increased by $4.6 million, or 5.9%, to $81.9 million for the nine months ended March 31, 2022, compared to the same period last year. Interest and dividend income decreased by $3.9 million, or 4.4%, primarily driven by lower average balances on interest-earning assets. This decrease was offset by a $8.5 million, or 67.7%, decrease in interest expense.

Average interest-earning assets decreased $184.0 million, or 5.3%, to $3.3 billion for the nine months ended March 31, 2022. The biggest reason for the change was a decrease of $143.2 million, or 31.5%, in commercial paper and deposits in other banks, as the Company used excess liquidity to reduce borrowings, where the average balance declined from $471.7 million to $48.9 million. Net interest margin (on a fully taxable-equivalent basis) for the nine months ended March 31, 2022 increased to 3.38% from 3.02% for the same period a year ago as all higher rate long-term borrowings were repaid during the quarter ended June 30, 2021.

Total interest and dividend income decreased $3.9 million, or 4.4%, for the nine months ended March 31, 2022 as compared to the same period last year, which was primarily a result of a $3.1 million, or 3.7%, decrease in loan interest income and a $744,000, or 35.3%, decrease in interest income on commercial paper and deposits in other banks. The lower interest income in each category was driven by the combined effect of a decrease in average balances, as discussed above, and a decline in average loan yields which decreased 13 basis points to 3.90%, and average yields on debt securities available for sale which decreased 13 basis points to 1.42%. Loan interest income for the nine months included the amortization of $975,000 of PPP loan origination fees, a decline of $381,000 when compared to the $1.4 million recognized in the prior period. The overall average yield on interest-earning assets increased three basis points to 3.54% for the nine months compared to 3.51% in the same period last year as a result of a shift to higher yielding assets.

Total interest expense decreased $8.5 million, or 67.7%, for the nine months ended March 31, 2022 compared to the same period last year. The decrease was driven by a $5.0 million, or 99.1%, decrease in interest expense on borrowings as discussed above and a $3.6 million, or 47.0%, decrease in interest expense on deposits. The average balance of total deposits increased by $257.5 million, or 9.3%, with noninterest-bearing deposits and interest-bearing deposits increasing $197.5 million and $60.0 million, respectively. The increase in interest-bearing deposits was driven by a $142.4 million, or 16.6%, increase in money market accounts and $46.4 million, or 7.8%, increase in interest-bearing checking accounts, partially offset by a $146.9 million, or 24.7%, decrease in certificates of deposit. As stated above average borrowings for the nine months ended March 31, 2022 decreased $422.8 million, or 89.6%, along with a 129 basis point decrease in the average cost of borrowings compared to the same period last year. The increase in average deposits (interest and noninterest-bearing) was due to successful deposit gathering campaigns and the effect of government stimulus in prior periods. The decrease in the average cost of borrowings was primarily driven by the early retirement of long-term borrowings reducing the average balance and partially driven by a shift to short-term borrowings at lower rates. The overall average cost of funds decreased 39 basis points to 0.23% for the nine months compared to 0.62% in the same period last year.

Provision (Benefit) for Loan Losses. During the nine months ended March 31, 2022 there was a $4.0 million net benefit for credit losses compared to a $6.2 million net benefit for credit losses for the corresponding period of fiscal 2021. Net loan charge-offs totaled $19,000 for the nine months ended March 31, 2022, compared to net loan charge-offs of $452,000 for the same period last year. Net charge-offs as a percentage of average loans was 0.00% for the nine months ended March 31, 2022 compared to net charge-offs of 0.02% for the corresponding period last year. See "Comparison of Financial Condition - Asset Quality" for additional details.

Noninterest Income. Noninterest income increased $819,000, or 2.9%, to $29.5 million for the nine months ended March 31, 2022 from $28.7 million for the same period in the previous year. This change was due to an $857,000, or 51.0%, increase in loan income and fees, an $813,000, or 19.8% increase in operating lease income, a $394,000, or 5.9% increase in service charges and fees on deposit accounts, partially offset by a $1.0 million, or 8.4%, decrease in gain on sale of loans. The increase in loan income and fees was primarily a result of $924,000 in additional loan servicing fees as a result of bringing the Company's SBA loan servicing process in-house, which began July 1, 2021. The increase in operating lease income was primarily driven by increases in loan originations and higher outstanding lease balances during the period, while the increase in service charges on deposit accounts was the result of a $234,000 increase in interchange income driven by higher debit card usage. During the nine months ended March 31, 2022, $204.1 million of residential mortgage loans originated for sale were sold with gains of $5.6 million compared to $297.2 million sold and gains of $7.7 million in the corresponding period in the prior year. There were $43.5 million of sales of the guaranteed portion of SBA commercial loans with gains of $4.5 million in the nine months compared to $44.6 million sold and gains of $3.7 million for the same period last year. The Company sold $97.2 million of HELOCs during the nine months ended March 31, 2022 for a gain of $581,000 compared to $85.9 million sold and gains of $559,000 in the corresponding period last year. Lastly, $11.5 million of indirect auto finance loans were sold out of the held for investment portfolio during the current period for a gain of $205,000. No such sales occurred in the same period in the prior year.

Noninterest Expense. Noninterest expense decreased $5.2 million, or 6.3%, for the nine months ended March 31, 2022 as compared to the same period last year, which was primarily a result of a decrease of $3.7 million in prepayment penalties on borrowings, a $1.8 million, or 3.9%, decrease in salaries and benefits expense due to branch closures and lower mortgage banking incentive pay in the period, and a reduction of core deposit amortization expense of $397,000, or 65.6%, partially offset by an increase of $1.1 million, or 117.2%, in marketing and advertising expense driven by reduced media advertising in prior periods as a result of the pandemic as well as current year advertising for newly opened locations.

Income Taxes. For the nine months ended March 31, 2022, the Company's income tax expense increased $1.9 million, or 31.2%, to $8.0 million from $6.1 million primarily as a result of higher taxable income. The effective tax rates for the nine months ended March 31, 2022 and 2021 were 21.4% and 21.0%, respectively.

Liquidity

Management maintains a liquidity position that it believes will adequately provide funding for loan demand and deposit run-off that may occur in the normal course of business. We rely on a number of different sources in order to meet our potential liquidity demands. The primary sources are increases in deposit accounts, cash flows from loan payments, commercial paper, and the securities portfolio.

In addition to these primary sources of funds, management has several secondary sources available to meet potential funding requirements. As of March 31, 2022, the Bank had an available borrowing capacity of $255.7 million with the FHLB of Atlanta, a $72.1 million line of credit with the FRB and a line of credit with three unaffiliated banks totaling $125.0 million. At March 31, 2022, we had $30.0 million in FHLB advances outstanding, nothing in FRB borrowings outstanding, and nothing outstanding under our other lines of credit. Additionally, we classify our securities portfolio as available for sale, providing an additional source of liquidity. Management believes that our securities portfolio is of high quality and the securities would therefore be marketable. We have historically sold longer term fixed-rate mortgage loans in the secondary market to reduce interest rate risk and to create still another source of liquidity. From time to time we also utilize brokered time deposits to supplement our other sources of funds. Brokered time deposits are obtained by utilizing an outside broker that is paid a fee. This funding requires advance notification to structure the type of deposit desired by us. Brokered deposits can vary in term from one month to several years and have the benefit of being a source of longer-term funding. We also may utilize brokered deposits to help manage interest rate risk by extending the term to repricing of our liabilities, enhance our liquidity and fund asset growth. Brokered deposits are typically from outside our primary market areas, and our brokered deposit levels may vary from time to time depending on competitive interest rate conditions and other factors. At March 31, 2022 brokered deposits totaled $2.3 million, or 0.1%, of total deposits, compared to $4.3 million, or 0.2%, of total deposits, at June 30, 2021.

Liquidity management is both a daily and long-term function of business management. Excess liquidity is generally invested in short-term investments, such as overnight deposits, federal funds, and commercial paper. On a longer term basis, we maintain a strategy of investing in various lending products and investment securities, including MBS. HomeTrust Bancshares on a stand-alone basis is a separate legal entity from the Bank and must provide for its own liquidity and payment of its own operating expenses. It has the ability to receive dividends or capital distributions from the Bank, although there are regulatory restrictions on the ability of the Bank to pay dividends. At March 31, 2022, HomeTrust Bancshares on a stand-alone basis had liquid assets of $8.5 million.

We use our sources of funds primarily to meet our ongoing commitments, pay maturing deposits and fund withdrawals, and to fund loan commitments. At March 31, 2022, the total approved loan commitments and unused lines of credit outstanding amounted to $386.4 million and $498.3 million, respectively, as compared to $401.1 million and $530.5 million, respectively, as of June 30, 2021. Certificates of deposit scheduled to mature in one year or less at March 31, 2022 totaled $389.4 million. It is management's policy to manage deposit rates that are competitive with other local financial institutions. Based on this management strategy, we believe a majority of our maturing deposits will continue to remain with us.

During the first nine months of fiscal 2022, cash and cash equivalents increased $1.1 million, or 2.1%, to $52.1 million as of March 31, 2022 from $51.0 million as of June 30, 2021.

Off-Balance Sheet Activities

In the normal course of operations, we engage in a variety of financial transactions that are not recorded in our financial statements. These transactions involve varying degrees of off-balance sheet credit, interest rate and liquidity risks. These transactions are used primarily to manage customers' requests for funding and take the form of loan commitments and lines of credit. For the nine months ended March 31, 2022, we did not engage in any off-balance sheet transactions likely to have a material effect on our financial condition, results of operations or cash flows.

A summary of our off-balance sheet commitments to extend credit at March 31, 2022, is as follows:

(Dollars in thousands)		
Undisbursed portion of construction loans	$	290,532
Commitments to originate loans		95,848
Unused lines of credit		498,315
Standby letters of credit		17,492
Total loan commitments	$	902,187

Capital Resources

At March 31, 2022, stockholders' equity totaled $395.1 million. HomeTrust Bancshares, Inc. is a bank holding company and a financial holding company subject to regulation by the Federal Reserve. As a bank holding company, we are subject to capital adequacy requirements of the Federal Reserve under the Bank Holding Company Act of 1956, as amended and the regulations of the Federal Reserve. Our subsidiary, the Bank, an FDIC-insured, North Carolina state-chartered bank and a member of the Federal Reserve, is supervised and regulated by the Federal Reserve and the NCCOB and is subject to minimum capital requirements applicable to state member banks established by the Federal Reserve that are calculated in a manner similar to those applicable to bank holding companies.

Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities and certain off-balance-sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

HomeTrust Bancshares, Inc. and the Bank each exceeded all regulatory capital requirements as of March 31, 2022. Consistent with our goals to operate a sound and profitable organization, our policy is for the Bank to maintain a "well-capitalized" status under the regulatory capital categories of the Federal Reserve. The Bank was categorized as "well-capitalized" at March 31, 2022 under applicable regulatory requirements.

HomeTrust Bancshares, Inc. and the Bank's actual and required minimum capital amounts and ratios are as follows:

			Regulatory Requirements			
(Dollars in thousands)	Actual		Minimum for Capital Adequacy Purposes		Minimum to Be Well Capitalized	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
HomeTrust Bancshares, Inc.						
March 31, 2022						
CET1 Capital (to risk-weighted assets)	$ 376,838	10.83 %	$ 156,538	4.50 %	$ 226,110	6.50 %
Tier I Capital (to total adjusted assets)	376,838	10.74 %	140,287	4.00 %	175,359	5.00 %
Tier I Capital (to risk-weighted assets)	376,838	10.83 %	208,717	6.00 %	278,289	8.00 %
Total Risk-based Capital (to risk-weighted assets)	396,908	11.41 %	278,289	8.00 %	347,861	10.00 %
June 30, 2021						
CET1 Capital (to risk-weighted assets)	$ 375,320	11.26 %	$ 149,943	4.50 %	$ 216,584	6.50 %
Tier I Capital (to total adjusted assets)	375,320	10.29 %	145,915	4.00 %	182,393	5.00 %
Tier I Capital (to risk-weighted assets)	375,320	11.26 %	199,924	6.00 %	266,565	8.00 %
Total Risk-based Capital (to risk-weighted assets)	398,408	11.96 %	266,565	8.00 %	333,206	10.00 %
HomeTrust Bank:						
March 31, 2022						
CET1 Capital (to risk-weighted assets)	$ 368,478	10.59 %	$ 156,536	4.50 %	$ 226,107	6.50 %
Tier I Capital (to total adjusted assets)	368,478	10.51 %	140,244	4.00 %	175,305	5.00 %
Tier I Capital (to risk-weighted assets)	368,478	10.59 %	208,714	6.00 %	278,286	8.00 %
Total Risk-based Capital (to risk-weighted assets)	388,548	11.17 %	278,286	8.00 %	347,857	10.00 %
June 30, 2021						
CET1 Capital (to risk-weighted assets)	$ 357,767	10.74 %	$ 149,936	4.50 %	$ 216,575	6.50 %
Tier I Capital (to total adjusted assets)	357,767	9.81 %	145,933	4.00 %	182,417	5.00 %
Tier I Capital (to risk-weighted assets)	357,767	10.74 %	199,915	6.00 %	266,553	8.00 %
Total Risk-based Capital (to risk-weighted assets)	380,855	11.43 %	266,553	8.00 %	333,192	10.00 %

In addition to the minimum CET1, Tier 1 and total risk-based capital ratios, both HomeTrust Bancshares, Inc. and the Bank have to maintain a capital conservation buffer consisting of additional CET1 capital of more than 2.5% above the required minimum levels in order to avoid limitations on paying dividends, engaging in share repurchases, and paying discretionary bonuses based on percentages of eligible retained income that could be utilized for such actions. At March 31, 2022, the conservation buffer was 3.41% and 3.17% for HomeTrust Bancshares, Inc. and the Bank, respectively.

Impact of Inflation

The effects of price changes and inflation can vary substantially for most financial institutions. While management believes that inflation affects the growth of total assets, it believes that it is difficult to assess the overall impact. Management believes this to be the case due to the fact that generally neither the timing nor the magnitude of the inflationary changes in the CPI coincides with changes in interest rates. The price of one or more of the components of the CPI may fluctuate considerably and thereby influence the overall CPI without having a corresponding effect on interest rates or upon the cost of those goods and services normally purchased by us. In years of high inflation and high interest rates, intermediate and long-term interest rates tend to increase, thereby adversely impacting the market values of investment securities, mortgage loans and other long-term fixed rate loans. In addition, higher short-term interest rates caused by inflation tend to increase the cost of funds. In other years, the opposite may occur.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

There has not been any material change in the market risk disclosures contained in our 2021 Form 10-K.

Item 4. Controls and Procedures

An evaluation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934 (the "Act")) as of March 31, 2022, was carried out under the supervision and with the participation of the Company's Chief Executive Officer, Chief Financial Officer and several other members of the Company's senior management. The Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures in effect as of March 31, 2022, were effective in ensuring that the information required to be disclosed by the Company in the reports it files or submits under the Act is: (i) accumulated and communicated to the Company's management (including the Chief Executive Officer and Chief Financial Officer) in a timely manner and (ii) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

The Company does not expect that its disclosure controls and procedures and internal control over financial reporting will prevent all errors and all fraud. A control procedure, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control procedure are met. Because of the inherent limitations in all control procedures, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls may be circumvented by the individual acts of some persons, by collusion of two or more people, or by override of the control. The design of any control procedure also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control procedure, misstatements due to error or fraud may occur and not be detected.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The "Litigation" section of "Note 9 - Commitments and Contingencies" to the Consolidated Financial Statements included in Part I, Item 1 is incorporated herein by reference.

Item 1A. Risk Factors

There have been no material changes in the Risk Factors previously disclosed in Item 1A of the 2021 Form 10-K.

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

(a) Not applicable

(b) Not applicable

(c) Not applicable

	Total Number Of Shares Purchased	Average Price Paid per Share	Total Number Of Shares Purchased as Part of Publicly Announced Plans	Maximum Number of Shares that May Yet Be Purchased Under Publicly Announced Plans
nuary 1 - January 31, 2022	57,394	$ 31.46	57,394	210,372
ebruary 1 - February 28, 2022	210,372	31.07	210,372	806,000
arch 1 - March 31, 2022	152,165	30.07	152,165	653,835
Total	419,931	$ 30.76	419,931	653,835

On April 2, 2020, the Company's Board of Directors authorized the repurchase of up to 851,004 shares of the Company's common stock, representing 5% of its outstanding shares at the time of the announcement. This repurchase plan was completed on July 26, 2021. On July 28, 2021, 825,941 shares of common stock were authorized for repurchase representing 5% of the Company's outstanding shares at the time of the announcement. This repurchase plan was completed on February 28, 2022. Also on February 28, 2022, an additional 806,000 shares of common stock were authorized for repurchase representing approximately 5% of the Company's outstanding shares at the time of the announcement. For the nine months ended March 31, 2022, 1,095,763 shares were repurchased at an average price of $29.50 per share. The shares may be purchased in the open market or in privately negotiated transactions, from time to time depending upon market conditions and other factors.

Item 3. Defaults Upon Senior Securities

Nothing to report.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Nothing to report.

Item 6. Exhibits

Regulation S-K Exhibit Number	Document	Reference to Prior Filing or Exhibit Number Attached Hereto
3.1	Charter of HomeTrust Bancshares, Inc.	(a)
3.2	Articles Supplementary to the Charter of HomeTrust Bancshares, Inc. for HomeTrust Bancshares, Inc.'s Junior Participating Preferred Stock, Series A	(b)
3.3	Amended and Restated Bylaws of HomeTrust Bancshares, Inc.	(f)
4.1	Tax Benefits Preservation Plan, dated as of September 25, 2012, between HomeTrust Bancshares, Inc. and Registrar and Transfer Company, as Rights Agent	(b)
4.2	Amendment No. 1, dated as of August 31, 2015, to Tax Benefit Preservation Plan, dated as of September 25, 2012, between HomeTrust Bancshares, Inc. and Computershare Trust Company, N.A., as successor rights agent to Registrar and Transfer Company	(d)
4.3	Amendment No. 2, dated as of August 21, 2018, to Tax Benefits Preservation Plan, dated as of September 25, 2012, between HomeTrust Bancshares, Inc. and Computershare Trust Company,N.A., as successor rights agent to Registrar and Transfer Company	(e)
10.1	HomeTrust Bancshares, Inc. Strategic Operating Committee Incentive Plan	(p)
10.2	Amended and Restated Employment Agreement entered into between HomeTrust Bancshares, Inc. and Dana L. Stonestreet	(g)
10.3	Amended and Restated Employment Agreement entered into between HomeTrust Bancshares, Inc. and C. Hunter Westbrook	(g)
10.3A	Amendment No. 1 to Amended and Restated Employment Agreement entered into between HomeTrust Bancshares, Inc. and C. Hunter Westbrook	(h)
10.3B	Amendment No. 2 dated as of October 27, 2020, to Amended and Restated Employment Agreement, dated as of September 11, 2018, by and between the Company and C. Hunter Westbrook	(i)
10.3C	Amendment No. 3 dated as of July 26, 2021, to Amended and Restated Employment Agreement, dated as of September 11, 2018, by and between the Company and C. Hunter Westbrook	(c)
10.4	Amended and Restated Employment Agreement entered into between HomeTrust Bancshares,Inc. and Tony J. VunCannon	(g)
10.5	HomeTrust Bank Executive Supplemental Retirement Income Master Agreement ("SERP")	(a)
10.6	Amendment No. 1 to SERP	10.6
10.7	Amendment No. 2 to SERP	(q)
10.7A	SERP Joinder Agreement for F. Edward Broadwell, Jr.	(a)
10.7B	SERP Joinder Agreement for Dana L. Stonestreet	(a)
10.7C	SERP Joinder Agreement for Tony J. VunCannon	(a)
10.7D	SERP Joinder Agreement for Howard L. Sellinger	(a)
10.7E	SERP Joinder Agreement for Stan Allen	(a)
10.7F	SERP Joinder Agreement for Sidney A. Biesecker	(a)

10.7G	SERP Joinder Agreement for Peggy C. Melville	(a)
10.7H	SERP Joinder Agreement for William T. Flynt	(a)
10.7I	Amended and Restated Supplemental Income Agreement between HomeTrust Bank, as successor to Industrial Federal Savings Bank, and Sidney Biesecker	(j)
10.8	HomeTrust Bank Director Emeritus Plan ("Director Emeritus Plan")	(a)
10.8A	Director Emeritus Plan Joinder Agreement for William T. Flynt	(a)
10.8B	Director Emeritus Plan Joinder Agreement for J. Steven Goforth	(a)
10.8C	Director Emeritus Plan Joinder Agreement for Craig C. Koontz	(a)
10.8D	Director Emeritus Plan Joinder Agreement for Larry S. McDevitt	(a)
10.8E	Director Emeritus Plan Joinder Agreement for F.K. McFarland, III	(a)
10.8F	Director Emeritus Plan Joinder Agreement for Peggy C. Melville	(a)
10.8G	Director Emeritus Plan Joinder Agreement for Robert E. Shepherd, Sr.	(a)
10.9	HomeTrust Bank Defined Contribution Executive Medical Care Plan	(a)
10.9A	Amendment No. 1 to HomeTrust Bank Defined Contribution Executive Medical Care Plan	10.9A
10.9B	Form of Joinder Agreement Under the HomeTrust Bank Defined Contribution Executive Medical Care Plan	10.9B
10.10	HomeTrust Bank 2005 Deferred Compensation Plan	(a)
10.10A	Amendment No. 1 to HomeTrust Bank 2005 Deferred Compensation Plan	10.10A
10.11	HomeTrust Bank Pre-2005 Deferred Compensation Plan	(a)
10.11A	Amendment No. 1 to HomeTrust Bank Pre-2005 Deferred Compensation Plan	10.11A
10.12	HomeTrust Bancshares, Inc. 2013 Omnibus Incentive Plan ("Omnibus Incentive Plan")	(k)
10.13	Form of Incentive Stock Option Award Agreement under Omnibus Incentive Plan	(l)
10.14	Form of Non-Qualified Stock Option Award Agreement under Omnibus Incentive Plan	(l)
10.15	Form of Stock Appreciation Right Award Agreement under Omnibus Incentive Plan	(l)
10.16	Form of Restricted Stock Award Agreement under Omnibus Incentive Plan	(l)
10.17	Form of Restricted Stock Unit Award Agreement under Omnibus Incentive Plan	(l)
10.18	Agreement and General Release between HomeTrust Bancshares, Inc. and Paula Labian	(f)
10.19	Retirement Payment Agreement, dated as of September 1, 1987, between HomeTrust Bank and Larry S. McDevitt, as amended	(m)
10.20	Change in Control Severance Agreement between HomeTrust Bancshares, Inc. and Marty Caywood	(n)
10.21	Amended and Restated Change in Control Severance Agreement between HomeTrust Bancshares, Inc. and Keith J. Houghton	(g)
10.22	Amended and Restated Change in Control Severance Agreement between HomeTrust Bancshares, Inc. and R. Parrish Little	(o)
31.1	Certification of Chief Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	31.1
31.2	Certification of Chief Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	31.2
32.0	Certificate of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	32.0
101	The following materials from HomeTrust Bancshares' Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, formatted in Extensible Business Reporting Language (XBRL): (a) Consolidated Balance Sheets; (b) Consolidated Statements of Income; (c) Consolidated Statements of Comprehensive Income; (d) Consolidated Statements of Changes in Stockholders' Equity; (e) Consolidated Statements of Cash Flows; and (f) Notes to Consolidated Financial Statements.	101

(a) Filed as an exhibit to HomeTrust Bancshares's Registration Statement on Form S-1 (File No. 333-178817) filed on December 29, 2011.
(b) Filed as an exhibit to HomeTrust Bancshares's Current Report on Form 8-K filed on September 25, 2012 (File No. 001-35593).
(c) Filed as an exhibit to HomeTrust Bancshares's Current Report on Form 8-K filed on July 26, 2021 (File No. 001-35593).
(d) Filed as an exhibit to HomeTrust Bancshares's Current Report on Form 8-K filed on August 31, 2015 (File No. 001-35593).
(e) Filed as an exhibit to HomeTrust Bancshares's Current Report on Form 8-K filed on August 21, 2018 (File No. 001-35593).
(f) Filed as an exhibit to HomeTrust Bancshares's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 (File No. 001-35593).
(g) Filed as an exhibit to HomeTrust Bancshares's Current Report on Form 8-K filed on September 11, 2018 (File No. 001-35593).
(h) Filed as an exhibit to HomeTrust Bancshares's Current Report on Form 8-K filed on September 25, 2018 (File No. 001-35593.
(i) Filed as an exhibit to HomeTrust Bancshares's Current Report on Form 8-K filed on October 28, 2020 (File No. 001-35593).

(j)	Filed as an exhibit to Amendment No. One to HomeTrust Bancshares's Registration Statement on Form S-1 (File No. 333-178817) filed on March 9, 2012.
(k)	Attached as Appendix A to HomeTrust Bancshares's definitive proxy statement filed on December 5, 2012 (File No. 001-35593).
(l)	Filed as an exhibit to HomeTrust Bancshares's Registration Statement on Form S-8 (File No. 333-186666) filed on February 13, 2013.
(m)	Filed as an exhibit to HomeTrust Bancshares's Annual Report on Form 10-K for the fiscal year ended June 30, 2014 (File No. 001-35593).
(n)	Filed as an exhibit to HomeTrust Bancshares's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 (File No. 001-35593).
(o)	Filed as an exhibit to HomeTrust Bancshares's Annual Report on Form 10-K for the fiscal year ended June 30, 2018 (File No. 001-35593).
(p)	Filed as an exhibit to HomeTrust Bancshares's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 (File No. 001-35593).
(q)	Filed as an exhibit to HomeTrust Bancshares's Current Report on Form 8-K filed on February 15, 2022 (File No. 001-35593).

SIGNATURES

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

HomeTrust Bancshares, Inc.

Date: May 9, 2022	By:	/s/ Dana L. Stonestreet
		Dana L. Stonestreet
		Chairman and CEO
		(Duly Authorized Officer)
Date: May 9, 2022	By:	/s/ Tony J. VunCannon
		Tony J. VunCannon
		Executive Vice President, CFO, Corporate Secretary and Treasurer
		(Principal Financial and Accounting Officer)

FORM OF JOINDER AGREEMENT
UNDER THE
HOMETRUST BANK DEFINED CONTRIBUTION
EXECUTIVE MEDICAL CARE PLAN

THIS AGREEMENT, entered into as of _________________, ________, by and between _____________ (the "Participant") and HomeTrust Bank (the "Bank").

WHEREAS, the Bank maintains the HomeTrust Bank Defined Contribution Executive Medical Care Plan (the "Plan"), which is incorporated into and forms a part of this Agreement, and the Participant has been selected by the Board under the Plan to participate in the Plan.

NOW, THEREFORE, IT IS AGREED, by and between the Bank and the Participant, that the following provisions applicable to the Participant shall apply:

1. Initial Plan Participation: You are now a participant in the plan with the right to defer up to $____________ of your income into the plan over the coming years. Deferral elections must be made in accordance with IRS requirements.

2. Vesting Schedule and Related Provisions:
All deferrals into this plan will vest immediately.

3. Spouse: ______________________

Upon divorce, the provisions of this Joinder Agreement applicable to the spouse (as defined in the Plan) will no longer be of effect. Upon remarriage, a new Joinder Agreement must be completed with respect to the new spouse in order for her to receive benefits under the Plan.

4. Beneficiary Designations: Add extra sheet if necessary

Primary
Name: ______________________________ Relationship:
Address: ______________________________
____

Contingent
Name: ______________________________ Relationship;
Address: ______________________________
____

Contingent
Name: ______________________________ Relationship:
Address: ______________________________
____

Does the Surviving Spouse Have Right to Designate Beneficiary To Receive Benefit Accounts Upon Second Death:

( )Yes (Spouse's beneficiary will receive - spouse must provide beneficiaries)

( )No (Participant's beneficiary will receive)

5. Election of Who May Receive Payments of Excess Amounts the Committee in its Sole Discretion Elects to Pay under Section 4(c)(8) of the Plan (Select One)

( ) The surviving Spouse has rights to any and all Excess Amounts, up to 100 percent of the Benefit Account.

( ) The surviving Spouse has NO rights to any Excess Amounts whatsoever. Therefore Excess Amount payments can be made to the beneficiary(ies) of the Participant only, if the Committee elects to pay an Excess Amount.

( ) The surviving Spouse has the right to receive monthly payments of the Excess Amount over what the life expectancy of the Participant would have been on the date payments begin, while the Spouse is still living.

6. Other Provisions:

IN WITNESS WHEREOF, the Participant has executed this Agreement, and the Bank has caused these presents to be executed in its name and on its behalf, all as of the date set forth above.

Participant: Date:

Name: ________________________________

Witness:

Name: ________________________________

HOMETRUST BANK Date:

By: ________________________________

ATTEST:

Title: ________________________________

AMENDMENT NO. 1
To
HOMETRUST BANK
EXECUTIVE SUPPLEMENTAL RETIREMENT INCOME MASTER AGREEMENT
(ADDENDUM TO DISABILITY CLAIMS PROCEDURE)

This Amendment No. 1 to the HomeTrust Bank Executive Supplemental Retirement Income Master Agreement (the "Plan") is made effective as of April 1, 2018 and shall apply to all claims for Disability Benefits under the Plan received on or after April 1, 2018. All capitalized terms not defined herein shall have the meaning set forth in the Plan.

Disability Claim. The Administrator shall ensure that all written claims for Disability Benefits under the Plan and all appeals related to Disability Benefits are adjudicated in a manner designed to ensure the independence and impartiality of the persons involved in making the decision. The claims procedures set forth in this Amendment supersede all claims procedures language set forth in Section 7.7 of the Plan with respect to claims for Disability Benefits, except that the first sentence of Section 7.7 of the Plan shall continue to apply.

Timing of Administrator Response. If the claim relates to a determination of disability, and the claim requires an independent determination by the Administrator of an Executive's disability status, the Administrator shall notify the claimant of the Plan's benefit determination within a reasonable period of time, but no later than forty-five (45) days after receipt of the claim. If, due to matters beyond the control of the Plan, the Administrator needs additional time to process a claim, the claimant will be notified, within forty-five (45) days after the Administrator receives the claim, of the circumstances requiring the extension of time and the date by which the Administrator expects to make its decision, but not beyond seventy-five (75) days from the date the claim was received. If, prior to the end of the extension period, due to matters beyond the control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to an additional thirty (30) days, provided that the Administrator notifies the claimant, prior to the expiration of the first extension period, of the circumstances requiring the extension and the date by which the Plan expects to render a decision. The extension notice shall specifically explain the standards on which entitlement to a disability benefit is based, the unresolved issues that prevent a decision on the claim and the additional information needed from the claimant to resolve those issues, and the claimant shall be afforded at least forty-five (45) days within which to provide the specified information.

Calculating Time Periods. For purposes of calculating the time periods in the preceding paragraph, the period of time within which a benefit determination is required to be made shall begin at the time a claim is filed in accordance with the reasonable procedures of the Plan, without regard to whether all the information necessary to make a benefit determination accompanies the filing. In the event that a period of time is extended as permitted pursuant to the preceding paragraph due to a claimant's failure to submit information necessary to decide a claim, the period for making the benefit determination shall be tolled from the date on which the notification of the extension is sent to the claimant until the date on which the claimant responds to the request for additional information.

Notice of Decision. In the case of an adverse benefit determination with respect to disability benefits, the Administrator will provide a notification in a culturally and linguistically appropriate manner (as described in Department of Labor Regulation Section 2560.503-1(o)) that shall set forth the following in a manner calculated to be understood by the claimant:

(i) the specific reasons for the adverse determination;

(ii) a reference to the specific provisions of the Plan or insurance contract on which the determination is based;

(iii) notice that the claimant has a right to request a review of the claim denial and an explanation of the Plan's review procedures and the time limits applicable to such procedures;

(iv) a statement of the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review, and a description of any time limit that applies under the Plan for bringing such an action;

(v) a discussion of the decision, including an explanation of the basis for disagreeing with or not following:

(1) the views presented by the claimant of health care professionals treating the claimant and vocational professionals who evaluated the claimant;

(2) the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and

(3) a disability determination regarding the claimant presented by the claimant made by the Social Security Administration.

(vi) if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request;

(vii) either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the adverse determination or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist; and

(viii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits. Whether a document, record or other information is relevant to a claim for benefits shall be determined in accordance with Department of Labor Regulation Section 2560.503-1(m)(8).

Appeal of Adverse Benefit Determinations. If the initial claim for Disability Benefits requires an independent determination by the Administrator of an Executive's disability status, and the Administrator denies the claim, in whole or in part, the claimant shall have a reasonable opportunity to appeal the adverse benefit determination to an appropriate named fiduciary of the Plan for a full and fair review of the claim and the adverse benefit determination, as follows:

(i) The claimant shall have at least 180 days following receipt of a notification of an adverse benefit determination within which to appeal the determination;

(ii) The claimant shall have the opportunity to submit written comments, documents, records and other information relating to the claim for benefits;

(iii) Prior to such review of the denied claim, the claimant shall be given, free of charge, any new or additional evidence considered, relied upon, or generated by the Plan, insurer or other person making the benefit determination in connection with the claim, or any new or additional rationale, as soon as possible and sufficiently in advance of the date on which the notice of adverse benefit determination on review is required to be provided, to give the claimant a reasonable opportunity to respond prior to that date.

(iv) The Administrator shall respond in writing to such claimant within forty-five (45) days after receiving the request for review. If the Administrator determines that special circumstances require additional time for processing the claim, the Administrator can extend the response period by an additional forty-five (45) days by notifying the claimant in writing, prior to the end of the initial 45-day period, that an additional period is required. The notice of extension must set forth the special circumstances requiring an extension of time and the date by which the Administrator expects to render its decision. For purposes of this paragraph, the period of time within which a benefit determination on review is required to be made shall begin at the time an appeal is filed in accordance with the reasonable procedures of the Plan, without regard to whether all the information necessary to make a benefit determination on review accompanies the filing. In the event that a period of time is extended as permitted pursuant to this paragraph due to the claimant's failure to submit information necessary to decide a claim, the period for making the benefit determination on review shall be tolled from the date on which the notification of the extension is sent to the claimant until the date on which the claimant responds to the request for additional information.

(v) The claimant shall be given the opportunity to submit issues and written comments to the Administrator, as well as to review and receive, without charge, all relevant (as defined in applicable ERISA regulations) documents, records and other information relating to the claim. The reviewer shall take into account all comments, documents, records and other information submitted by the claimant relating to the claim regardless of whether the information was submitted or considered in the initial benefit determination.

(vi) In considering the review, the Administrator shall take into account all comments, documents, records and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. Additional considerations shall be required in the case of a claim for disability benefits. For example, the claim will be reviewed by an individual or committee who did not make the initial determination that is subject of the appeal, nor by a subordinate of the individual who made the determination, and the review shall be made without deference to the initial adverse benefit determination. If the initial adverse benefit determination was based in whole or in part on a medical judgment, the appropriate named fiduciary of the Plan shall consult with a health care professional who has appropriate training and experience in the field of medicine involving the medical judgment. The health care professional who is consulted on appeal will not be the same individual who was consulted during the initial determination or a subordinate of such individual. If the Administrator obtained the advice of medical or vocational experts in making the initial adverse benefits determination (regardless of whether the advice was relied upon), the Administrator will identify such experts.

Notice of Decision after Review. In the case of an adverse benefit determination with respect to Disability Benefits, the Administrator will provide a notification in a culturally and linguistically appropriate manner (as described in Department of Labor Regulation Section 2560.503-1(o)) that shall set forth the following in a manner calculated to be understood by the claimant:

(i) the Administrator's decision;

(ii) the specific reasons for the adverse determination;

(iii) a reference to the specific provisions of the Plan or insurance contract on which the decision is based;

(iv) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant (as defined in applicable ERISA regulations) to the claimant's claim for benefits;

(v) a statement describing any voluntary appeal procedures offered by the Plan and the claimant's right to obtain information about such procedures;

(vi) a statement of the claimant's right to bring a civil action under ERISA Section 502(a) which shall describe any applicable contractual limitations period that applies to the claimant's right to bring such an action, including the calendar date on which the contractual limitations period expires for the claim;

(vii) a discussion of the decision, including an explanation of the basis for disagreeing with or not following:

(1) the views presented by the claimant of health care professionals treating the claimant and vocational professionals who evaluated the claimant;

(2) the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with the claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and

(3) a disability determination regarding the claimant presented by the claimant made by the Social Security Administration.

(viii) if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request; and

(ix) either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the adverse determination or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist.

Exhaustion of Remedies. A claimant must follow the claims review procedures under this Plan and exhaust his or her administrative remedies before taking any further action with respect to a claim for benefits.

Failure of the Plan to Follow Procedures. In the case of a claim for disability benefits, if the Plan fails to strictly adhere to all the requirements of this claims procedure with respect to a disability claim, the claimant is deemed to have exhausted the administrative remedies available under the Plan, and shall be entitled to pursue any available remedies under ERISA Section 502(a) on the basis that the Plan has failed to provide a reasonable claims procedure that would yield a decision on the merits of the claim, except where the violation was: (a) de minimis; (b) non-prejudicial; (c) attributable to good cause or matters beyond the Plan's control; (d) in the context of an ongoing good-faith exchange of information between the Plan and the claimant; and (e) not reflective of a pattern or practice of noncompliance. The claimant may request a written explanation of the violation from the Plan, and the Plan must provide such explanation within ten (10) days, including a specific description of its bases, if any, for asserting that the violation should not cause the administrative remedies to be deemed exhausted. If a court rejects the claimant's request for immediate review on the basis that the Plan met the standards for the exception, the claim shall be considered as re-filed on appeal upon the Plan's receipt of the decision of the court. Within a reasonable time after the receipt of the decision, the Plan shall provide the claimant with notice of the resubmission.

IN WITNESS WHEREOF, the Bank has caused this Amendment to be executed by a duly authorized officer as of this 30th day of April 2018, and each of the Executives whose signature appears below have consented to this Amendment pursuant to Section IX of the Plan.

By: /s/ Dana L. Stonestreet

Dana L. Stonestreet
Chairman, President and Chief Executive Officer

AMENDMENT NO. 1
To
HOMETRUST BANK
DEFINED CONTRIBUTION EXECUTIVE MEDICAL CARE PLAN
(ADDENDUM TO CLAIMS PROCEDURE)

This Amendment No. 1 to the HomeTrust Bank Defined Contribution Executive Medical Care Plan (as amended through May 31, 2009, the “Plan”) is made effective as of April 1, 2018 and shall apply to all claims for benefits under the Plan received on or after April 1, 2018. All capitalized terms not defined herein shall have the meaning set forth in the Plan.

Claims for Benefits. A claim for benefits is a request for benefits under the Plan made by a Participant, a former Participant or any beneficiary of a Participant or former Participant (a “Claimant”) in accordance with the Plan’s procedures for filing benefit claims. With respect to reimbursement of medical expenses, no claims for benefits in advance of obtaining medical care (a “pre-service claim”) are permitted, and no pre-approval of such medical care is required. The Committee shall ensure that all written claims for benefits under the Plan and all appeals related to benefits are adjudicated in a manner designed to ensure the independence and impartiality of the persons involved in making the decision. The claims procedures set forth in this Amendment supersede all claims procedures language set forth in Sections 3(d) and 3(e) of the Plan with respect to claims for Benefits, except that the first sentence of Section 3(d) of the Plan shall continue to apply.

Timing of Committee Response. The Committee shall notify the Claimant of the Plan’s benefit determination within a reasonable period of time, but no later than thirty (30) days after receipt of the claim. If, due to matters beyond the control of the Plan, the Committee needs additional time to process a claim, the Claimant will be notified, within thirty (30) days after the Committee receives the claim, of the circumstances requiring the extension of time and the date by which the Committee expects to make its decision, but not beyond forty-five (45) days from the date the claim was received. If such an extension is necessary due to a failure of the Claimant to submit the information necessary to decide the claim, the notice of extension shall specifically describe the required information, and the Claimant shall be afforded at least forty-five (45) days from receipt of the notice within which to provide the specified information.

Calculating Time Periods. For purposes of calculating the time periods in the preceding paragraph, the period of time within which a benefit determination is required to be made shall begin at the time a claim is filed in accordance with the reasonable procedures of the Plan, without regard to whether all the information necessary to make a benefit determination accompanies the filing. In the event that a period of time is extended as permitted pursuant to the preceding paragraph due to a Claimant's failure to submit information necessary to decide a claim, the period for making the benefit determination shall be tolled from the date on which the notification of the extension is sent to the Claimant until the date on which the Claimant responds to the request for additional information.

Notice of Decision. In the case of an adverse benefit determination with respect to benefits, the Committee will provide a notification that shall set forth the following in a manner calculated to be understood by the Claimant:

(i) the specific reasons for the adverse determination;

(ii) a reference to the specific provisions of the Plan or insurance contract on which the determination is based;

(iii) if an internal rule, guideline, protocol or other similar criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol or other similar criterion; or a statement that such a rule, guideline, protocol or other similar criterion was relied upon in making the adverse determination and that a copy of such rule, guideline, protocol or other criterion will be provided free of charge to the Claimant upon request; or

(iv) if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request;

(v) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary;

(vi) a description of the Plan's review procedures and the time limits applicable to such procedures;

(vii) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant’s claim for benefits. Whether a document, record or other information is relevant to a claim for benefits shall be determined in accordance with Department of Labor Regulation Section 2560.503-1(m)(8); and

(viii) a statement of the Claimant’s right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review, and a description of any time limit that applies under the Plan for bringing such an action;

Appeal of Adverse Benefit Determinations. If the Committee denies the claim, in whole or in part, the Claimant shall have a reasonable opportunity to appeal the adverse benefit determination to an appropriate named fiduciary of the Plan for a full and fair review of the claim and the adverse benefit determination, as follows:

(i) The Claimant shall have at least 180 days following receipt of a notification of an adverse benefit determination within which to appeal the determination.

(ii) The Claimant shall have the opportunity to submit written comments, documents, records and other information relating to the claim for benefits.

(iii) The Committee shall respond in writing to such Claimant within sixty (60) days after receiving the request for review. For purposes of this paragraph, the period of time within which a benefit determination on review is required to be made shall begin at the time an appeal is filed in accordance with the reasonable procedures of the Plan, without regard to whether all the information necessary to make a benefit determination on review accompanies the filing.

(iv) In considering the review, the Committee shall take into account all comments, documents, records and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The claim will be reviewed by an individual or committee who did not make the initial determination that is subject of the appeal, nor by a subordinate of the individual who made the determination, and the review shall be made without deference to the initial adverse benefit determination. If the initial adverse benefit determination was based in whole or in part on a medical judgment, the appropriate named fiduciary of the Plan shall consult with a health care professional who has appropriate training and experience in the field of medicine involving the medical judgment. The health care professional who is consulted on appeal will not be the same individual who was consulted during the initial determination or a subordinate of such individual. If the Committee obtained the advice of medical or vocational experts in making the initial adverse benefits determination (regardless of whether the advice was relied upon), the Committee will identify such experts.

Notice of Decision after Review. In the case of an adverse benefit determination with respect to benefits, the Committee will provide a that shall set forth the following in a manner calculated to be understood by the Claimant:

(i) the Committee’s decision;

(ii) the specific reasons for the adverse determination;
(iii) a reference to the specific provisions of the Plan on which the decision is based;

(iv) if an internal rule, guideline, protocol or other similar criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol or other similar criterion; or a statement that such rule, guideline, protocol or other similar criterion was relied upon in making the adverse determination and that a copy of the rule, guideline, protocol or other similar criterion will be provided free of charge to the claimant upon request;

(v) if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request;

(vi) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant (as defined in applicable ERISA regulations) to the Claimant's claim for benefits;

(vii) a statement describing any voluntary appeal procedures offered by the Plan and the Claimant’s right to obtain information about such procedures, including the following statement: “You and your Plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State insurance regulatory agency.” and

(viii) a statement of the Claimant's right to bring a civil action under ERISA Section 502(a);

Exhaustion of Remedies. A Claimant must follow the claims review procedures under this Plan and exhaust his or her administrative remedies before taking any further action with respect to a claim for benefits.

IN WITNESS WHEREOF, the Bank has caused this Amendment to be executed by a duly authorized officer as of this 30th day of April 2018.

By: /s/ Dana L. Stonestreet

Dana L. Stonestreet
Chairman, President and Chief Executive Officer

AMENDMENT NO. 1
To
2005 HOMETRUST BANK
DEFERRED COMPENSATION PLAN
(ADDENDUM TO DISABILITY CLAIMS PROCEDURE)

This Amendment No. 1 to the 2005 HomeTrust Bank Deferred Compensation Plan (as amended through August 31, 2011, the "Plan") is made effective as of April 1, 2018 and shall apply to all claims for Disability Benefits under the Plan received on or after April 1, 2018. All capitalized terms not defined herein shall have the meaning set forth in the Plan.

Disability Claim. The Administrative Committee shall ensure that all written claims for Disability Benefits under the Plan and all appeals related to Disability Benefits are adjudicated in a manner designed to ensure the independence and impartiality of the persons involved in making the decision. The claims procedures set forth in this Amendment supersede all claims procedures language set forth in Article 12 of the Plan with respect to claims for Disability Benefits, except that Section 12.1 of the Plan shall continue to apply.

Timing of Administrative Committee Response. If the claim relates to a determination of disability, and the claim requires an independent determination by the Administrative Committee of a Participant's disability status, the Administrative Committee shall notify the Claimant of the Plan's benefit determination within a reasonable period of time, but no later than forty-five (45) days after receipt of the claim. If, due to matters beyond the control of the Plan, the Administrative Committee needs additional time to process a claim, the Claimant will be notified, within forty-five (45) days after the Administrative Committee receives the claim, of the circumstances requiring the extension of time and the date by which the Administrative Committee expects to make its decision, but not beyond seventy-five (75) days from the date the claim was received. If, prior to the end of the extension period, due to matters beyond the control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to an additional thirty (30) days, provided that the Administrative Committee notifies the Claimant, prior to the expiration of the first extension period, of the circumstances requiring the extension and the date by which the Plan expects to render a decision. The extension notice shall specifically explain the standards on which entitlement to a disability benefit is based, the unresolved issues that prevent a decision on the claim and the additional information needed from the Claimant to resolve those issues, and the Claimant shall be afforded at least forty-five (45) days within which to provide the specified information.

Calculating Time Periods. For purposes of calculating the time periods in the preceding paragraph, the period of time within which a benefit determination is required to be made shall begin at the time a claim is filed in accordance with the reasonable procedures of the Plan, without regard to whether all the information necessary to make a benefit determination accompanies the filing. In the event that a period of time is extended as permitted pursuant to the preceding paragraph due to a Claimant's failure to submit information necessary to decide a claim, the period for making the benefit determination shall be tolled from the date on which the notification of the extension is sent to the Claimant until the date on which the Claimant responds to the request for additional information.

Notice of Decision. In the case of an adverse benefit determination with respect to disability benefits, the Administrative Committee will provide a notification in a culturally and linguistically appropriate manner (as described in Department of Labor Regulation Section 2560.503-1(o)) that shall set forth the following in a manner calculated to be understood by the Claimant:

(i) the specific reasons for the adverse determination;

(ii) a reference to the specific provisions of the Plan or insurance contract on which the determination is based;

(iii) notice that the Claimant has a right to request a review of the claim denial and an explanation of the Plan's review procedures and the time limits applicable to such procedures;

(iv) a statement of the Claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review, and a description of any time limit that applies under the Plan for bringing such an action;

(v) a discussion of the decision, including an explanation of the basis for disagreeing with or not following:

(1) the views presented by the Claimant of health care professionals treating the Claimant and vocational professionals who evaluated the Claimant;

(2) the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a Claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and

(3) a disability determination regarding the Claimant presented by the Claimant made by the Social Security Administration.

(vi) if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request;

(vii) either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the adverse determination or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist; and

(viii) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits. Whether a document, record or other information is relevant to a claim for benefits shall be determined in accordance with Department of Labor Regulation Section 2560.503-1(m)(8).

Appeal of Adverse Benefit Determinations. If the initial claim for Disability Benefits requires an independent determination by the Administrative Committee of a Participant's disability status, and the Administrative Committee denies the claim, in whole or in part, the Claimant shall have a reasonable opportunity to appeal the adverse benefit determination to an appropriate named fiduciary of the Plan for a full and fair review of the claim and the adverse benefit determination, as follows:

(i) The Claimant shall have at least 180 days following receipt of a notification of an adverse benefit determination within which to appeal the determination;

(ii) The Claimant shall have the opportunity to submit written comments, documents, records and other information relating to the claim for benefits;

(iii) Prior to such review of the denied claim, the Claimant shall be given, free of charge, any new or additional evidence considered, relied upon, or generated by the Plan, insurer or other person making the benefit determination in connection with the claim, or any new or additional rationale, as soon as possible and sufficiently in advance of the date on which the notice of adverse benefit determination on review is required to be provided, to give the Claimant a reasonable opportunity to respond prior to that date.

(iv) The Administrative Committee shall respond in writing to such Claimant within forty-five (45) days after receiving the request for review. If the Administrative Committee determines that special circumstances require additional time for processing the claim, the Administrative Committee can extend the response period by an additional forty-five (45) days by notifying the Claimant in writing, prior to the end of the initial 45-day period, that an additional period is required. The notice of extension must set forth the special circumstances requiring an extension of time and the date by which the Administrative Committee expects to render its decision. For purposes of this paragraph, the period of time within which a benefit determination on review is required to be made shall begin at the time an appeal is filed in accordance with the reasonable procedures of the Plan, without regard to whether all the information necessary to make a benefit determination on review accompanies the filing. In the event that a period of time is extended as permitted pursuant to this paragraph due to the Claimant's failure to submit information necessary to decide a claim, the period for making the benefit determination on review shall be tolled from the date on which the notification of the extension is sent to the Claimant until the date on which the Claimant responds to the request for additional information.

(v) The Claimant shall be given the opportunity to submit issues and written comments to the Administrative Committee, as well as to review and receive, without charge, all relevant (as defined in applicable ERISA regulations) documents, records and other information relating to the claim. The reviewer shall take into account all comments, documents, records and other information submitted by the Claimant relating to the claim regardless of whether the information was submitted or considered in the initial benefit determination.

(vi) In considering the review, the Administrative Committee shall take into account all comments, documents, records and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. Additional considerations shall be required in the case of a claim for disability benefits. For example, the claim will be reviewed by an individual or committee who did not make the initial determination that is subject of the appeal, nor by a subordinate of the individual who made the determination, and the review shall be made without deference to the initial adverse benefit determination. If the initial adverse benefit determination was based in whole or in part on a medical judgment, the appropriate named fiduciary of the Plan shall consult with a health care professional who has appropriate training and experience in the field of medicine involving the medical judgment. The health care professional who is consulted on appeal will not be the same individual who was consulted during the initial determination or a subordinate of such individual. If the Administrative Committee obtained the advice of medical or vocational experts in making the initial adverse benefits determination (regardless of whether the advice was relied upon), the Administrative Committee will identify such experts.

Notice of Decision after Review. In the case of an adverse benefit determination with respect to Disability Benefits, the Administrative Committee will provide a notification in a culturally and linguistically appropriate manner (as described in Department of Labor Regulation Section 2560.503-1(o)) that shall set forth the following in a manner calculated to be understood by the Claimant:

(i) the Administrative Committee's decision;

(ii) the specific reasons for the adverse determination;

(iii) a reference to the specific provisions of the Plan or insurance contract on which the decision is based;

(iv) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant (as defined in applicable ERISA regulations) to the Claimant's claim for benefits;

(v) a statement describing any voluntary appeal procedures offered by the Plan and the Claimant’s right to obtain information about such procedures;

(vi) a statement of the Claimant's right to bring a civil action under ERISA Section 502(a) which shall describe any applicable contractual limitations period that applies to the Claimant’s right to bring such an action, including the calendar date on which the contractual limitations period expires for the claim;

(vii) a discussion of the decision, including an explanation of the basis for disagreeing with or not following:

(1) the views presented by the Claimant of health care professionals treating the Claimant and vocational professionals who evaluated the Claimant;

(2) the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with the Claimant’s adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and

(3) a disability determination regarding the Claimant presented by the Claimant made by the Social Security Administration.

(viii) if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant’s medical circumstances, or a statement that such explanation will be provided free of charge upon request; and

(ix) either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the adverse determination or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist.

Exhaustion of Remedies. A Claimant must follow the claims review procedures under this Plan and exhaust his or her administrative remedies before taking any further action with respect to a claim for benefits.

Failure of the Plan to Follow Procedures. In the case of a claim for disability benefits, if the Plan fails to strictly adhere to all the requirements of this claims procedure with respect to a disability claim, the Claimant is deemed to have exhausted the administrative remedies available under the Plan, and shall be entitled to pursue any available remedies under ERISA Section 502(a) on the basis that the Plan has failed to provide a reasonable claims procedure that would yield a decision on the merits of the claim, except where the violation was: (a) de minimis; (b) non-prejudicial; (c) attributable to good cause or matters beyond the Plan’s control; (d) in the context of an ongoing good-faith exchange of information between the Plan and the Claimant; and (e) not reflective of a pattern or practice of noncompliance. The Claimant may request a written explanation of the violation from the Plan, and the Plan must provide such explanation within ten (10) days, including a specific description of its bases, if any, for asserting that the violation should not cause the administrative remedies to be deemed exhausted. If a court rejects the Claimant’s request for immediate review on the basis that the Plan met the standards for the exception, the claim shall be considered as re-filed on appeal upon the Plan’s receipt of the decision of the court. Within a reasonable time after the receipt of the decision, the Plan shall provide the Claimant with notice of the resubmission.

IN WITNESS WHEREOF, the Bank has caused this Amendment to be executed by a duly authorized officer as of this 30th day of April 2018.

By: /s/ Dana L. Stonestreet

Dana L. Stonestreet
Chairman, President and Chief Executive Officer

AMENDMENT NO. 1
To
PRE-2005 HOMETRUST BANK
DEFERRED COMPENSATION PLAN
(ADDENDUM TO DISABILITY CLAIMS PROCEDURE)

This Amendment No. 1 to the Pre-2005 HomeTrust Bank Deferred Compensation Plan (the "Plan") is made effective as of April 1, 2018 and shall apply to all claims for Disability Benefits under the Plan received on or after April 1, 2018. All capitalized terms not defined herein shall have the meaning set forth in the Plan.

Disability Claim. The Administrative Committee shall ensure that all written claims for Disability Benefits under the Plan and all appeals related to Disability Benefits are adjudicated in a manner designed to ensure the independence and impartiality of the persons involved in making the decision. The claims procedures set forth in this Amendment supersede all claims procedures language set forth in Article 13 of the Plan with respect to claims for Disability Benefits, except that Section 13.1 of the Plan shall continue to apply.

Timing of Administrative Committee Response. If the claim relates to a determination of disability, and the claim requires an independent determination by the Administrative Committee of a Participant's disability status, the Administrative Committee shall notify the Claimant of the Plan's benefit determination within a reasonable period of time, but no later than forty-five (45) days after receipt of the claim. If, due to matters beyond the control of the Plan, the Administrative Committee needs additional time to process a claim, the Claimant will be notified, within forty-five (45) days after the Administrative Committee receives the claim, of the circumstances requiring the extension of time and the date by which the Administrative Committee expects to make its decision, but not beyond seventy-five (75) days from the date the claim was received. If, prior to the end of the extension period, due to matters beyond the control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to an additional thirty (30) days, provided that the Administrative Committee notifies the Claimant, prior to the expiration of the first extension period, of the circumstances requiring the extension and the date by which the Plan expects to render a decision. The extension notice shall specifically explain the standards on which entitlement to a disability benefit is based, the unresolved issues that prevent a decision on the claim and the additional information needed from the Claimant to resolve those issues, and the Claimant shall be afforded at least forty-five (45) days within which to provide the specified information.

Calculating Time Periods. For purposes of calculating the time periods in the preceding paragraph, the period of time within which a benefit determination is required to be made shall begin at the time a claim is filed in accordance with the reasonable procedures of the Plan, without regard to whether all the information necessary to make a benefit determination accompanies the filing. In the event that a period of time is extended as permitted pursuant to the preceding paragraph due to a Claimant's failure to submit information necessary to decide a claim, the period for making the benefit determination shall be tolled from the date on which the notification of the extension is sent to the Claimant until the date on which the Claimant responds to the request for additional information.

Notice of Decision. In the case of an adverse benefit determination with respect to disability benefits, the Administrative Committee will provide a notification in a culturally and linguistically appropriate manner (as described in Department of Labor Regulation Section 2560.503-1(o)) that shall set forth the following in a manner calculated to be understood by the Claimant:

(i) the specific reasons for the adverse determination;

(ii) a reference to the specific provisions of the Plan or insurance contract on which the determination is based;

(iii) notice that the Claimant has a right to request a review of the claim denial and an explanation of the Plan's review procedures and the time limits applicable to such procedures;

(iv) a statement of the Claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review, and a description of any time limit that applies under the Plan for bringing such an action;

(v) a discussion of the decision, including an explanation of the basis for disagreeing with or not following:

(1) the views presented by the Claimant of health care professionals treating the Claimant and vocational professionals who evaluated the Claimant;

(2) the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a Claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and

(3) a disability determination regarding the Claimant presented by the Claimant made by the Social Security Administration.

(vi) if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request;

(vii) either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the adverse determination or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist; and

(viii) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits. Whether a document, record or other information is relevant to a claim for benefits shall be determined in accordance with Department of Labor Regulation Section 2560.503-1(m)(8).

Appeal of Adverse Benefit Determinations. If the initial claim for Disability Benefits requires an independent determination by the Administrative Committee of a Participant's disability status, and the Administrative Committee denies the claim, in whole or in part, the Claimant shall have a reasonable opportunity to appeal the adverse benefit determination to an appropriate named fiduciary of the Plan for a full and fair review of the claim and the adverse benefit determination, as follows:

(i) The Claimant shall have at least 180 days following receipt of a notification of an adverse benefit determination within which to appeal the determination;

(ii) The Claimant shall have the opportunity to submit written comments, documents, records and other information relating to the claim for benefits;

(iii) Prior to such review of the denied claim, the Claimant shall be given, free of charge, any new or additional evidence considered, relied upon, or generated by the Plan, insurer or other person making the benefit determination in connection with the claim, or any new or additional rationale, as soon as possible and sufficiently in advance of the date on which the notice of adverse benefit determination on review is required to be provided, to give the Claimant a reasonable opportunity to respond prior to that date.

(iv) The Administrative Committee shall respond in writing to such Claimant within forty-five (45) days after receiving the request for review. If the Administrative Committee determines that special circumstances require additional time for processing the claim, the Administrative Committee can extend the response period by an additional forty-five (45) days by notifying the Claimant in writing, prior to the end of the initial 45-day period, that an additional period is required. The notice of extension must set forth the special circumstances requiring an extension of time and the date by which the Administrative Committee expects to render its decision. For purposes of this paragraph, the period of time within which a benefit determination on review is required to be made shall begin at the time an appeal is filed in accordance with the reasonable procedures of the Plan, without regard to whether all the information necessary to make a benefit determination on review accompanies the filing. In the event that a period of time is extended as permitted pursuant to this paragraph due to the Claimant's failure to submit information necessary to decide a claim, the period for making the benefit determination on review shall be tolled from the date on which the notification of the extension is sent to the Claimant until the date on which the Claimant responds to the request for additional information.

(v) The Claimant shall be given the opportunity to submit issues and written comments to the Administrative Committee, as well as to review and receive, without charge, all relevant (as defined in applicable ERISA regulations) documents, records and other information relating to the claim. The reviewer shall take into account all comments, documents, records and other information submitted by the Claimant relating to the claim regardless of whether the information was submitted or considered in the initial benefit determination.

(vi) In considering the review, the Administrative Committee shall take into account all comments, documents, records and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. Additional considerations shall be required in the case of a claim for disability benefits. For example, the claim will be reviewed by an individual or committee who did not make the initial determination that is subject of the appeal, nor by a subordinate of the individual who made the determination, and the review shall be made without deference to the initial adverse benefit determination. If the initial adverse benefit determination was based in whole or in part on a medical judgment, the appropriate named fiduciary of the Plan shall consult with a health care professional who has appropriate training and experience in the field of medicine involving the medical judgment. The health care professional who is consulted on appeal will not be the same individual who was consulted during the initial determination or a subordinate of such individual. If the Administrative Committee obtained the advice of medical or vocational experts in making the initial adverse benefits determination (regardless of whether the advice was relied upon), the Administrative Committee will identify such experts.

Notice of Decision after Review. In the case of an adverse benefit determination with respect to Disability Benefits, the Administrative Committee will provide a notification in a culturally and linguistically appropriate manner (as described in Department of Labor Regulation Section 2560.503-1(o)) that shall set forth the following in a manner calculated to be understood by the Claimant:

(i) the Administrative Committee's decision;

(ii) the specific reasons for the adverse determination;

(iii) a reference to the specific provisions of the Plan or insurance contract on which the decision is based;

(iv) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant (as defined in applicable ERISA regulations) to the Claimant's claim for benefits;

(v) a statement describing any voluntary appeal procedures offered by the Plan and the Claimant’s right to obtain information about such procedures;
(vi) a statement of the Claimant's right to bring a civil action under ERISA Section 502(a) which shall describe any applicable contractual limitations period that applies to the Claimant’s right to bring such an action, including the calendar date on which the contractual limitations period expires for the claim;
(vii) a discussion of the decision, including an explanation of the basis for disagreeing with or not following:

(1) the views presented by the Claimant of health care professionals treating the Claimant and vocational professionals who evaluated the Claimant;

(2) the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with the Claimant’s adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; and

(3) a disability determination regarding the Claimant presented by the Claimant made by the Social Security Administration.

(viii) if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the Claimant’s medical circumstances, or a statement that such explanation will be provided free of charge upon request; and

(ix) either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the adverse determination or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist.

Exhaustion of Remedies. A Claimant must follow the claims review procedures under this Plan and exhaust his or her administrative remedies before taking any further action with respect to a claim for benefits.

Failure of the Plan to Follow Procedures. In the case of a claim for disability benefits, if the Plan fails to strictly adhere to all the requirements of this claims procedure with respect to a disability claim, the Claimant is deemed to have exhausted the administrative remedies available under the Plan, and shall be entitled to pursue any available remedies under ERISA Section 502(a) on the basis that the Plan has failed to provide a reasonable claims procedure that would yield a decision on the merits of the claim, except where the violation was: (a) de minimis; (b) non-prejudicial; (c) attributable to good cause or matters beyond the Plan’s control; (d) in the context of an ongoing good-faith exchange of information between the Plan and the Claimant; and (e) not reflective of a pattern or practice of noncompliance. The Claimant may request a written explanation of the violation from the Plan, and the Plan must provide such explanation within ten (10) days, including a specific description of its bases, if any, for asserting that the violation should not cause the administrative remedies to be deemed exhausted. If a court rejects the Claimant’s request for immediate review on the basis that the Plan met the standards for the exception, the claim shall be considered as re-filed on appeal upon the Plan’s receipt of the decision of the court. Within a reasonable time after the receipt of the decision, the Plan shall provide the Claimant with notice of the resubmission.
IN WITNESS WHEREOF, the Bank has caused this Amendment to be executed by a duly authorized officer as of this 30th day of April 2018.

By: /s/ Dana L. Stonestreet

Dana L. Stonestreet
Chairman, President and Chief Executive Officer

Exhibit 31.1

RULE 13a-14(a) CERTIFICATION

I, Dana L. Stonestreet, certify that:

1. I have reviewed this quarterly report on Form 10-Q of HomeTrust Bancshares, Inc. (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluations; and

   (d) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

May 9, 2022	By:	/s/ Dana L. Stonestreet
		Dana L. Stonestreet
		Chairman and CEO

Exhibit 31.2

RULE 13a-14(a) CERTIFICATION

I, Tony J. VunCannon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of HomeTrust Bancshares, Inc. (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluations; and

   (d) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

May 9, 2022	By:	/s/ Tony J. VunCannon
		Tony J. VunCannon
		Executive Vice President, CFO, and Treasurer

Exhibit 32

SECTION 1350 CERTIFICATION

Each of the undersigned hereby certifies in his capacity as an officer of HomeTrust Bancshares, Inc. (the "Company") that the Quarterly Report of the Company on Form 10-Q for the period ended March 31, 2022, fully complies with the requirements of Section 13(a) of the Securities and Exchange Act of 1934, as amended, and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and periods presented in the financial statements included in such report.

May 9, 2022	By:	/s/ Dana L. Stonestreet
		Dana L. Stonestreet
		Chairman and CEO

May 9, 2022	By:	/s/ Tony J. VunCannon
		Tony J. VunCannon
		Executive Vice President, CFO, and Treasurer