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 **June 30, 2024**

☐ 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 17,498,439 shares of common stock, par value of $0.01 per share, issued and outstanding as of August 2, 2024.

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

The following terms 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
CD	Certificate of Deposit
CDA	Collateral Dependent Asset
CECL	Current Expected Credit Losses
CET1	Common Equity Tier 1
COVID-19	Coronavirus Disease 2019
DCF	Discounted Cash Flows
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
ECL	Expected Credit Losses
EPS	Earnings Per Share
ESOP	Employee Stock Ownership Plan
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit Insurance Corporation
Federal Reserve	Board of Governors of the Federal Reserve System
FHLB or FHLB of Atlanta	Federal Home Loan Bank
FRB	Federal Reserve Bank of Richmond
GSE	Government-Sponsored Enterprises
HELOC	Home Equity Line of Credit
IRLC	Interest Rate Lock Commitments
MBS	Mortgage-Backed Security
NCCOB	North Carolina Office of the Commissioner of Banks
OREO	Other Real Estate Owned
PCD	Purchased Financial Assets with Credit Deterioration
Quantum	Quantum Capital Corp. and its wholly owned subsidiary, Quantum National Bank
ROA	Return on Assets
ROE	Return on Equity
ROU	Right of Use
RSU	Restricted Stock Unit
SBA	U.S. Small Business Administration
SBIC	Small Business Investment Companies
SEC	Securities and Exchange Commission
SOFR	Secured Overnight Financing Rate
TBA	To-be-announced
US GAAP	Generally Accepted Accounting Principles in the United States

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	(Unaudited) June 30, 2024	December 31, 2023
Assets		
Cash	$ 18,382	$ 18,307
Interest-bearing deposits	275,808	328,833
Cash and cash equivalents	294,190	347,140
Certificates of deposit in other banks	32,131	34,722
Debt securities available for sale, at fair value (amortized cost of $137,212 and $128,964 at June 30, 2024 and December 31, 2023, respectively)	134,135	126,950
FHLB and FRB stock	19,637	18,393
SBIC investments, at cost	15,462	13,789
Loans held for sale, at fair value	1,614	3,359
Loans held for sale, at the lower of cost or fair value	224,976	198,433
Loans, net of deferred loan fees and costs	3,701,454	3,640,022
Allowance for credit losses – loans	(49,223)	(48,641)
Loans, net	3,652,231	3,591,381
Premises and equipment, net	69,880	70,937
Accrued interest receivable	18,412	16,902
Deferred income taxes, net	10,512	11,796
BOLI	89,176	88,257
Goodwill	34,111	34,111
Core deposit intangibles, net	7,730	9,059
Other assets	66,667	107,404
Total assets	$ 4,670,864	$ 4,672,633
Liabilities and stockholders' equity		
Liabilities		
Deposits	$ 3,707,779	$ 3,661,373
Junior subordinated debt	10,070	10,021
Borrowings	364,513	433,763
Other liabilities	64,874	67,583
Total liabilities	4,147,236	4,172,740
Commitments and contingencies – See Note 12		
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, 17,437,326 shares issued and outstanding at June 30, 2024; 17,387,069 at December 31, 2023	175	174
Additional paid in capital	172,907	172,366
Retained earnings	357,147	333,401
Unearned ESOP shares	(4,232)	(4,497)
Accumulated other comprehensive loss	(2,369)	(1,551)
Total stockholders' equity	523,628	499,893
Total liabilities and stockholders' equity	$ 4,670,864	$ 4,672,633

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 June 30,		(Unaudited) Six Months Ended June 30,	
	2024	2023	2024	2023
Interest and dividend income				
Loans	$ 62,161	$ 56,122	$ 122,113	$ 104,030
Debt securities available for sale	1,495	1,338	2,808	2,521
Other investments and interest-bearing deposits	1,758	1,671	3,848	3,246
Total interest and dividend income	65,414	59,131	128,769	109,797
Interest expense				
Deposits	21,683	12,662	42,001	20,526
Junior subordinated debt	234	218	470	327
Borrowings	1,331	2,355	2,902	3,594
Total interest expense	23,248	15,235	45,373	24,447
Net interest income	42,166	43,896	83,396	85,350
Provision for credit losses	4,260	405	5,425	9,165
Net interest income after provision for credit losses	37,906	43,491	77,971	76,185
Noninterest income				
Service charges and fees on deposit accounts	2,354	2,393	4,503	4,649
Loan income and fees	647	792	1,325	1,354
Gain on sale of loans held for sale	1,828	1,109	3,285	2,920
BOLI income	807	573	2,642	1,095
Operating lease income	1,591	1,225	3,450	2,730
Gain (loss) on sale of premises and equipment	—	82	(9)	982
Other	886	714	1,728	1,468
Total noninterest income	8,113	6,888	16,924	15,198
Noninterest expense				
Salaries and employee benefits	16,608	16,676	33,584	32,922
Occupancy expense, net	2,419	2,600	4,856	5,067
Computer services	3,116	3,302	6,204	6,213
Telephone, postage and supplies	580	677	1,165	1,290
Marketing and advertising	606	696	1,251	1,068
Deposit insurance premiums	531	549	1,085	1,161
Core deposit intangible amortization	567	859	1,329	1,465
Merger-related expenses	—	—	—	4,741
Other	5,783	5,552	10,600	9,817
Total noninterest expense	30,210	30,911	60,074	63,744
Income before income taxes	15,809	19,468	34,821	27,639
Income tax expense	3,391	4,455	7,336	5,892
Net income	$ 12,418	$ 15,013	$ 27,485	$ 21,747
Per share data				
Net income per common share				
Basic	$ 0.73	$ 0.91	$ 1.61	$ 1.31
Diluted	$ 0.73	$ 0.90	$ 1.61	$ 1.30
Average shares outstanding				
Basic	16,883,028	16,774,661	16,871,383	16,400,370
Diluted	16,904,098	16,781,923	16,888,550	16,427,587

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 June 30,		(Unaudited) Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	$ 12,418	$ 15,013	$ 27,485	$ 21,747
Other comprehensive loss				
Unrealized holding losses on debt securities available for sale				
Losses arising during the period	(278)	(1,385)	(1,063)	(476)
Deferred income tax benefit	64	319	245	109
Total other comprehensive loss	(214)	(1,066)	(818)	(367)
Comprehensive income	$ 12,204	$ 13,947	$ 26,667	$ 21,380

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 June 30, 2024						
	Common Stock		Additional Paid In Capital	Retained Earnings	Unearned ESOP Shares	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount					
Balance at March 31, 2024	17,444,787	$ 175	$ 172,919	$ 346,598	$ (4,364)	$ (2,155)	$ 513,173
Net income	—	—	—	12,418	—	—	12,418
Cash dividends declared on common stock, $0.11/common share	—	—	—	(1,869)	—	—	(1,869)
Common stock repurchased	(23,483)	—	(645)	—	—	—	(645)
Granted restricted stock	16,022	—	—	—	—	—	—
Share-based compensation expense	—	—	409	—	—	—	409
ESOP compensation expense	—	—	224	—	132	—	356
Other comprehensive loss	—	—	—	—	—	(214)	(214)
Balance at June 30, 2024	17,437,326	$ 175	$ 172,907	$ 357,147	$ (4,232)	$ (2,369)	$ 523,628

	(Unaudited) Three Months Ended June 30, 2023						
	Common Stock		Additional Paid In Capital	Retained Earnings	Unearned ESOP Shares	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount					
Balance at March 31, 2023	17,370,063	$ 174	$ 170,670	$ 295,325	$ (4,893)	$ (3,034)	$ 458,242
Net income	—	—	—	15,013	—	—	15,013
Cash dividends declared on common stock, $0.10/common share	—	—	—	(1,687)	—	—	(1,687)
Forfeited restricted stock	(3,890)	—	—	—	—	—	—
Exercised stock options	500	—	9	—	—	—	9
Share-based compensation expense	—	—	389	—	—	—	389
ESOP compensation expense	—	—	154	—	132	—	286
Other comprehensive loss	—	—	—	—	—	(1,066)	(1,066)
Balance at June 30, 2023	17,366,673	$ 174	$ 171,222	$ 308,651	$ (4,761)	$ (4,100)	$ 471,186

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) Six Months Ended June 30, 2024						
	Common Stock		Additional Paid In Capital	Retained Earnings	Unearned ESOP Shares	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount					
Balance at December 31, 2023	17,387,069	$ 174	$ 172,366	$ 333,401	$ (4,497)	$ (1,551)	$ 499,893
Net income	—	—	—	27,485	—	—	27,485
Cash dividends declared on common stock, $0.22/ common share	—	—	—	(3,739)	—	—	(3,739)
Common stock repurchased	(23,483)	—	(645)	—	—	—	(645)
Retired stock	(8,762)	—	(233)	—	—	—	(233)
Granted restricted stock	72,502	—	—	—	—	—	—
Exercised stock options	10,000	1	158	—	—	—	159
Share-based compensation expense	—	—	822	—	—	—	822
ESOP compensation expense	—	—	439	—	265	—	704
Other comprehensive loss	—	—	—	—	—	(818)	(818)
Balance at June 30, 2024	17,437,326	$ 175	$ 172,907	$ 357,147	$ (4,232)	$ (2,369)	$ 523,628

	(Unaudited) Six Months Ended June 30, 2023						
	Common Stock		Additional Paid In Capital	Retained Earnings	Unearned ESOP Shares	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount					
Balance at December 31, 2022	15,673,595	$ 157	$ 128,486	$ 290,271	$ (5,026)	$ (3,733)	$ 410,155
Net income	—	—	—	21,747	—	—	21,747
Cash dividends declared on common stock, $0.20/common share	—	—	—	(3,367)	—	—	(3,367)
Forfeited restricted stock	(3,890)	—	—	—	—	—	—
Retired stock	(9,066)	—	(249)	—	—	—	(249)
Granted restricted stock	53,339	—	—	—	—	—	—
Stock issued for Quantum acquisition	1,374,646	14	37,720	—	—	—	37,734
Exercised stock options	278,049	3	4,072	—	—	—	4,075
Share-based compensation expense	—	—	823	—	—	—	823
ESOP compensation expense	—	—	370	—	265	—	635
Other comprehensive loss	—	—	—	—	—	(367)	(367)
Balance at June 30, 2023	17,366,673	$ 174	$ 171,222	$ 308,651	$ (4,761)	$ (4,100)	$ 471,186

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) Six Months Ended June 30,	
	2024	2023
Operating activities		
Net income	$ 27,485	$ 21,747
Adjustments to reconcile net income to net cash used in operating activities:		
Provision for credit losses	5,425	9,165
Depreciation and amortization of premises and equipment and equipment for operating leases	5,562	4,703
Deferred income tax expense (benefit)	1,528	(998)
Net accretion of purchase accounting adjustments on loans	(1,393)	(1,325)
Net amortization and accretion	3,207	2,879
SBIC investments income	(604)	(875)
Loss (gain) on sale of premises and equipment	9	(982)
Loss on sale or writedown of REO	—	89
Loss incurred at the end of operating leases - lessor	787	262
BOLI income	(2,642)	(1,095)
Gain on sale of loans held for sale	(3,285)	(2,920)
Origination of loans held for sale	(139,054)	(194,796)
Proceeds from sales of loans held for sale	106,824	97,728
New deferred loan origination (costs) fees, net	(1,302)	31
Increase in accrued interest receivable and other assets	(4,517)	(5,201)
Share-based compensation expense	822	823
ESOP compensation expense	704	635
Increase (decrease) in other liabilities	(2,668)	4,214
Net cash used in operating activities	(3,112)	(65,916)
Investing activities		
Purchase of debt securities available for sale	(27,475)	(22,631)
Proceeds from maturities, calls and paydowns of debt securities available for sale	19,778	29,196
Purchases of CDs in other banks	(2,485)	(8,711)
Proceeds from maturities of CDs in other banks	5,076	4,930
Net purchases of FHLB and FRB stock	(1,244)	(5,422)
Net capital contributions in SBIC investments, at cost	(1,069)	(1,638)
Net increase in loans	(54,713)	(105,659)
Purchase of BOLI	(11)	(76)
Collection of receivable representing proceeds from redemption of BOLI policies	43,584	—
Death benefit proceeds from BOLI policies	2,363	—
Purchase of equipment for operating leases	(10,441)	(6,415)
Proceeds from sale of equipment for operating leases - lessor	4,912	4,487
Purchase of premises and equipment	(811)	(2,263)
Proceeds from sale of premises and equipment and assets held for sale	—	2,332
Proceeds from sale of REO	—	108
Net cash received in merger	—	30,601
Net cash used in investing activities	(22,536)	(81,161)

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

	Unaudited Six Months Ended June 30, 2024	2023
Financing activities		
Net increase (decrease) in deposits	46,406	(17,454)
Net increase (decrease) in revolving line of credit	(6,250)	20,263
Net increase (decrease) in short-term borrowings	(63,000)	307,000
Repayment of long-term borrowings	—	(24,728)
Common stock repurchased	(645)	—
Cash dividends paid	(3,739)	(3,367)
Retired stock	(233)	(249)
Exercised stock options	159	4,075
Net cash provided by (used in) financing activities	(27,302)	285,540
Net increase (decrease) in cash and cash equivalents	(52,950)	138,463
Cash and cash equivalents at beginning of period	347,140	165,034
Cash and cash equivalents at end of period	$ 294,190	$ 303,497
Supplemental disclosures		
Cash paid during the period for		
Interest	$ 43,014	$ 21,224
Income taxes	10,291	6,523
Noncash transactions		
Unrealized loss in value of debt securities available for sale, net of income taxes	$ (818)	$ (367)
Transfer of loans held for sale to loans held for investment	11,283	9,584
ROU asset and lease liabilities for operating lease accounting	—	3,071
Business combinations		
Fair value of assets acquired	$ —	$ 665,090
Fair value of liabilities assumed	—	610,188
Net assets acquired	$ —	$ 54,902

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

1. Summary of Significant Accounting Policies

The consolidated unaudited 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 its consolidated subsidiary, unless the context otherwise requires. HomeTrust is a bank holding company primarily engaged in the business of planning, directing and coordinating the business activities of the Bank. The Bank is a North Carolina state chartered bank and provides a wide range of retail and commercial banking products within its geographic footprint, which includes: North Carolina (the Asheville metropolitan area, the "Piedmont" region, Charlotte and Raleigh/Cary), South Carolina (Greenville and Charleston), East Tennessee (Kingsport/Johnson City, Knoxville and Morristown), Southwest Virginia (the Roanoke Valley) and Georgia (Greater Atlanta). The Bank operates under a single set of corporate policies and procedures and is recognized as a single banking segment for financial reporting purposes.

As a result of its merger with Quantum on February 12, 2023, HomeTrust became the 100% successor owner of the Quantum Capital Statutory Trust II Delaware trust. The sole assets of the trust represent the proceeds of offerings loaned in exchange for subordinated debentures with similar terms to the trust preferred securities.

The accompanying unaudited consolidated financial statements have been prepared in accordance with US 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 US 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 Transition Report on Form 10-KT for the six-month transition period ended December 31, 2023 ("2023 Form 10-KT") filed with the SEC on March 12, 2024. The results of operations for the six months ended June 30, 2024 are not necessarily indicative of results that may be expected for the year ending December 31, 2024, the period which will be covered on a Report on Form 10-K.

The preparation of financial statements in conformity with US 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 ACL on loans as an accounting policy that, due to the judgments, estimates and assumptions inherent in the policy, is critical to an understanding of the Company's financial statements. This policy and the related judgments, estimates and assumptions are 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 and Estimates) in the 2023 Form 10-KT. 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 these estimates and the Company's financial condition and operating results in future periods.

Prior Period Disclosure Correction

Within "Note 6 – Loans and Allowance for Credit Losses on Loans", the tables disclosing our credit risk profile by origination year as of December 31, 2023, beginning on page 18 of this document, reflect the correction of an immaterial error in the prior period disclosure. The correction of the disclosure error redistributed $264,101 in loans from the "Revolving" columns to the "Term Loans By Origination Fiscal Year" columns. The error's only impact was to the identified disclosure and therefore had no effect on net income or stockholders' equity as previously reported.

2. Recent Accounting Pronouncements

Newly Issued but Not Yet Effective Accounting Standards

ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." In November 2023, the FASB issued ASU 2023-07 which will require public entities to disclose information about their reportable segments' significant expenses on an interim and annual basis. Public entities will be required to disclose other segment items for each reportable segment and provide a description of its composition. Significant expense categories are derived from expenses that are regularly reported to an entity's chief operating decision-makers and included in segment-reported measures of profit or loss. The ASU will also require a public entity to disclose the title and position of the chief operating decision-maker and explain how the chief operating decision-maker uses the reported measures of profit or loss to assess segment performance. Lastly, ASU 2023-07 also requires interim disclosures of certain segment-related disclosures that previously were required only on an annual basis and clarifies that entities with a single reportable segment are subject to both new and existing segment reporting requirements under Topic 280.

ASU 2023-07 is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. The ASU requires entities to adopt the changes to the segment reporting guidance on a retrospective basis and early adoption is permitted. The Company will update its segment-related disclosures upon adoption of the ASU.

ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." In December 2023, the FASB issued ASU 2023-09 which requires entities to disclose more detailed information in the reconciliation of their statutory tax rate to their effective tax rate. The ASU also requires entities to disclose more detailed information about income taxes paid, including by jurisdiction. This ASU is effective for public business entities for annual reporting periods beginning after December 15, 2024 and interim periods beginning after December 15, 2025. The Company will update its income tax disclosures upon adoption of the ASU.

(Dollars in thousands, except per share data)

3. Merger with Quantum

On February 12, 2023, the Company merged with Quantum which operated two locations in the Atlanta metro area. The aggregate amount of consideration to be paid per the purchase agreement of approximately $70,771, inclusive of consideration of common stock, other cash consideration, and cash in lieu of fractional shares, included $15,869 of cash consideration paid by Quantum to its stockholders in advance of the closing date as is further described below. These distributions reduced Quantum's stockholders' equity by an equal amount prior to the transaction closing date.

The following table provides a summary of the assets acquired, liabilities assumed, associated preliminary fair value adjustments and provisional period adjustments by the Company as of the merger date. As provided for under US GAAP, management had up to 12 months following the date of merger to finalize the fair value adjustments. Management completed its evaluation in the first quarter of calendar year 2024, and the values in the table below are considered final.

	Quantum	Fair Value Adjustments	Provisional Period Adjustments	As Recorded by HomeTrust
Assets acquired				
Cash and cash equivalents	$ 47,769	$ —	$ —	$ 47,769
Debt securities available for sale	10,608	—	—	10,608
FHLB and FRB stock	1,125	—	—	1,125
Loans(1)	567,140	(5,207)	—	561,933
Premises and equipment	4,415	4,668	—	9,083
Accrued interest receivable	1,706	—	—	1,706
BOLI	9,066	—	—	9,066
Core deposit intangibles	—	12,210	—	12,210
Other assets	2,727	569	(179)	3,117
Total assets acquired	$ 644,556	$ 12,240	$ (179)	$ 656,617
Liabilities assumed				
Deposits	$ 570,419	$ 183	$ —	$ 570,602
Junior subordinated debt	11,341	(1,408)	—	9,933
Other borrowings	24,728	—	—	24,728
Deferred income taxes	—	1,341	250	1,591
Other liabilities	3,334	—	—	3,334
Total liabilities assumed	$ 609,822	$ 116	$ 250	$ 610,188
Net assets acquired				$ 46,429

Consideration paid	
Common stock consideration	
Shares of Quantum	574,157
Exchange ratio	2.3942
HomeTrust common stock issued	1,374,647
Price per share of HomeTrust common stock on February 10, 2023	$ 27.45
HomeTrust common stock consideration	$ 37,734
Cash consideration(2)	17,168
Total consideration	$ 54,902
Goodwill	$ 8,473

(1) Adjustments to Quantum's total loans include the elimination of Quantum's existing allowance for loan losses of $5,972, the recognition of an ACL at close on PCD loans of $369, and adjustments to reflect the estimated credit fair value mark on the non-PCD loan portfolio of $2,932 and the estimated interest rate fair value adjustment on the loan portfolio as a whole (non-PCD and PCD) of $7,878.

(2) As indicated in the Current Report on Form 8-K/A filed with the SEC on March 30, 2023, the amount of cash consideration paid at closing differs from the $57.54 per share, or $33,037, reported in the Current Report on Form 8-K filed on February 13, 2023, which announced the closing of the merger. Consistent with the merger agreement, between the execution of the merger agreement and the transaction closing date, Quantum's principal stockholders had the option to withdraw some or all of the amount of cash consideration to eventually be paid at closing in advance of the closing date. The amount of cash consideration paid at closing was reduced by the amount withdrawn during this time period.

Goodwill of $8,473 arising from the merger consisted largely of synergies and the cost saves resulting from the combining of operations of the companies, and is not expected to be deductible for income tax purposes.

(Dollars in thousands, except per share data)

4. Debt Securities

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

	June 30, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
MBS, residential	$ 128,743	$ 810	$ (2,971)	$ 126,582
Municipal bonds	3,469	—	(91)	3,378
Corporate bonds	5,000	—	(825)	4,175
Total	$ 137,212	$ 810	$ (3,887)	$ 134,135

	December 31, 2023			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
MBS, residential	$ 105,477	$ 1,194	$ (2,172)	$ 104,499
Municipal bonds	3,487	—	(78)	3,409
Corporate bonds	20,000	—	(958)	19,042
Total	$ 128,964	$ 1,194	$ (3,208)	$ 126,950

Debt securities available for sale by contractual maturity at June 30, 2024 and December 31, 2023 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.

	June 30, 2024	
	Amortized Cost	Estimated Fair Value
Due within one year	$ 1,528	$ 1,514
Due after one year through five years	1,941	1,864
Due after five years through ten years	5,000	4,175
Due after ten years	—	—
MBS, residential	128,743	126,582
Total	$ 137,212	$ 134,135

	December 31, 2023	
	Amortized Cost	Estimated Fair Value
Due within one year	$ 15,000	$ 14,848
Due after one year through five years	3,487	3,409
Due after five years through ten years	5,000	4,194
Due after ten years	—	—
MBS, residential	105,477	104,499
Total	$ 128,964	$ 126,950

The Company had no sales of debt securities available for sale and no gross realized gains or losses were recognized during the six months ended June 30, 2024 and 2023.

Debt securities available for sale with amortized costs totaling $25,712 and $43,846 and market values of $25,224 and $42,329 at June 30, 2024 and December 31, 2023, 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 June 30, 2024 and December 31, 2023 were as follows:

	June 30, 2024					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
MBS, residential	$ 24,755	$ (162)	$ 77,572	$ (2,809)	$ 102,327	$ (2,971)
Municipal bonds	—	—	3,378	(91)	3,378	(91)
Corporate bonds	—	—	3,425	(825)	3,425	(825)
Total	$ 24,755	$ (162)	$ 84,375	$ (3,725)	$ 109,130	$ (3,887)

	December 31, 2023					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
MBS, residential	$ 46,978	$ (393)	$ 35,200	$ (1,779)	$ 82,178	$ (2,172)
Municipal bonds	—	—	3,409	(78)	3,409	(78)
Corporate bonds	618	(132)	17,674	(826)	18,292	(958)
Total	$ 47,596	$ (525)	$ 56,283	$ (2,683)	$ 103,879	$ (3,208)

The total number of securities with unrealized losses at June 30, 2024 and December 31, 2023 were 181 and 187, 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 June 30, 2024 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 Accounting Policies" in our 2023 Form 10-KT 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 ECL on investment securities and does not record an ACL on accrued interest receivable. As of June 30, 2024 and December 31, 2023, accrued interest receivable for debt securities available for sale was $542 and $469, respectively.

5. Loans Held For Sale

Loans held for sale, at the lower of cost or fair value, consist of the following as of the dates indicated:

	June 30, 2024	December 31, 2023
SBA	$ 20,259	$ 30,650
HELOCs	204,717	167,783
Total loans held for sale, at the lower of cost or fair value	$ 224,976	$ 198,433

The carrying balance of loans held for sale, at fair value, was $1,614 and $3,359 at June 30, 2024 and December 31, 2023, respectively, while the amortized cost of these loans was $1,579 and $3,286 at the same dates.

(Dollars in thousands, except per share data)

6. Loans and Allowance for Credit Losses on Loans

Loans consist of the following at the dates indicated[1]:

	June 30, 2024	December 31, 2023
Commercial real estate loans		
Construction and land development	$ 316,050	$ 305,269
Commercial real estate – owner occupied	545,631	536,545
Commercial real estate – non-owner occupied	892,653	875,694
Multifamily	92,292	88,623
Total commercial real estate loans	1,846,626	1,806,131
Commercial loans		
Commercial and industrial	266,136	237,255
Equipment finance	461,010	465,573
Municipal leases	152,509	150,292
Total commercial loans	879,655	853,120
Residential real estate loans		
Construction and land development	70,679	96,646
One-to-four family	621,196	584,405
HELOCs	188,465	185,878
Total residential real estate loans	880,340	866,929
Consumer loans	94,833	113,842
Total loans, net of deferred loan fees and costs	3,701,454	3,640,022
ACL on loans	(49,223)	(48,641)
Loans, net	$ 3,652,231	$ 3,591,381

(1) At June 30, 2024 and December 31, 2023 accrued interest receivable of $17,680 and $16,218, respectively, was accounted for separately from the amortized cost basis.

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

Loans are made to the Company's executive officers, directors and their associates during the ordinary course of business. The aggregate amount of loans to such related parties totaled approximately $0 and $209 at June 30, 2024 and December 31, 2023, respectively. In relation to these loans are unfunded commitments that totaled approximately $3 at both June 30, 2024 and December 31, 2023, respectively.

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 loan is not adversely classified because it does not display any of the characteristics for adverse classification.

Special Mention – A special mention loan 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 loans are not adversely classified and do not warrant adverse classification.

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

Doubtful – A loan classified as doubtful has all the weaknesses inherent in a loan 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 – Loans classified as loss are considered uncollectible and of such little value that their continuing to be carried as a loan 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 tables present the credit risk profile by risk grade for commercial real estate, commercial, residential real estate and consumer loans by origination year as of June 30, 2024. Also included in the tables detailing loan balances are gross charge-offs for the six months ended June 30, 2024.

	Term Loans By Origination Fiscal Year							
June 30, 2024	**2024**	**2023-S[(1)]**	**2023**	**2022**	**2021**	**Prior**	**Revolving**	**Total**
Construction and land development								
Risk rating								
Pass	$ 56,198	$ 70,258	$ 73,421	$ 63,005	$ 37,351	$ 7,204	$ 7,400	$ 314,837
Special mention	—	—	—	—	1,213	—	—	1,213
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total construction and land development	$ 56,198	$ 70,258	$ 73,421	$ 63,005	$ 38,564	$ 7,204	$ 7,400	$ 316,050
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial real estate – owner occupied								
Risk rating								
Pass	$ 30,692	$ 36,172	$ 68,222	$ 100,914	$ 85,955	$ 212,990	$ 4,539	$ 539,484
Special mention	—	—	151	135	443	2,267	—	2,996
Substandard	—	—	259	664	1	2,019	—	2,943
Doubtful	—	—	—	—	—	208	—	208
Loss	—	—	—	—	—	—	—	—
Total commercial real estate – owner occupied	$ 30,692	$ 36,172	$ 68,632	$ 101,713	$ 86,399	$ 217,484	$ 4,539	$ 545,631
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ 208	$ —	$ 208
Commercial real estate – non-owner occupied								
Risk rating								
Pass	$ 39,889	$ 13,541	$ 100,512	$ 153,417	$ 182,268	$ 358,719	$ 8,471	$ 856,817
Special mention	—	—	3,680	3,846	—	15,261	—	22,787
Substandard	—	—	3,078	—	—	9,971	—	13,049
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total commercial real estate – non-owner occupied	$ 39,889	$ 13,541	$ 107,270	$ 157,263	$ 182,268	$ 383,951	$ 8,471	$ 892,653
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Multifamily								
Risk rating								
Pass	$ 9,569	$ 5,508	$ 6,605	$ 19,613	$ 20,940	$ 29,707	$ —	$ 91,942
Special mention	—	—	—	—	—	88	—	88
Substandard	—	—	—	—	—	262	—	262
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total multifamily	$ 9,569	$ 5,508	$ 6,605	$ 19,613	$ 20,940	$ 30,057	$ —	$ 92,292
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total commercial real estate								
Risk rating								
Pass	$ 136,348	$ 125,479	$ 248,760	$ 336,949	$ 326,514	$ 608,620	$ 20,410	$ 1,803,080
Special mention	—	—	3,831	3,981	1,656	17,616	—	27,084
Substandard	—	—	3,337	664	1	12,252	—	16,254
Doubtful	—	—	—	—	—	208	—	208
Loss	—	—	—	—	—	—	—	—
Total commercial real estate	$ 136,348	$ 125,479	$ 255,928	$ 341,594	$ 328,171	$ 638,696	$ 20,410	$ 1,846,626
Total current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ 208	$ —	$ 208

(1) As previously announced, on July 24, 2023, the Board of Directors approved a change in the Company's fiscal year end from June 30 to December 31. "2023-S" represents the six-month transition period ended December 31, 2023. All subsequent periods are based on a calendar year end.

(Dollars in thousands, except per share data)

	Term Loans By Origination Fiscal Year							
June 30, 2024	**2024**	**2023-S[1]**	**2023**	**2022**	**2021**	**Prior**	**Revolving**	**Total**
Commercial and industrial								
Risk rating								
Pass	$ 28,093	$ 24,073	$ 45,428	$ 39,842	$ 12,002	$ 26,227	$ 80,820	$ 256,485
Special mention	—	—	380	473	116	2,247	163	3,379
Substandard	—	279	1,077	1,333	426	1,335	24	4,474
Doubtful	—	—	895	—	—	494	100	1,489
Loss	—	—	—	178	—	131	—	309
Total commercial and industrial	$ 28,093	$ 24,352	$ 47,780	$ 41,826	$ 12,544	$ 30,434	$ 81,107	$ 266,136
Current period gross charge-offs	$ —	$ —	$ 527	$ 480	$ 51	$ 260	$ —	$ 1,318
Equipment finance								
Risk rating								
Pass	$ 75,551	$ 75,982	$ 148,323	$ 87,970	$ 41,286	$ 18,421	$ —	$ 447,533
Special mention	—	99	871	1,035	555	317	—	2,877
Substandard	—	—	—	3,058	—	119	—	3,177
Doubtful	—	135	3,248	3,198	715	127	—	7,423
Loss	—	—	—	—	—	—	—	—
Total equipment finance	$ 75,551	$ 76,216	$ 152,442	$ 95,261	$ 42,556	$ 18,984	$ —	$ 461,010
Current period gross charge-offs	$ —	$ —	$ 1,640	$ 1,259	$ 347	$ 244	$ —	$ 3,490
Municipal leases								
Risk rating								
Pass	$ 4,719	$ 20,024	$ 26,196	$ 23,824	$ 25,827	$ 51,919	$ —	$ 152,509
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total municipal leases	$ 4,719	$ 20,024	$ 26,196	$ 23,824	$ 25,827	$ 51,919	$ —	$ 152,509
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total commercial								
Risk rating								
Pass	$ 108,363	$ 120,079	$ 219,947	$ 151,636	$ 79,115	$ 96,567	$ 80,820	$ 856,527
Special mention	—	99	1,251	1,508	671	2,564	163	6,256
Substandard	—	279	1,077	4,391	426	1,454	24	7,651
Doubtful	—	135	4,143	3,198	715	621	100	8,912
Loss	—	—	—	178	—	131	—	309
Total commercial	$ 108,363	$ 120,592	$ 226,418	$ 160,911	$ 80,927	$ 101,337	$ 81,107	$ 879,655
Total current period gross charge-offs	$ —	$ —	$ 2,167	$ 1,739	$ 398	$ 504	$ —	$ 4,808

(Dollars in thousands, except per share data)

	Term Loans By Origination Fiscal Year							
June 30, 2024	**2024**	**2023-S[1]**	**2023**	**2022**	**2021**	**Prior**	**Revolving**	**Total**
Construction and land development								
Risk rating								
Pass	$ 4,531	$ 17,120	$ 32,613	$ 12,598	$ 2,974	$ 708	$ —	$ 70,544
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	135	—	135
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total construction and land development	$ 4,531	$ 17,120	$ 32,613	$ 12,598	$ 2,974	$ 843	$ —	$ 70,679
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
One-to-four family								
Risk rating								
Pass	$ 21,318	$ 19,025	$ 138,684	$ 151,406	$ 105,441	$ 169,107	$ 10,696	$ 615,677
Special mention	—	—	—	—	—	350	—	350
Substandard	—	—	605	255	—	4,293	—	5,153
Doubtful	—	—	—	—	—	16	—	16
Loss	—	—	—	—	—	—	—	—
Total one-to-four family	$ 21,318	$ 19,025	$ 139,289	$ 151,661	$ 105,441	$ 173,766	$ 10,696	$ 621,196
Current period gross charge-offs	$ —	$ —	$ —	$ 7	$ —	$ 5	$ —	$ 12
HELOCs								
Risk rating								
Pass	$ —	$ —	$ —	$ —	$ —	$ —	$ 185,642	$ 185,642
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	2,823	2,823
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total HELOCs	$ —	$ —	$ —	$ —	$ —	$ —	$ 188,465	$ 188,465
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ 48	$ 48
Total residential real estate								
Risk rating								
Pass	$ 25,849	$ 36,145	$ 171,297	$ 164,004	$ 108,415	$ 169,815	$ 196,338	$ 871,863
Special mention	—	—	—	—	—	350	—	350
Substandard	—	—	605	255	—	4,428	2,823	8,111
Doubtful	—	—	—	—	—	16	—	16
Loss	—	—	—	—	—	—	—	—
Total residential real estate	$ 25,849	$ 36,145	$ 171,902	$ 164,259	$ 108,415	$ 174,609	$ 199,161	$ 880,340
Total current period gross charge-offs	$ —	$ —	$ —	$ 7	$ —	$ 5	$ 48	$ 60

	Term Loans By Origination Fiscal Year							
June 30, 2024	**2024**	**2023-S[1]**	**2023**	**2022**	**2021**	**Prior**	**Revolving**	**Total**
Total consumer								
Risk rating								
Pass	$ 4,537	$ 22,478	$ 41,888	$ 11,317	$ 7,403	$ 5,735	$ 244	$ 93,602
Special mention	—	—	—	—	—	—	—	—
Substandard	108	126	483	135	148	205	19	1,224
Doubtful	—	—	4	—	3	—	—	7
Loss	—	—	—	—	—	—	—	—
Total consumer	$ 4,645	$ 22,604	$ 42,375	$ 11,452	$ 7,554	$ 5,940	$ 263	$ 94,833
Total current period gross charge-offs	$ 6	$ 85	$ 268	$ 189	$ 66	$ 35	$ 2	$ 651

(Dollars in thousands, except per share data)

The following tables present the credit risk profile by risk grade for commercial real estate, commercial, residential real estate and consumer loans by origination year as of December 31, 2023[(2)]. Also included in the tables detailing loan balances are gross charge-offs for the year ended December 31, 2023.

	Term Loans By Origination Fiscal Year							
December 31, 2023	**2023-S[(1)]**	**2023**	**2022**	**2021**	**2020**	**Prior**	**Revolving**	**Total**
Construction and land development								
Risk rating								
Pass	$ 61,716	$ 105,170	$ 88,320	$ 37,197	$ 201	$ 7,581	$ 4,805	$ 304,990
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	279	—	—	—	—	279
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total construction and land development	$ 61,716	$ 105,170	$ 88,599	$ 37,197	$ 201	$ 7,581	$ 4,805	$ 305,269
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial real estate – owner occupied								
Risk rating								
Pass	$ 35,428	$ 61,090	$ 104,005	$ 90,506	$ 72,121	$ 159,328	$ 3,486	$ 525,964
Special mention	—	149	148	447	2,033	3,699	—	6,476
Substandard	—	—	379	1	338	2,886	—	3,604
Doubtful	—	—	—	—	289	212	—	501
Loss	—	—	—	—	—	—	—	—
Total commercial real estate – owner occupied	$ 35,428	$ 61,239	$ 104,532	$ 90,954	$ 74,781	$ 166,125	$ 3,486	$ 536,545
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ 290	$ —	$ 290
Commercial real estate – non-owner occupied								
Risk rating								
Pass	$ 11,716	$ 104,881	$ 155,782	$ 185,264	$ 95,749	$ 302,341	$ 6,460	$ 862,193
Special mention	—	—	—	—	—	294	—	294
Substandard	—	3,078	—	—	6,180	3,949	—	13,207
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total commercial real estate – non-owner occupied	$ 11,716	$ 107,959	$ 155,782	$ 185,264	$ 101,929	$ 306,584	$ 6,460	$ 875,694
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Multifamily								
Risk rating								
Pass	$ 5,515	$ 4,184	$ 18,597	$ 21,411	$ 10,921	$ 25,400	$ 644	$ 86,672
Special mention	—	—	1,583	—	—	89	—	1,672
Substandard	—	—	—	—	—	279	—	279
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total multifamily	$ 5,515	$ 4,184	$ 20,180	$ 21,411	$ 10,921	$ 25,768	$ 644	$ 88,623
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total commercial real estate								
Risk rating								
Pass	$ 114,375	$ 275,325	$ 366,704	$ 334,378	$ 178,992	$ 494,650	$ 15,395	$ 1,779,819
Special mention	—	149	1,731	447	2,033	4,082	—	8,442
Substandard	—	3,078	658	1	6,518	7,114	—	17,369
Doubtful	—	—	—	—	289	212	—	501
Loss	—	—	—	—	—	—	—	—
Total commercial real estate	$ 114,375	$ 278,552	$ 369,093	$ 334,826	$ 187,832	$ 506,058	$ 15,395	$ 1,806,131
Total current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ 290	$ —	$ 290

(1) As previously announced, on July 24, 2023, the Board of Directors approved a change in the Company's fiscal year end from June 30 to December 31. "2023-S" represents the six-month transition period ended December 31, 2023. All subsequent periods are based on a calendar year end.

(2) This table reflects the correction of an immaterial error in the prior period disclosure. See "Note 1 – Summary of Significant Accounting Policies" for further information.

(Dollars in thousands, except per share data)

	Term Loans By Origination Fiscal Year							
December 31, 2023	**2023-S(1)**	**2023**	**2022**	**2021**	**2020**	**Prior**	**Revolving**	**Total**
Commercial and industrial								
Risk rating								
Pass	$ 19,180	$ 51,742	$ 60,487	$ 14,146	$ 11,071	$ 22,352	$ 49,663	$ 228,641
Special mention	—	329	227	158	54	81	—	849
Substandard	—	671	341	29	1,380	307	3,707	6,435
Doubtful	—	713	—	—	222	—	264	1,199
Loss	—	—	—	—	—	131	—	131
Total commercial and industrial	$ 19,180	$ 53,455	$ 61,055	$ 14,333	$ 12,727	$ 22,871	$ 53,634	$ 237,255
Current period gross charge-offs	$ —	$ 1,337	$ 402	$ 184	$ 574	$ 618	$ —	$ 3,115
Equipment finance								
Risk rating								
Pass	$ 83,332	$ 172,704	$ 113,363	$ 57,295	$ 25,552	$ 4,854	$ —	$ 457,100
Special mention	—	338	666	383	341	252	—	1,980
Substandard	—	206	—	—	—	134	—	340
Doubtful	—	2,645	2,498	626	384	—	—	6,153
Loss	—	—	—	—	—	—	—	—
Total equipment finance	$ 83,332	$ 175,893	$ 116,527	$ 58,304	$ 26,277	$ 5,240	$ —	$ 465,573
Current period gross charge-offs	$ —	$ 550	$ 912	$ 539	$ 29	$ 14	$ —	$ 2,044
Municipal leases								
Risk rating								
Pass	$ 17,372	$ 34,203	$ 28,241	$ 15,742	$ 7,358	$ 47,376	$ —	$ 150,292
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total municipal leases	$ 17,372	$ 34,203	$ 28,241	$ 15,742	$ 7,358	$ 47,376	$ —	$ 150,292
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total commercial								
Risk rating								
Pass	$ 119,884	$ 258,649	$ 202,091	$ 87,183	$ 43,981	$ 74,582	$ 49,663	$ 836,033
Special mention	—	667	893	541	395	333	—	2,829
Substandard	—	877	341	29	1,380	441	3,707	6,775
Doubtful	—	3,358	2,498	626	606	—	264	7,352
Loss	—	—	—	—	—	131	—	131
Total commercial	$ 119,884	$ 263,551	$ 205,823	$ 88,379	$ 46,362	$ 75,487	$ 53,634	$ 853,120
Total current period gross charge-offs	$ —	$ 1,887	$ 1,314	$ 723	$ 603	$ 632	$ —	$ 5,159

(Dollars in thousands, except per share data)

	Term Loans By Origination Fiscal Year							
December 31, 2023	2023-S[1]	2023	2022	2021	2020	Prior	Revolving	Total
Construction and land development								
Risk rating								
Pass	$ 7,669	$ 64,716	$ 18,841	$ 4,002	$ 44	$ 1,237	$ —	$ 96,509
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	137	—	137
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total construction and land development	$ 7,669	$ 64,716	$ 18,841	$ 4,002	$ 44	$ 1,374	$ —	$ 96,646
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
One-to-four family								
Risk rating								
Pass	$ 19,532	$ 102,902	$ 153,029	$ 109,870	$ 48,971	$ 139,061	$ 5,395	$ 578,760
Special mention	—	—	—	—	—	511	—	511
Substandard	—	383	258	—	202	4,268	—	5,111
Doubtful	—	—	—	—	—	23	—	23
Loss	—	—	—	—	—	—	—	—
Total one-to-four family	$ 19,532	$ 103,285	$ 153,287	$ 109,870	$ 49,173	$ 143,863	$ 5,395	$ 584,405
Current period gross charge-offs	$ —	$ —	$ 13	$ 3	$ 12	$ 4	$ —	$ 32
HELOCs								
Risk rating								
Pass	$ —	$ —	$ —	$ —	$ —	$ —	$ 183,815	$ 183,815
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	2,034	2,034
Doubtful	—	—	—	—	—	—	29	29
Loss	—	—	—	—	—	—	—	—
Total HELOCs	$ —	$ —	$ —	$ —	$ —	$ —	$ 185,878	$ 185,878
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total residential real estate								
Risk rating								
Pass	$ 27,201	$ 167,618	$ 171,870	$ 113,872	$ 49,015	$ 140,298	$ 189,210	$ 859,084
Special mention	—	—	—	—	—	511	—	511
Substandard	—	383	258	—	202	4,405	2,034	7,282
Doubtful	—	—	—	—	—	23	29	52
Loss	—	—	—	—	—	—	—	—
Total residential real estate	$ 27,201	$ 168,001	$ 172,128	$ 113,872	$ 49,217	$ 145,237	$ 191,273	$ 866,929
Total current period gross charge-offs	$ —	$ —	$ 13	$ 3	$ 12	$ 4	$ —	$ 32

	Term Loans By Origination Fiscal Year							
December 31, 2023	2023-S[1]	2023	2022	2021	2020	Prior	Revolving	Total
Total consumer								
Risk rating								
Pass	$ 26,569	$ 51,351	$ 14,408	$ 9,672	$ 6,313	$ 4,068	$ 309	$ 112,690
Special mention	—	—	—	—	—	—	—	—
Substandard	—	329	265	210	172	141	24	1,141
Doubtful	—	7	—	3	—	—	—	10
Loss	—	—	—	—	—	1	—	1
Total consumer	$ 26,569	$ 51,687	$ 14,673	$ 9,885	$ 6,485	$ 4,210	$ 333	$ 113,842
Total current period gross charge-offs	$ 6	$ 401	$ 118	$ 34	$ 11	$ 9	$ —	$ 579

(Dollars in thousands, except per share data)

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

	Past Due				
	30-89 Days	90 Days+	Total	Current	Total Loans
June 30, 2024					
Commercial real estate					
Construction and land development	$ 1,213	$ —	$ 1,213	$ 314,837	$ 316,050
Commercial real estate – owner occupied	625	589	1,214	544,417	545,631
Commercial real estate – non-owner occupied	957	—	957	891,696	892,653
Multifamily	—	—	—	92,292	92,292
Total commercial real estate	2,795	589	3,384	1,843,242	1,846,626
Commercial					
Commercial and industrial	1,008	2,606	3,614	262,522	266,136
Equipment finance	6,972	3,384	10,356	450,654	461,010
Municipal leases	—	—	—	152,509	152,509
Total commercial	7,980	5,990	13,970	865,685	879,655
Residential real estate					
Construction and land development	—	132	132	70,547	70,679
One-to-four family	1,062	913	1,975	619,221	621,196
HELOCs	763	1,202	1,965	186,500	188,465
Total residential real estate	1,825	2,247	4,072	876,268	880,340
Consumer	704	207	911	93,922	94,833
Total loans	$ 13,304	$ 9,033	$ 22,337	$ 3,679,117	$ 3,701,454

	Past Due				
	30-89 Days	90 Days+	Total	Current	Total Loans
December 31, 2023					
Commercial real estate					
Construction and land development	$ —	$ —	$ —	$ 305,269	$ 305,269
Commercial real estate – owner occupied	657	501	1,158	535,387	536,545
Commercial real estate – non-owner occupied	4,032	—	4,032	871,662	875,694
Multifamily	—	—	—	88,623	88,623
Total commercial real estate	4,689	501	5,190	1,800,941	1,806,131
Commercial					
Commercial and industrial	974	2,667	3,641	233,614	237,255
Equipment finance	5,411	4,019	9,430	456,143	465,573
Municipal leases	—	—	—	150,292	150,292
Total commercial	6,385	6,686	13,071	840,049	853,120
Residential real estate					
Construction and land development	—	132	132	96,514	96,646
One-to-four family	958	1,068	2,026	582,379	584,405
HELOCs	1,240	1,622	2,862	183,016	185,878
Total residential real estate	2,198	2,822	5,020	861,909	866,929
Consumer	535	301	836	113,006	113,842
Total loans	$ 13,807	$ 10,310	$ 24,117	$ 3,615,905	$ 3,640,022

(Dollars in thousands, except per share data)

The following table presents the 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 six months ended June 30, 2024.

	June 30, 2024	December 31, 2023	90 Days+ & Still Accruing as of June 30, 2024	Nonaccrual with No ACL as of June 30, 2024	Interest Income Recognized
Commercial real estate					
Commercial real estate – owner occupied	$ 1,516	$ 912	$ —	$ —	$ 18
Commercial real estate – non-owner occupied	4,035	4,032	—	—	26
Multifamily	63	74	—	—	3
Total commercial real estate	5,614	5,018	—	—	47
Commercial					
Commercial and industrial	4,362	2,774	—	166	46
Equipment finance	10,741	6,463	—	3,085	134
Total commercial	15,103	9,237	—	3,251	180
Residential real estate					
Construction and land development	132	132	—	—	—
One-to-four family	1,910	2,205	—	—	48
HELOCs	1,975	2,173	—	—	26
Total residential real estate	4,017	4,510	—	—	74
Consumer	535	568	—	—	11
Total loans	$ 25,269	$ 19,333	$ —	$ 3,251	$ 312

The following tables present analyses of the ACL on loans by segment for the periods indicated. In addition to the provision (benefit) for credit losses on loans presented below, benefits of $40 and $20 for off-balance sheet credit exposures were recorded for the three and six months ended June 30, 2024, respectively, while no provision for commercial paper was recorded for either period. Benefits of $505 and $105 for off-balance sheet credit exposures were recorded for the three and six months ended June 30, 2023, respectively, while no provision for commercial paper was recorded for either period. In addition, for the six month's ended June 30, 2023, $4,921 and $369 of the provision for credit losses was recognized to establish ACLs on Quantum's loan portfolio and off-balance sheet credit exposure, respectively.

	Three Months Ended June 30, 2024				
	Commercial Real Estate	Commercial	Residential Real Estate	Consumer	Total
Balance at beginning of period	$ 19,953	$ 16,620	$ 9,157	$ 1,772	$ 47,502
Provision (benefit) for credit losses	586	3,885	(123)	(48)	4,300
Charge-offs	—	(2,423)	(40)	(320)	(2,783)
Recoveries	—	33	109	62	204
Net (charge-offs) recoveries	—	(2,390)	69	(258)	(2,579)
Balance at end of period	$ 20,539	$ 18,115	$ 9,103	$ 1,466	$ 49,223

	Three Months Ended June 30, 2023				
	Commercial Real Estate	Commercial	Residential Real Estate	Consumer	Total
Balance at beginning of period	$ 21,613	$ 14,658	$ 9,122	$ 2,110	$ 47,503
Provision (benefit) for credit losses	(923)	1,688	126	19	910
Charge-offs	—	(1,179)	(66)	(256)	(1,501)
Recoveries	—	49	102	130	281
Net (charge-offs) recoveries	—	(1,130)	36	(126)	(1,220)
Balance at end of period	$ 20,690	$ 15,216	$ 9,284	$ 2,003	$ 47,193

	Six Months Ended June 30, 2024				
	Commercial Real Estate	Commercial	Residential Real Estate	Consumer	Total
Balance at beginning of period	$ 20,323	$ 17,025	$ 9,285	$ 2,008	$ 48,641
Provision (benefit) for credit losses	424	5,320	(272)	(27)	5,445
Charge-offs	(208)	(4,808)	(60)	(651)	(5,727)
Recoveries	—	578	150	136	864
Net (charge-offs) recoveries	(208)	(4,230)	90	(515)	(4,863)
Balance at end of period	$ 20,539	$ 18,115	$ 9,103	$ 1,466	$ 49,223

(Dollars in thousands, except per share data)

	Six Months Ended June 30, 2023				
	Commercial Real Estate	Commercial	Residential Real Estate	Consumer	Total
Balance at beginning of period	$ 15,059	$ 12,382	$ 9,048	$ 2,370	$ 38,859
Provision (benefit) for credit losses	5,339	4,101	26	(196)	9,270
Initial ACL on PCD loans	292	72	5	—	369
Charge-offs	—	(1,663)	(69)	(347)	(2,079)
Recoveries	—	324	274	176	774
Net (charge-offs) recoveries	—	(1,339)	205	(171)	(1,305)
Balance at end of period	$ 20,690	$ 15,216	$ 9,284	$ 2,003	$ 47,193

A loan is considered to be collateral dependent when the borrower is experiencing financial difficulty and the repayment is expected to be provided substantially through the operation or sale of collateral. The following tables provide a breakdown between loans identified as CDAs and non-CDAs, by segment and class, as well as collateral coverage for those loans for the periods indicated below:

	Type and Extent of Collateral Securing CDAs					
June 30, 2024	Residential Property	Investment Property	Commercial Property	Business Assets	Non-CDAs	Total
Commercial real estate						
Construction and land development	$ —	$ —	$ —	$ —	$ 316,050	$ 316,050
Commercial real estate – owner occupied	—	—	1,788	—	543,843	545,631
Commercial real estate – non-owner occupied	—	—	4,308	—	888,345	892,653
Multifamily	—	—	—	—	92,292	92,292
Total commercial real estate	—	—	6,096	—	1,840,530	1,846,626
Commercial						
Commercial and industrial	—	—	—	2,465	263,671	266,136
Equipment finance	—	—	—	4,832	456,178	461,010
Municipal leases	—	—	—	—	152,509	152,509
Total commercial	—	—	—	7,297	872,358	879,655
Residential real estate						
Construction and land development	—	—	—	—	70,679	70,679
One-to-four family	—	—	—	—	621,196	621,196
HELOCs	—	—	—	—	188,465	188,465
Total residential real estate	—	—	—	—	880,340	880,340
Consumer	—	—	—	—	94,833	94,833
Total	$ —	$ —	$ 6,096	$ 7,297	$ 3,688,061	$ 3,701,454
Total collateral value	$ —	$ —	$ 4,654	$ 5,470		

(Dollars in thousands, except per share data)

	Type and Extent of Collateral Securing CDAs					
December 31, 2023	**Residential Property**	**Investment Property**	**Commercial Property**	**Business Assets**	**Non-CDAs**	**Total**
Commercial real estate						
Construction and land development	$ —	$ —	$ —	$ —	$ 305,269	$ 305,269
Commercial real estate – owner occupied	—	—	1,821	—	534,724	536,545
Commercial real estate – non-owner occupied	—	—	4,310	—	871,384	875,694
Multifamily	—	—	—	—	88,623	88,623
Total commercial real estate	—	—	6,131	—	1,800,000	1,806,131
Commercial						
Commercial and industrial	—	—	—	1,322	235,933	237,255
Equipment finance	—	—	—	1,304	464,269	465,573
Municipal leases	—	—	—	—	150,292	150,292
Total commercial	—	—	—	2,626	850,494	853,120
Residential real estate						
Construction and land development	—	—	—	—	96,646	96,646
One-to-four family	—	—	—	—	584,405	584,405
HELOCs	510	—	—	—	185,368	185,878
Total residential real estate	510	—	—	—	866,419	866,929
Consumer	—	—	—	—	113,842	113,842
Total	$ 510	$ —	$ 6,131	$ 2,626	$ 3,630,755	$ 3,640,022
Total collateral value	$ 733	$ —	$ 5,627	$ 686		

Modifications to Borrowers Experiencing Financial Difficulty

The Company modifies loans to borrowers experiencing financial difficulty by providing principal forgiveness, a term extension, an other-than-insignificant payment delay or interest rate adjustments. In some cases, the Company provides multiple types of modifications on one loan. Typically, one type of modification, such as a term extension, is granted initially. If the borrower continues to experience financial difficulty, another modification, such as principal forgiveness, may be granted. For loans included in the combination columns in the table below, multiple types of modifications have been made on the same loan within the current reporting period.

The following table presents the amortized cost basis of loans at June 30, 2024, that were both experiencing financial difficulty and modified during the three and six months ended June 30, 2024, by class and type of modification. The percentage of the amortized cost basis of loans that were modified to borrowers in financial difficulty as compared to the amortized cost basis of each class of financing receivable is also presented.

	Three Months Ended June 30, 2024						
	Principal Forgiveness	**Payment Delay**	**Term Extension**	**Interest Rate Adjustment**	**Combination Term Extension & Principal Forgiveness**	**Combination Term Extension & Interest Rate Reduction**	**% of Total Class of Financing Receivable**
Commercial loans							
Commercial and industrial	$ —	$ 759	$ 630	$ 147	$ —	$ —	0.58 %

	Six Months Ended June 30, 2024						
	Principal Forgiveness	**Payment Delay**	**Term Extension**	**Interest Rate Adjustment**	**Combination Term Extension & Principal Forgiveness**	**Combination Term Extension & Interest Rate Reduction**	**% of Total Class of Financing Receivable**
Commercial real estate							
Commercial real estate – non-owner-occupied	$ —	$ 956	$ —	$ —	$ —	$ —	0.11 %
Commercial loans							
Commercial and industrial	—	2,137	630	147	—	—	1.10
Total	$ —	$ 3,093	$ 630	$ 147	$ —	$ —	0.10 %

(Dollars in thousands, except per share data)

The following table presents loans that had a payment default during the periods indicated that had previously been modified within the prior twelve months. No loans had a payment default during the three months ended March 31, 2024 that had previously been modified within the prior twelve months. For purposes of this table, a loan is considered to be in default when it becomes 30 days contractually past due under the modified terms.

	Three and Six Months Ended June 30, 2024			
	Principal Forgiveness	Payment Delay	Term Extension	Interest Rate Adjustment
Commercial real estate				
Commercial real estate – non-owner-occupied	$ —	$ 956	$ —	$ —

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 June 30, 2024 and December 31, 2023, the ACL on off-balance sheet credit exposures included in other liabilities was $2,567 and $2,587, respectively.

7. Deposit Accounts

Deposit accounts at the dates indicated consist of the following:

	June 30, 2024	December 31, 2023
Noninterest-bearing accounts	$ 683,346	$ 784,950
NOW accounts	561,789	591,270
Money market accounts	1,311,940	1,246,807
Savings accounts	185,499	194,486
Certificates of deposit	965,205	843,860
Total	$ 3,707,779	$ 3,661,373

Deposits from executive officers and directors and their associates totaled approximately $767 and $1,555 at June 30, 2024 and December 31, 2023, respectively.

As of June 30, 2024, scheduled maturities of certificates of deposit were as follows:

Remainder of 2024	$ 544,923
2025	407,862
2026	5,783
2027	4,547
2028	1,409
Thereafter	681
Total	$ 965,205

Certificates of deposit with balances of $250 or greater totaled $149,288 and $118,035 at June 30, 2024 and December 31, 2023, respectively. Generally, deposit amounts in excess of $250 are not federally insured.

8. Borrowings

Junior Subordinated Debentures

On February 21, 2007, Quantum formed a Connecticut statutory trust, Quantum Capital Statutory Trust II (the "Trust"), which issued $11,000 of trust preferred securities that were designed to qualify as Tier I capital under Federal Reserve Board guidelines. All of the common securities of the Trust were owned by Quantum. The proceeds from the issuance of the common securities and the trust preferred securities were used by the Trust to purchase $11,341 of junior subordinated debentures of Quantum. As a result of its merger with Quantum on February 12, 2023, HomeTrust became the 100% successor owner of the Trust.

The trust preferred securities accrue and pay quarterly distributions at a floating rate of 3-month Term SOFR plus 2.20%, which was 7.53% at June 30, 2024. The Company has guaranteed distributions and other payments due on the trust preferred securities to the extent the Trust has insufficient funds with which to make the distributions and other payments. The net combined effect of all documents entered into in connection with the trust preferred securities is that the Company is liable to make the distributions and other payments required on the trust preferred securities.

(Dollars in thousands, except per share data)

The trust preferred securities are mandatorily redeemable upon maturity of the debentures on March 15, 2037, or upon earlier redemption as provided in the indenture. The Company has the right to redeem the debentures purchased by the Trust, in whole or in part, on or after March 15, 2012. As specified in the indenture, if the debentures are redeemed prior to maturity, the redemption price will be the principal amount and any accrued but unpaid interest.

Other Borrowings

Borrowings, outside of junior subordinated debt, consist of the following at the dates indicated:

	June 30, 2024		December 31, 2023	
	Balance	**Weighted Average Rate**	**Balance**	**Weighted Average Rate**
FHLB advances (short-term)	$ 125,000	5.55 %	$ 105,000	5.44 %
FRB advances (short-term)	227,000	5.50	310,000	5.50
Revolving lines of credit	12,513	9.00	18,763	9.00
Total other borrowings	$ 364,513	5.64 %	$ 433,763	5.64 %

All qualifying one-to-four family loans, HELOCs, commercial real estate loans, multifamily loans and FHLB of Atlanta stock are pledged as collateral to secure outstanding FHLB advances while commercial construction, indirect auto, and equipment and municipal leases are pledged as collateral to secure outstanding FRB advances. At June 30, 2024 and December 31, 2023, the Company had the ability to borrow $122,825 and $72,766, respectively, through additional FHLB advances and $118,016 and $55,254, respectively, through the unused portion of a line of credit with the FRB.

At June 30, 2024 and December 31, 2023, the Company maintained revolving lines of credit with three unaffiliated banks, the unused portions of which totaled $152,487 and $146,237, respectively. At June 30, 2024 and December 31, 2023, HomeTrust had drawn $12,513 and $18,763, respectively, on a $40,000 revolving line of credit which bears interest at *The Wall Street Journal* prime rate plus 50 basis points, maturing on January 28, 2025, although the term may be extended for an additional year if no events of default have occurred.

9. 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 our 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.

	June 30, 2024	December 31, 2023
Supplemental balance sheet information		
ROU assets	$ 8,675	$ 9,259
Lease liabilities	$ 10,292	$ 10,975
Weighted-average remaining lease terms (years)	8.5	8.8
Weighted-average discount rate	3.44 %	3.41 %

The following schedule summarizes aggregate future minimum lease payments under these operating leases at June 30, 2024:

Remainder of 2024	$ 1,808
2025	1,697
2026	1,728
2027	1,757
2028	1,043
Thereafter	3,990
Total undiscounted minimum lease payments	12,023
Less: amount representing interest	(1,731)
Total lease liability	$ 10,292

(Dollars in thousands, except per share data)

The following table presents components of operating lease expense for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating lease cost (included in occupancy expense, net)	$ 408	$ 405	$ 814	$ 809
Variable lease cost (included in occupancy expense, net)	1	1	2	2
Sublease income (included in other noninterest income)	(43)	(42)	(85)	(84)
Total operating lease expense, net	$ 366	$ 364	$ 731	$ 727

As Lessee - Finance Lease

During the quarter ended March 31, 2023, the Company purchased the property associated with the finance lease reported historically. The Company purchased the property for $1,249, terminating the existing land lease. Prior to the purchase, interest expense on the lease liability totaled $15 for the three months ended March 31, 2023.

The following table presents supplemental lease cash flow information for the periods indicated:

	Six Months Ended June 30,	
	2024	2023
ROU assets - noncash additions (operating leases)	$ —	$ 3,071
Cash paid for amounts included in the measurement of lease liabilities (operating leases)	758	672
Cash paid for amounts included in the measurement of lease liabilities (finance leases)	—	22

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, healthcare 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 fixed purchase option, and most of the leases that do not have a 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 seven 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 $34,370 and $30,121 with a residual value of $15,109 and $14,958 as of June 30, 2024 and December 31, 2023, respectively.

The following table presents total equipment finance operating lease income and depreciation expense for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating lease income	$ 1,591	$ 1,225	$ 3,450	$ 2,730
Depreciation expense	1,922	1,265	3,564	2,530

The following schedule summarizes aggregate future minimum lease payments to be received at June 30, 2024:

Remainder of 2024	$ 4,135
2025	7,245
2026	5,324
2027	2,733
2028	2,456
Thereafter	3,537
Total of future minimum payments	$ 25,430

As Lessor - 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 June 30, 2024 and 2023, interest income on equipment finance leases totaled $1,113 and $955, respectively. For the six months ended June 30, 2024 and 2023, interest income on equipment finance leases totaled $2,167 and $1,815, respectively.

The lease receivable component of finance lease net investment included within the equipment finance class of financing receivables was $73,504 and $70,150 at June 30, 2024 and December 31, 2023, respectively.

(Dollars in thousands, except per share data)

The following schedule summarizes, as of June 30, 2024, aggregate future minimum finance lease payments to be received:

Remainder of 2024	$ 13,877
2025	23,733
2026	19,618
2027	14,862
2028	8,409
Thereafter	6,321
Total undiscounted minimum lease payments	86,820
Less: amount representing interest	(13,316)
Total lease receivable	$ 73,504

10. Equity Incentive Plan

The Company historically provided stock-based awards through the 2013 Omnibus Incentive Plan, which provided 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. On November 14, 2022, at the Company's annual meeting, stockholders approved the 2022 Omnibus Incentive Plan which provides for the same types of awards as described under the 2013 Omnibus Incentive Plan. Going forward, any future grants will be made under this plan.

The cost of equity-based awards under the 2022 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 1,000,000. Shares of common stock issued under the plan will be issued out of authorized but unissued shares, some or all of which may be repurchased shares.

The table below presents share-based compensation expense and the estimated related tax benefit for stock options and restricted stock for the dates indicated below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Share-based compensation expense	$ 409	$ 389	$ 822	$ 823
Tax benefit	97	91	194	193

The table below presents stock option activity and related information for the six months ended June 30, 2024 and 2023:

	Options	Weighted-Average Exercise Price	Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Options outstanding at December 31, 2022	849,623	$ 22.06	3.9	$ 2,958
Exercised	(278,049)	14.65		
Forfeited	(2,350)	18.90		
Options outstanding at June 30, 2023	569,224	$ 25.69	5.1	$ 141
Exercisable at June 30, 2023	493,264	$ 25.40	4.6	$ 141
Non-vested at June 30, 2023	75,960	$ 27.56	7.9	$ —
Options outstanding at December 31, 2023	534,350	$ 25.85	4.6	$ 776
Exercised	(10,000)	15.80		
Forfeited	(23,600)	25.94		
Options outstanding at June 30, 2024	500,750	$ 26.04	4.2	$ 2,049
Exercisable at June 30, 2024	451,780	$ 25.85	3.9	$ 1,907
Non-vested at June 30, 2024	48,970	$ 27.77	7.2	$ 142

There were no options granted during the six months ended June 30, 2024 and 2023.

At June 30, 2024, the Company had $300 of unrecognized compensation expense related to 48,970 stock options originally scheduled to vest over a five-year period. The weighted average period over which compensation cost related to non-vested awards is expected to be recognized was 1.2 years at June 30, 2024. At June 30, 2023, the Company had $478 of unrecognized compensation expense related to 75,960 stock options originally scheduled to vest over a five-year period. The weighted average period over which compensation cost related to non-vested awards is expected to be recognized was 1.6 years at June 30, 2023.

(Dollars in thousands, except per share data)

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

	Restricted Stock Awards[1]	Performance-Based Restricted Stock Units[2]	Weighted-Average Grant Date Fair Value	Aggregate Intrinsic Value
Non-vested at December 31, 2022	100,992	22,843	$ 27.28	$ 2,033
Granted	53,339	17,519	27.45	
Vested	(41,590)	—	27.47	
Forfeited	(3,890)	(3,032)	27.04	
Non-vested at June 30, 2023	108,851	37,330	$ 27.32	$ 3,054
Non-vested at December 31, 2023	106,143	25,001	$ 27.70	$ 3,530
Granted	72,502	15,899	26.76	
Vested	(36,637)	—	27.26	
Non-vested at June 30, 2024	142,008	40,900	$ 27.33	$ 5,493

(1) Restricted stock awards are scheduled to vest over 1.0 year for director awards and 5.0 years for employee awards.
(2) Performance-based restricted stock units are scheduled to vest over 3.0 years assuming the applicable financial goals are met.

At June 30, 2024, unrecognized compensation expense was $3,982 related to 182,908 shares of restricted stock and restricted stock units. The weighted average period over which compensation cost related to non-vested awards was expected to be recognized was 1.8 years at June 30, 2024. At June 30, 2023, unrecognized compensation expense was $3,154 related to 146,181 shares of restricted stock and restricted stock units. The weighted average period over which compensation cost related to non-vested awards was expected to be recognized was 1.8 years at June 30, 2023.

11. Net Income per Share

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Numerator				
Net income	$ 12,418	$ 15,013	$ 27,485	$ 21,747
Allocation of earnings to participating securities	(133)	(130)	(295)	(192)
Numerator for basic and diluted EPS - net income available to common stockholders	$ 12,285	$ 14,883	$ 27,190	$ 21,555
Denominator				
Weighted-average common shares outstanding - basic	16,883,028	16,774,661	16,871,383	16,400,370
Dilutive effect of assumed exercise of stock options	21,070	7,262	17,167	27,217
Weighted-average common shares outstanding - diluted	16,904,098	16,781,923	16,888,550	16,427,587
Net income per share - basic	$ 0.73	$ 0.91	$ 1.61	$ 1.31
Net income per share - diluted	$ 0.73	$ 0.90	$ 1.61	$ 1.30

Potential dilutive shares are excluded from the computation of earnings per share if their effect is anti-dilutive. There were 109,450 and 537,524 stock options that were anti-dilutive as of June 30, 2024 and 2023, respectively.

12. 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.

(Dollars in thousands, except per share data)

The table below presents details of loan commitments outstanding as of the dates indicated:

	June 30, 2024	December 31, 2023
Variable rate commitments	$ 44,227	$ 42,826
Fixed rate commitments[1]	29,849	27,682
Total loan commitments	$ 74,076	$ 70,508
Range of fixed interest rates	3.38% - 14.71%	2.11% - 11.25%
Undisbursed portions of construction loans	$ 171,227	$ 170,425
Pre-approved but unused lines of credit[2]	$ 698,075	$ 690,566

(1) Fixed rate commitments had terms ranging from three to 30 years as of each date presented.
(2) Principally second mortgage home equity loans and overdraft protection loans.

The commitments presented in the above table 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 such as TBAs, mandatory delivery commitments with investors, or best efforts forward sale commitments with investors. The fair value of these interest rate lock commitments was not material at June 30, 2024 or December 31, 2023.

SBIC Commitments – As of June 30, 2024, the Company had committed $28,000 across nine SBIC investments with $9,810 remaining to be drawn, while as of December 31, 2023, the Company had committed $24,000 across eight SBIC investments with $7,984 remaining to be drawn. Although the remaining capital commitments may or may not be called in the future, under the terms of the associated limited partnership agreements, the Company's exposure will not extend beyond the amount of the original commitments.

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 June 30, 2024 and December 31, 2023 were $53,060 and $50,897, respectively. There was no liability recorded for these letters of credit at June 30, 2024 or December 31, 2023.

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.

13. Fair Value of Financial Instruments

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of valuation methodologies used for assets recorded at fair value. As of both June 30, 2024 and December 31, 2023, the Company did not have any liabilities recorded at fair value.

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 2023 Form 10-KT.

(Dollars in thousands, except per share data)

Financial Assets Recorded at Fair Value

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

	June 30, 2024			
	Total	Level 1	Level 2	Level 3
Debt securities available for sale				
MBS, residential	$ 126,582	$ —	$ 126,582	$ —
Municipal bonds	3,378	—	3,378	—
Corporate bonds	4,175	—	4,175	—
Total debt securities available for sale	$ 134,135	$ —	$ 134,135	$ —
Loans held for sale	$ 1,614	$ —	$ 1,614	$ —

	December 31, 2023			
	Total	Level 1	Level 2	Level 3
Debt securities available for sale				
MBS, residential	$ 104,499	$ —	$ 104,499	$ —
Municipal bonds	3,409	—	3,409	—
Corporate bonds	19,042	—	19,042	—
Total debt securities available for sale	$ 126,950	$ —	$ 126,950	$ —
Loans held for sale	$ 3,359	$ —	$ 3,359	$ —

Debt securities available for sale are valued on a recurring basis at quoted market prices where available. If quoted market prices are not available, fair values are based on quoted prices of comparable securities. Level 1 securities include those traded on an active exchange, such as the New York Stock Exchange or U.S. Treasury securities that are traded by dealers or brokers in active over-the-counter markets and money market funds. Level 2 securities include MBS and debentures issued by GSEs, municipal bonds and corporate debt securities. The Company has no Level 3 securities.

Loans held for sale carried at fair value are valued at the individual loan level using quoted secondary market prices.

There were no transfers between levels during the six months ended June 30, 2024 or December 31, 2023.

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

	June 30, 2024			
	Total	Level 1	Level 2	Level 3
Collateral dependent loans				
Commercial real estate loans				
Commercial real estate – owner occupied	$ 890	$ —	$ —	$ 890
Commercial real estate – non-owner occupied	3,186	—	—	3,186
Commercial loans				
Commercial and industrial	391	—	—	391
Equipment finance	1,693	—	—	1,693
Total	$ 6,160	$ —	$ —	$ 6,160

	December 31, 2023			
	Total	Level 1	Level 2	Level 3
Collateral dependent loans				
Commercial real estate loans				
Commercial real estate – owner occupied	$ 438	$ —	$ —	$ 438
Commercial loans				
Commercial and industrial	108	—	—	108
Equipment finance	578	—	—	578
Total	$ 1,124	$ —	$ —	$ 1,124

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 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 June 30, 2024 and December 31, 2023, are summarized below:

	June 30, 2024				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets					
Cash and cash equivalents	$ 294,190	$ 294,190	$ 294,190	$ —	$ —
Certificates of deposit in other banks	32,131	32,131	—	32,131	—
Debt securities available for sale, at fair value	134,135	134,135	—	134,135	—
FHLB and FRB stock	19,637	N/A	N/A	N/A	N/A
SBIC investments, at cost	15,462	15,462	—	—	15,462
Loans held for sale, at fair value	1,614	1,614	1,614	—	—
Loans held for sale, at the lower of cost or fair value	224,976	227,063	—	—	227,063
Loans, net	3,652,231	3,513,709	—	—	3,513,709
Accrued interest receivable	18,412	18,412	84	647	17,681
Liabilities					
Noninterest-bearing and NOW deposits	1,245,135	1,245,135	—	1,245,135	—
Money market accounts	1,311,940	1,311,940	—	1,311,940	—
Savings accounts	185,499	185,499	—	185,499	—
Certificates of deposit	965,205	961,838	—	961,838	—
Junior subordinated debt	10,070	9,613	—	9,613	—
Borrowings	364,513	364,819	—	364,819	—
Accrued interest payable	9,208	9,208	—	9,208	—

	December 31, 2023				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets					
Cash and cash equivalents	$ 347,140	$ 347,140	$ 347,140	$ —	$ —
Certificates of deposit in other banks	34,722	34,722	—	34,722	—
Debt securities available for sale, at fair value	126,950	126,950	—	126,950	—
FHLB and FRB stock	18,393	N/A	N/A	N/A	N/A
SBIC investments, at cost	13,789	13,789	—	—	13,789
Loans held for sale, at fair value	3,359	3,359	3,359	—	—
Loans held for sale, at the lower of cost or fair value	198,433	200,869	—	—	200,869
Loans, net	3,591,381	3,472,491	—	—	3,472,491
Accrued interest receivable	16,902	16,902	107	656	16,139
Liabilities					
Noninterest-bearing and NOW deposits	1,376,220	1,376,220	—	1,376,220	—
Money market accounts	1,246,807	1,246,807	—	1,246,807	—
Savings accounts	194,486	194,486	—	194,486	—
Certificates of deposit	843,860	839,501	—	839,501	—
Junior subordinated debt	10,021	9,767	—	9,767	—
Borrowings	433,763	433,747	—	433,747	—
Accrued interest payable	6,849	6,849	—	6,849	—

The Company had off-balance sheet financial commitments, which included approximately $996,439 and $982,397 of commitments to originate loans, undisbursed portions of construction loans, unused lines of credit and standby letters of credit at June 30, 2024 and December 31, 2023, respectively (see "Note 12 – Commitments and Contingencies"). Since these commitments are based on current rates, the carrying amount approximates the fair value.

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 impact of bank failures or adverse developments involving other banks and related negative press about the banking industry in general on investor and depositor sentiment;
- the remaining effects of the COVID-19 pandemic on general economic and financial market conditions and on public health, both nationally and in our market areas;
- expected revenues, cost savings, synergies and other benefits from our merger and acquisition activities might not be realized to the extent anticipated, within the anticipated time frames, or at all, costs or difficulties relating to integration matters, including but not limited to customer and employee retention, might be greater than expected, and goodwill impairment charges might be incurred;
- the credit risks of lending activities, including changes in the level and trend of loan delinquencies and write offs and changes in our ACL and provision for credit losses that may be impacted by deterioration in the housing and commercial real estate markets;
- changes in general economic conditions, both nationally and 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 and the effects of inflation or a potential recession;
- 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 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 ACL, 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 effects of the Dodd-Frank 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, and the interpretation of regulatory capital or other rules, including as a result of Basel III;
- our ability to attract and retain deposits;
- our ability to access cost-effective funding and maintain sufficient liquidity;
- management's assumptions in determining the adequacy of the ACL;
- our ability to control operating costs and expenses, especially costs associated with our operation as a public company;
- the use of estimates in determining the 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;
- 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 FASB;
- other economic, competitive, governmental, regulatory, and technological factors affecting our operations, pricing, products and services; and
- other risks detailed from time to time in documents we file with or furnish to the SEC, including this Form 10-Q.

Any forward-looking statements are based upon management's beliefs and assumptions at the time they are made. We undertake no obligation to publicly update or revise any forward-looking statements included 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" or the "Company" refer to HomeTrust Bancshares, Inc. and its consolidated subsidiaries, including HomeTrust Bank ("HomeTrust" or "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. As a bank holding company and financial holding company, we are regulated by the Federal Reserve. At June 30, 2024, the Company had consolidated total assets of $4.7 billion, total deposits of $3.7 billion and stockholders' equity of $523.6 million. The Company has not engaged in any significant activity other than holding the stock of the Bank. Accordingly, the information set forth in this Form 10-Q, including the consolidated unaudited financial statements and related data, relates primarily to the Bank and its subsidiary. 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 11 regional banks in the FHLB System. Our headquarters is located in Asheville, North Carolina.

The Bank has more than 30 locations across Georgia, North Carolina, South Carolina, Tennessee and Virginia, many of which are located in markets experiencing growth rates above the national average. Historically, our branches and facilities have primarily been located in small- to medium-sized communities, but in recent years we have implemented a strategy of expanding into larger, higher growth markets via business banking centers rather than retail-focused branches.

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 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, municipal bonds, corporate bonds, commercial paper and certificates of deposit insured by the FDIC. We offer a variety of deposit accounts for individuals, businesses and nonprofit organizations.

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 we pay 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, gains on sale of loans held for sale, BOLI income and operating lease income.

An offset to net interest income is the provision for credit losses to establish the ACL at a level that provides for ECLs inherent in our loan portfolio, off balance sheet commitments and available for sale debt securities. See "Note 1 – Summary of Significant Accounting Policies" in Item 1 of our 2023 Form 10-KT for further discussion.

Our noninterest expenses consist primarily of salaries and employee benefits, occupancy expenses, marketing and computer services and FDIC deposit insurance premiums. 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.

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 on loans held for investment 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 on loans held for investment 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. The estimate of our ACL on loans held for investment involves a high degree of judgment including consideration of the effects of past events, current conditions and reasonable and supportable forecasts on the collectability of the loan portfolio. We recognize in net income the amount needed to adjust the ACL on loans held for investment and certain off-balance-sheet credit exposures for management's current estimate of ECLs. Our ACL on loans held for investment is calculated using collectively evaluated and individually evaluated loans.

Financial Highlights

For the quarter ended June 30, 2024 compared to the quarter ended March 31, 2024:

- net income was $12.4 million compared to $15.1 million;
- diluted EPS were $0.73 compared to $0.88;
- annualized ROA was 1.13% compared to 1.37%;
- annualized ROE was 9.58% compared to 11.91%;
- net interest margin was 4.08% compared to 4.02%;
- provision for credit losses was $4.3 million compared to $1.2 million;
- tax-free death benefit proceeds from life insurance were $0 compared to $1.1 million;
- The Company repurchased 23,483 shares of its outstanding common stock during the quarter at an average price of $27.48; and
- quarterly cash dividends continued at $0.11 per share totaling $1.9 million for both periods.

For the six months ended June 30, 2024 compared to the six months ended June 30, 2023:

- net income was $27.5 million compared to $21.8 million;
- diluted EPS were $1.61 compared to $1.30;
- annualized ROA was 1.25% compared to 1.06%;
- annualized ROE was 10.73% compared to 9.65%;
- net interest margin was 4.05% compared to 4.43%;
- provision for credit losses was $5.4 million compared to $9.2 million;
- tax-free death benefit proceeds from life insurance were $1.1 million compared to $0; and
- cash dividends of $0.22 per share totaling $3.7 million compared to $0.20 per share totaling $3.4 million.

(Dollars in thousands)	Three Months Ended		Six Months Ended	
	June 30, 2024	March 31, 2024	June 30, 2024	June 30, 2023
Interest and dividend income	$ 65,414	$ 63,355	$ 128,769	$ 109,797
Interest expense	23,248	22,125	45,373	24,447
Net interest income	42,166	41,230	83,396	85,350
Provision for credit losses	4,260	1,165	5,425	9,165
Net interest income after provision for credit losses	37,906	40,065	77,971	76,185
Noninterest income	8,113	8,811	16,924	15,198
Noninterest expense	30,210	29,864	60,074	63,744
Income before income taxes	15,809	19,012	34,821	27,639
Income tax expense	3,391	3,945	7,336	5,892
Net income	$ 12,418	$ 15,067	$ 27,485	$ 21,747
Net income per common share(1)				
Basic	$ 0.73	$ 0.88	$ 1.61	$ 1.31
Diluted	0.73	0.88	1.61	1.30
Cash dividends declared per common share	0.11	0.11	0.22	0.20
Book value per share at end of period	30.03	29.42	30.03	27.13
Tangible book value per share at end of period(2)	27.73	27.10	27.73	24.69
Market price per share at end of period	30.03	27.34	30.03	20.89

(1) Basic and diluted net income per common share have been prepared in accordance with the two-class method.
(2) See Non-GAAP reconciliations below for adjustments.

GAAP Reconciliation of Non-GAAP Financial Measures

We believe the non-GAAP financial measures included within this report provide useful information to management and investors that is supplementary to our financial condition, results of operations and cash flows computed in accordance with US GAAP; however, we acknowledge that our non-GAAP financial measures have a number of limitations. The following reconciliation tables provide detailed analyses of these non-GAAP financial measures.

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

(Dollars in thousands, except per share data)	As of		
	June 30, 2024	March 31, 2024	December 31, 2023
Total stockholders' equity	$ 523,628	$ 513,173	$ 499,893
Less: goodwill, core deposit intangibles, net of taxes	40,063	40,500	41,086
Tangible book value	$ 483,565	$ 472,673	$ 458,807
Common shares outstanding	17,437,326	17,444,787	17,387,069
Book value per share	$ 30.03	$ 29.42	$ 28.75
Tangible book value per share	$ 27.73	$ 27.10	$ 26.39

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

(Dollars in thousands)	As of		
	June 30, 2024	March 31, 2024	December 31, 2023
Tangible equity(1)	$ 483,565	$ 472,673	$ 458,807
Total assets	4,670,864	4,684,011	4,672,633
Less: goodwill, core deposit intangibles, net of taxes	40,063	40,500	41,086
Total tangible assets	$ 4,630,801	$ 4,643,511	$ 4,631,547
Tangible equity to tangible assets	10.44 %	10.18 %	9.91 %

(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 Results of Operations for the Three Months Ended June 30, 2024 and March 31, 2024

Net Income. Net income totaled $12.4 million, or $0.73 per diluted share, for the three months ended June 30, 2024 compared to net income of $15.1 million, or $0.88 per diluted share, for the three months ended March 31, 2024, a decrease of $2.7 million, or 17.6%. Results for the three months ended June 30, 2024 were negatively impacted by an increase of $3.1 million in the provision for credit losses. Details of the changes in the various components of net income are further discussed below.

Net Interest Income. The following table presents the distribution of average assets, liabilities and equity, as well as interest income earned 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.

	Three Months Ended					
	June 30, 2024			March 31, 2024		
(Dollars in thousands)	Average Balance Outstanding	Interest Earned / Paid	Yield / Rate	Average Balance Outstanding	Interest Earned / Paid	Yield / Rate
Assets						
Interest-earning assets						
Loans receivable[1]	$ 3,885,222	$ 62,161	6.43 %	$ 3,864,258	$ 59,952	6.24 %
Debt securities available for sale	134,334	1,495	4.48	126,686	1,313	4.14
Other interest-earning assets[2]	140,376	1,758	5.04	131,495	2,090	6.39
Total interest-earning assets	4,159,932	65,414	6.32	4,122,439	63,355	6.18
Other assets	266,983			298,117		
Total assets	$ 4,426,915			$ 4,420,556		
Liabilities and equity						
Interest-bearing liabilities						
Interest-bearing checking accounts	$ 586,396	$ 1,445	0.99 %	$ 590,738	$ 1,426	0.97 %
Money market accounts	1,298,177	10,221	3.17	1,281,340	9,664	3.03
Savings accounts	188,028	41	0.09	191,747	43	0.09
Certificate accounts	902,864	9,976	4.44	887,618	9,185	4.16
Total interest-bearing deposits	2,975,465	21,683	2.93	2,951,443	20,318	2.77
Junior subordinated debt	10,054	234	9.36	10,029	236	9.46
Borrowings	87,315	1,331	6.13	103,155	1,571	6.13
Total interest-bearing liabilities	3,072,834	23,248	3.04	3,064,627	22,125	2.90
Noninterest-bearing deposits	769,016			810,114		
Other liabilities	63,503			36,945		
Total liabilities	3,905,353			3,911,686		
Stockholders' equity	521,562			508,870		
Total liabilities and stockholders' equity	$ 4,426,915			$ 4,420,556		
Net earning assets	$ 1,087,098			$ 1,057,812		
Average interest-earning assets to average interest-bearing liabilities	135.38 %			134.52 %		
Non-tax-equivalent						
Net interest income		$ 42,166			$ 41,230	
Interest rate spread			3.28 %			3.28 %
Net interest margin[3]			4.08 %			4.02 %
Tax-equivalent[4]						
Net interest income		$ 42,520			$ 41,579	
Interest rate spread			3.32 %			3.32 %
Net interest margin[3]			4.11 %			4.06 %

(1) Average loans receivable balances include loans held for sale and nonaccruing loans.
(2) Average other interest-earning assets consist of FRB stock, FHLB stock, SBIC investments and deposits in other banks.
(3) Net interest income divided by average interest-earning assets.
(4) Tax-equivalent results include adjustments to interest income of $354 and $349 for the three months ended June 30, 2024 and March 31, 2024, respectively, calculated based on a combined federal and state tax rate of 24%.

Total interest and dividend income for the three months ended June 30, 2024 increased $2.1 million, or 3.2%, compared to the three months ended March 31, 2024, which was driven by a $2.2 million, or 3.7%, increase in loan interest income primarily due to changes in interest rates. Accretion income on acquired loans of $678,000 and $715,000 was recognized during the same periods, respectively, and was included in interest income on loans.

Total interest expense for the three months ended June 30, 2024 increased $1.1 million, or 5.1%, compared to the three months ended March 31, 2024. The increase was the result of both increases in the average cost of funds, due to increased market rates, and average balances across interest-bearing deposit types, partially offset by a decline in average borrowings outstanding.

The following table shows the effects that changes in average balances (volume), including differences in the number of days in the periods compared, and average interest rates (rate) had on the interest earned on interest-earning assets and interest paid on interest-bearing liabilities:

(Dollars in thousands)	Increase / (Decrease) Due to Volume	Increase / (Decrease) Due to Rate	Total Increase / (Decrease)
Interest-earning assets			
Loans receivable	$ 325	$ 1,884	$ 2,209
Debt securities available for sale	79	103	182
Other interest-earning assets	141	(473)	(332)
Total interest-earning assets	545	1,514	2,059
Interest-bearing liabilities			
Interest-bearing checking accounts	(10)	29	19
Money market accounts	127	430	557
Savings accounts	(1)	(1)	(2)
Certificate accounts	158	633	791
Junior subordinated debt	1	(3)	(2)
Borrowings	(241)	1	(240)
Total interest-bearing liabilities	34	1,089	1,123
Increase in net interest income			$ 936

Provision for Credit Losses. The provision for credit losses is the amount of expense that, based on our judgment, is required to maintain the ACL at an appropriate level under the current expected credit losses model.

The following table presents a breakdown of the components of the provision for credit losses:

(Dollars in thousands)	Three Months Ended June 30, 2024	Three Months Ended March 31, 2024	$ Change	% Change
Provision for credit losses				
Loans	$ 4,300	$ 1,145	$ 3,155	276 %
Off-balance-sheet credit exposure	(40)	20	(60)	(300)
Total provision for credit losses	$ 4,260	$ 1,165	$ 3,095	266 %

For the quarter ended June 30, 2024, the "loans" portion of the provision for credit losses was the result of the following, in addition to net charge-offs of $2.6 million during the quarter:

- $0.1 million provision driven by changes in the loan mix.
- $0.4 million benefit due to changes in the projected economic forecast and changes in qualitative adjustments.
- $2.0 million increase in specific reserves on individually evaluated loans which was proportional to the increase in the associated loan balances which increased from $8.3 million to $16.3 million quarter-over-quarter, concentrated in the equipment finance and SBA portfolios. Further information on the change in nonperforming loans may be found in the "Asset Quality" section.

For the quarter ended March 31, 2024, the "loans" portion of the provision for credit losses was the result of the following, offset by net charge-offs of $2.3 million during the quarter:

- $0.1 million benefit driven by changes in the loan mix.
- $0.9 million benefit due to changes in the projected economic forecast, specifically the national unemployment rate, and changes in qualitative adjustments.
- $0.2 million decrease in specific reserves on individually evaluated credits.

For the quarters ended June 30, 2024 and March 31, 2024, the amounts recorded for off-balance-sheet credit exposure were the result of changes in the balance of loan commitments, loan mix and projected economic forecast as outlined above.

Noninterest Income. Noninterest income for the three months ended June 30, 2024 decreased $698,000, or 7.9%, when compared to the quarter ended March 31, 2024. Changes in the components of noninterest income are discussed below:

(Dollars in thousands)	Three Months Ended June 30, 2024	Three Months Ended March 31, 2024	$ Change	% Change
Noninterest income				
Service charges and fees on deposit accounts	$ 2,354	$ 2,149	$ 205	10 %
Loan income and fees	647	678	(31)	(5)
Gain on sale of loans held for sale	1,828	1,457	371	25
BOLI income	807	1,835	(1,028)	(56)
Operating lease income	1,591	1,859	(268)	(14)
Loss on sale of premises and equipment	—	(9)	9	100
Other	886	842	44	5
Total noninterest income	$ 8,113	$ 8,811	$ (698)	(8)%

- *Service charges and fees on deposit accounts:* The change was due to a $154,000 increase in debit card fees quarter-over-quarter.
- *Gain on sale of loans held for sale:* The increase was primarily driven by HELOCs sold during the period. There were $32.9 million of HELOCs sold for a gain of $457,000 compared to $7.8 million sold with gains of $16,000 in the prior quarter. There were $21.3 million of residential mortgage loans originated for sale which were sold during the current quarter with gains of $351,000 compared to $15.3 million sold with gains of $316,000 in the prior quarter. There were $12.7 million in sales of the guaranteed portion of SBA commercial loans with gains of $1.1 million for the quarter compared to $12.9 million sold and gains of $1.1 million for the prior quarter. Our hedging of mandatory commitments on the residential mortgage loan pipeline resulted in a loss of $58,000 for the quarter ended June 30, 2024 versus a gain of $55,000 for the quarter ended March 31, 2024 as a result of movement in interest rates during the hedged period.
- *BOLI income:* The decrease was due to $1.1 million in tax-free gains on death benefit proceeds in excess of the cash surrender value of the policies recognized during the prior quarter. No death benefit proceeds were recognized during the current quarter.
- *Operating lease income:* The decrease was the result of an increase of $497,000 in losses incurred on previously leased equipment, partially offset by an increase of $228,000 in contractual earnings on a larger average outstanding balance.

Noninterest Expense. Noninterest expense for the three months ended June 30, 2024 decreased $346,000, or 1.2%, when compared to the three months ended March 31, 2024. Changes in the components of noninterest expense are discussed below:

(Dollars in thousands)	Three Months Ended June 30, 2024	Three Months Ended March 31, 2024	$ Change	% Change
Noninterest expense				
Salaries and employee benefits	$ 16,608	$ 16,976	$ (368)	(2)%
Occupancy expense, net	2,419	2,437	(18)	(1)
Computer services	3,116	3,088	28	1
Telephone, postage and supplies	580	585	(5)	(1)
Marketing and advertising	606	645	(39)	(6)
Deposit insurance premiums	531	554	(23)	(4)
Core deposit intangible amortization	567	762	(195)	(26)
Other	5,783	4,817	966	20
Total noninterest expense	$ 30,210	$ 29,864	$ 346	1 %

- *Core deposit intangible amortization:* The intangible recorded associated with the QNB merger is being amortized on an accelerated basis, so the rate of amortization slowed quarter-over-quarter.
- *Other:* The increase quarter-over-quarter was primarily the result of $279,000 of additional depreciation expense on equipment subject to operating leases in addition to smaller increases across several other expense categories.

Income Taxes. The amount of income tax expense is influenced by the amount of pre-tax income, tax-exempt income, changes in the statutory rate and the effect of changes in valuation allowances maintained against deferred tax benefits. The effective tax rates for the three months ended June 30, 2024 and March 31, 2024 were 21.4% and 20.8%, respectively. The increase was primarily driven by $1.1 million of tax-free gains on BOLI death benefit proceeds in excess of the cash surrender value of the policies during the prior quarter.

Comparison of Results of Operations for the Six Months Ended June 30, 2024 and June 30, 2023

Net Income. Net income totaled $27.5 million, or $1.61 per diluted share, for the six months ended June 30, 2024 compared to net income of $21.7 million, or $1.30 per diluted share, for the six months ended June 30, 2023, an increase of $5.7 million, or 26.4%. The results for the six months ended June 30, 2024 were positively impacted by a decrease of $3.7 million in the provision for credit losses and a $4.7 million decrease in merger-related expenses. Details of the changes in the various components of net income are further discussed below.

Net Interest Income. The following table presents the distribution of average assets, liabilities and equity, as well as interest income earned 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.

	Six Months Ended					
	June 30, 2024			June 30, 2023		
(Dollars in thousands)	Average Balance Outstanding	Interest Earned / Paid	Yield / Rate	Average Balance Outstanding	Interest Earned / Paid	Yield / Rate
Assets						
Interest-earning assets						
Loans receivable[1]	$ 3,874,740	$ 122,113	6.34 %	$ 3,592,527	$ 104,030	5.84 %
Debt securities available for sale	130,510	2,808	4.33	160,462	2,521	3.17
Other interest-earning assets[2]	135,936	3,848	5.69	131,310	3,246	4.98
Total interest-earning assets	4,141,186	128,769	6.25	3,884,299	109,797	5.70
Other assets	282,550			262,118		
Total assets	$ 4,423,736			$ 4,146,417		
Liabilities and equity						
Interest-bearing liabilities						
Interest-bearing checking accounts	$ 588,567	$ 2,870	0.98 %	$ 642,115	$ 2,124	0.67 %
Money market accounts	1,289,758	19,885	3.10	1,197,856	10,877	1.83
Savings accounts	189,887	84	0.09	224,373	97	0.09
Certificate accounts	895,242	19,162	4.30	578,639	7,428	2.59
Total interest-bearing deposits	2,963,454	42,001	2.85	2,642,983	20,526	1.57
Junior subordinated debt	10,042	470	9.41	7,640	327	8.63
Borrowings	95,235	2,902	6.13	133,962	3,594	5.41
Total interest-bearing liabilities	3,068,731	45,373	2.97	2,784,585	24,447	1.78
Noninterest-bearing deposits	789,565			855,041		
Other liabilities	50,224			52,480		
Total liabilities	3,908,520			3,692,106		
Stockholders' equity	515,216			454,311		
Total liabilities and stockholders' equity	$ 4,423,736			$ 4,146,417		
Net earning assets	$ 1,072,455			$ 1,099,714		
Average interest-earning assets to average interest-bearing liabilities	134.95 %			139.49 %		
Non-tax-equivalent						
Net interest income		$ 83,396			$ 85,350	
Interest rate spread			3.28 %			3.92 %
Net interest margin[3]			4.05 %			4.43 %
Tax-equivalent[4]						
Net interest income		$ 84,100			$ 85,938	
Interest rate spread			3.32 %			3.95 %
Net interest margin[3]			4.08 %			4.46 %

(1) Average loans receivable balances include loans held for sale and nonaccruing loans.
(2) Average other interest-earning assets consist of FRB stock, FHLB stock, SBIC investments and deposits in other banks.
(3) Net interest income divided by average interest-earning assets.
(4) Tax-equivalent results include adjustments to interest income of $704 and $588 for the six months ended June 30, 2024 and June 30, 2023, respectively, calculated based on a combined federal and state tax rate of 24%.

Total interest and dividend income for the six months ended June 30, 2024 increased $19.0 million, or 17.3%, compared to the six months ended June 30, 2023, which was driven by an $18.1 million, or 17.4%, increase in interest income on loans and an increase of $602,000, or 18.5%, in interest income on other interest-earning assets. The overall increase in average yield on interest-earning assets was the result of both higher average balances and rising interest rates.

Total interest expense for the six months ended June 30, 2024 increased $20.9 million, or 85.6%, compared to the six months ended June 30, 2023. The increase was primarily the result of increases in the average balances and cost of funds across most funding sources driven by higher market interest rates, as well as the inclusion of Quantum's portfolio for the entire period, unlike last year.

The following table shows the effects that changes in average balances (volume), including differences in the number of days in the periods compared, and average interest rates (rate) had on the interest earned on interest-earning assets and interest paid on interest-bearing liabilities:

(Dollars in thousands)	Increase / (Decrease) Due to		Total Increase / (Decrease)
	Volume	Rate	
Interest-earning assets			
Loans receivable	$ 8,510	$ 9,573	$ 18,083
Debt securities available for sale	(463)	750	287
Other interest-earning assets	125	477	602
Total interest-earning assets	8,172	10,800	18,972
Interest-bearing liabilities			
Interest-bearing checking accounts	(169)	915	746
Money market accounts	890	8,118	9,008
Savings accounts	(15)	2	(13)
Certificate accounts	4,117	7,617	11,734
Junior subordinated debt	104	39	143
Borrowings	(1,031)	339	(692)
Total interest-bearing liabilities	3,896	17,030	20,926
Decrease in net interest income			$ (1,954)

Provision for Credit Losses. The following table presents a breakdown of the components of the provision for credit losses:

(Dollars in thousands)	Six Months Ended			
	June 30, 2024	June 30, 2023	$ Change	% Change
Provision for credit losses				
Loans	$ 5,445	$ 9,270	$ (3,825)	(41)%
Off-balance-sheet credit exposure	(20)	(105)	85	81
Total provision for credit losses	$ 5,425	$ 9,165	$ (3,740)	(41)%

For the six months ended June 30, 2024, the "loans" portion of the provision for credit losses was the result of the following, in addition to net charge-offs of $4.9 million during the period:

- $1.3 million benefit due to changes in the projected economic forecast, specifically the national unemployment rate, and changes in qualitative adjustments.
- $1.8 million increase in specific reserves on individually evaluated loans which was proportional to the increase in the associated loan balances which increased from $8.1 million to $16.3 million during the six month period, concentrated in the equipment finance and SBA portfolios. Further information on the change in nonperforming loans may be found in the "Asset Quality" section.

For the six months ended June 30, 2023, the "loans" portion of the provision for credit losses was the result of the following, in addition to net charge-offs of $1.3 million during the period:

- $4.9 million provision to establish an allowance on Quantum's loan portfolio.
- $2.1 million provision driven by loan growth and changes in the loan mix.
- $0.9 million provision due to changes in the projected economic forecast, specifically the national unemployment rate, and changes in qualitative adjustments.
- $0.1 million increase in specific reserves on individually evaluated credits.

For the six months ended June 30, 2024 and June 30, 2023, the amounts recorded for off-balance-sheet credit exposure were the result of changes in the balance of loan commitments, loan mix and projected economic forecast as outlined above.

Noninterest Income. Noninterest income for the six months ended June 30, 2024 increased $1.7 million, or 11.4%, when compared to the same period last year. Changes in the components of noninterest income are discussed below:

	Six Months Ended			
(Dollars in thousands)	June 30, 2024	June 30, 2023	$ Change	% Change
Noninterest income				
Service charges and fees on deposit accounts	$ 4,503	$ 4,649	$ (146)	(3)%
Loan income and fees	1,325	1,354	(29)	(2)
Gain on sale of loans held for sale	3,285	2,920	365	13
BOLI income	2,642	1,095	1,547	141
Operating lease income	3,450	2,730	720	26
Gain (loss) on sale of premises and equipment	(9)	982	(991)	(101)
Other	1,728	1,468	260	18
Total noninterest income	$ 16,924	$ 15,198	$ 1,726	11 %

- *Gain on sale of loans held for sale:* The increase in the gain on sale of loans held for sale was primarily driven by HELOCs and SBA loans sold during the period. During the six months ended June 30, 2024, there were $40.7 million of HELOCs sold for a gain of $473,000 compared to $35.2 million sold and gains of $354,000 for the corresponding period in the prior year. There were $25.6 million of sales of the guaranteed portion of SBA commercial loans with gains of $2.1 million compared to $28.8 million sold and gains of $1.9 million for the corresponding period in the prior year. There were $36.6 million of residential mortgage loans originated for sale which were sold during the current period with gains of $667,000 compared to $28.4 million sold with gains of $382,000 for the corresponding period in the prior year. Our hedging of mandatory commitments on the residential mortgage loan pipeline resulted in a loss of $3,000 for the six months ended June 30, 2024 versus a gain of $268,000 for the six months ended June 30, 2023 as a result of movement in interest rates during the hedged period.
- *BOLI income:* The increase was due to the combined effect of $1.1 million in tax-free gains on death benefit proceeds in excess of the cash surrender value of the policies recognized and higher yielding policies as a result of restructuring the portfolio at the end of the prior calendar year.
- *Operating lease income:* The increase was the result of $1.2 million in additional contractual earnings on a higher average outstanding balance of the associated contracts, partially offset by losses incurred on previously leased equipment, where we recognized net losses of $787,000 and $262,000 in the six months ended June 30, 2024 and June 30, 2023, respectively.
- *Gain (loss) on sale of premises and equipment:* During the six months ended June 30, 2023, two properties were sold for a combined gain of $982,000. No material disposal activity occurred during the six months ended June 30, 2024.
- *Other:* The increase was driven by a $270,000 increase in investment services income recognized period-over-period.

Noninterest Expense. Noninterest expense for the six months ended June 30, 2024 decreased $3.7 million, or 5.8%, when compared to the same period last year. Changes in the components of noninterest expense are discussed below:

	Six Months Ended			
(Dollars in thousands)	June 30, 2024	June 30, 2023	$ Change	% Change
Noninterest expense				
Salaries and employee benefits	$ 33,584	$ 32,922	$ 662	2 %
Occupancy expense, net	4,856	5,067	(211)	(4)
Computer services	6,204	6,213	(9)	—
Telephone, postage and supplies	1,165	1,290	(125)	(10)
Marketing and advertising	1,251	1,068	183	17
Deposit insurance premiums	1,085	1,161	(76)	(7)
Core deposit intangible amortization	1,329	1,465	(136)	(9)
Merger-related expenses	—	4,741	(4,741)	(100)
Other	10,600	9,817	783	8
Total noninterest expense	$ 60,074	$ 63,744	$ (3,670)	(6)%

- *Marketing and advertising:* The increase was the result of differences in the timing of when expenses were incurred quarter-over-quarter.
- *Merger-related expenses:* The prior period included expenses associated with the Company's merger with Quantum. No such expenses were incurred in the six months ended June 30, 2024.
- *Other:* The increase period-over-period was primarily driven by $1.0 million of additional depreciation expense on equipment subject to operating leases, partially offset by a decrease of $314,000 in fraud losses.

Income Taxes. The amount of income tax expense is influenced by the amount of pre-tax income, tax-exempt income, changes in the statutory rate and the effect of changes in valuation allowances maintained against deferred tax benefits. The effective tax rates for the six months ended June 30, 2024 and June 30, 2023 were 21.1% and 21.3%, respectively.

Comparison of Financial Condition at June 30, 2024 and December 31, 2023

General. Total assets decreased by $1.8 million to $4.7 billion and total liabilities decreased by $25.5 million to $4.1 billion, respectively, at June 30, 2024 as compared to December 31, 2023. The majority of these changes were the result of the use of liquidity to pay down borrowings, partially offset by an increase in deposits and the funding of loan growth.

Cash and Cash Equivalents. Total cash and cash equivalents decreased $53.0 million, or 15.3%, to $294.2 million at June 30, 2024 from $347.1 million at December 31, 2023.

Debt Securities Available for Sale. Debt securities available for sale increased $7.2 million, or 5.7%, to $134.1 million at June 30, 2024 from $127.0 million at December 31, 2023. Outside of changes in value, the changes between periods were the result of $27.5 million in purchases, partially offset by $19.8 million in proceeds from the maturity, call and paydown of securities.

Loans Held for Sale. Loans held for sale increased $24.8 million, or 12.3%, to $226.6 million at June 30, 2024 from $201.8 million at December 31, 2023. This was driven by an increase of $36.3 million, or 21.5%, in HELOCs held for sale, partially offset by a $10.4 million, or 33.9%, decrease in SBA loans held for sale.

Loans, Net of Deferred Loan Fees and Costs. Total loans increased $61.4 million, or 1.7%, to $3.7 billion at June 30, 2024. The following table illustrates the changes within the portfolio:

	As of		Change		Percent of Total	
(Dollars in thousands)	June 30, 2024	December 31, 2023	$	%	June 30, 2024	December 31, 2023
Commercial real estate loans						
Construction and land development	$ 316,050	$ 305,269	$ 10,781	4 %	9 %	8 %
Commercial real estate – owner occupied	545,631	536,545	9,086	2	15	15
Commercial real estate – non-owner occupied	892,653	875,694	16,959	2	24	24
Multifamily	92,292	88,623	3,669	4	2	2
Total commercial real estate loans	1,846,626	1,806,131	40,495	2	50	49
Commercial loans						
Commercial and industrial	266,136	237,255	28,881	12	7	7
Equipment finance	461,010	465,573	(4,563)	(1)	12	13
Municipal leases	152,509	150,292	2,217	1	4	4
Total commercial loans	879,655	853,120	26,535	3	23	24
Residential real estate loans						
Construction and land development	70,679	96,646	(25,967)	(27)	2	3
One-to-four family	621,196	584,405	36,791	6	17	16
HELOCs	188,465	185,878	2,587	1	5	5
Total residential real estate loans	880,340	866,929	13,411	2	24	24
Consumer loans	94,833	113,842	(19,009)	(17)	3	3
Total loans, net of deferred loan fees and costs	$ 3,701,454	$ 3,640,022	$ 61,432	2 %	100 %	100 %

Asset Quality. Nonperforming assets, made up entirely of nonaccrual loans for both periods, increased by $5.9 million, or 30.7%, to $25.3 million, or 0.54% of total assets, at June 30, 2024 compared to $19.3 million, or 0.41% of total assets, at December 31, 2023. Consistent with the change in net charge-offs discussed below, equipment finance loans made up the largest portion of nonperforming assets at $10.7 million and $6.5 million, respectively, at these same dates; however, the increase between these two dates was mainly the result of a $3.1 million medical equipment relationship where a loss is not currently anticipated. The ratio of nonperforming loans to total loans was 0.68% at June 30, 2024 compared to 0.53% at December 31, 2023.

The ratio of classified assets to total assets increased to 0.91% at June 30, 2024 from 0.90% at December 31, 2023 as classified assets increased $696,000, or 1.7%, to $42.7 million at June 30, 2024 compared to $42.0 million at December 31, 2023. The largest portfolios of classified assets at June 30, 2024 included $11.8 million of non-owner occupied commercial real estate (NOO CRE) loans, $10.6 million of equipment finance loans, $8.1 million of SBA loans, and $5.2 million of 1-4 family residential real estate loans.

Our individually evaluated loans are comprised of loans meeting certain dollar thresholds and those on nonaccrual status, and may be evaluated for reserve purposes using either the cash flow or collateral valuation method. As of June 30, 2024, there were $16.3 million in individually evaluated loans compared to $8.8 million at December 31, 2023. The reason for the change between periods is consistent with the change in nonperforming assets previously discussed.

Allowance for Credit Losses on Loans. The ACL on loans was $49.2 million, or 1.33% of total loans, at June 30, 2024 compared to $48.6 million, or 1.34% of total loans, at December 31, 2023. The drivers of the changes between periods are discussed in the "Comparison of Results of Operations for the Six Months Ended June 30, 2024 and June 30, 2023 – Provision for Credit Losses" section above.

Net loan charge-offs totaled $4.9 million for the six months ended June 30, 2024 compared to $1.3 million for the same period last year. As discussed in previous quarters, the increase in net charge-offs has been concentrated in our equipment finance portfolio, primarily smaller over-the-road truck loans, with net charge-offs of $3.4 million during the identified period. In response, during the first quarter of calendar year 2024 the Company elected to cease further originations within the transportation sector of equipment finance loans. In spite of the increase, annualized net charge-offs as a percentage of average assets were 0.25% for the six months ended June 30, 2024, in line with the Company's historical experience, as compared to 0.07% for the six months ended June 30, 2023.

Other Assets. Other assets decreased by $40.7 million, or 37.9%, to $66.7 million at June 30, 2024 from $107.4 million at December 31, 2023. During the quarter ended December 31, 2023, we had established a $47.9 million receivable for proceeds from the redemption of BOLI policies. The decrease between periods was due to the collection of $43.6 million of this receivable.

Deposits. The following table summarizes the composition of our deposit portfolio as of the dates indicated:

(Dollars in thousands)	June 30, 2024	December 31, 2023	$ Change	% Change
Core deposits				
Noninterest-bearing accounts	$ 683,346	$ 784,950	$ (101,604)	(13)%
NOW accounts	561,789	591,270	(29,481)	(5)
Money market accounts	1,311,940	1,246,807	65,133	5
Savings accounts	185,499	194,486	(8,987)	(5)
Total core deposits	2,742,574	2,817,513	(74,939)	(3)
Certificates of deposit	965,205	843,860	121,345	14
Total	$ 3,707,779	$ 3,661,373	$ 46,406	1 %

Liquidity Management

Management maintains a liquidity position that it believes will adequately provide for funding of 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, wholesale borrowings and cash flows from loan payments and the securities portfolio.

In addition to these primary sources of funds, management has several secondary sources available to meet potential funding requirements. All qualifying one-to-four family loans, HELOCs, commercial real estate loans, multifamily loans and FHLB of Atlanta stock are pledged as collateral to secure outstanding FHLB advances while commercial construction, indirect auto, and equipment and municipal leases are pledged as collateral to secure outstanding FRB advances. At June 30, 2024, the Company had the ability to borrow $122.8 million through FHLB advances and $118.0 million through the unused portion of a line of credit with the FRB. At this same date, the Company maintained revolving lines of credit with three unaffiliated banks, the unused portion of which totaled $152.5 million. HomeTrust had drawn $12.5 million on a $40.0 million revolving line of credit which bears interest at *The Wall Street Journal* prime rate plus 50 basis points, maturing on January 28, 2025, although the term may be extended for an additional year if no events of default have occurred.

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, of short duration, and the securities would therefore be readily marketable. In addition, we have historically sold 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 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 June 30, 2024, brokered deposits totaled $403.1 million, or 10.9% of total deposits.

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 and federal funds. On a longer term basis, we maintain a strategy of investing in various lending products and debt securities, including MBS. On a stand-alone level we are a separate legal entity from the Bank and must provide for our own liquidity and pay our own operating expenses. Our primary source of funds consists of dividends or capital distributions from the Bank, although there are regulatory restrictions on the ability of the Bank to pay dividends. At June 30, 2024, we (on an unconsolidated basis) had liquid assets of $506,000.

At the Bank level, we use our sources of funds primarily to meet our ongoing commitments, pay maturing deposits and fund withdrawals and to fund loan commitments. At June 30, 2024, the total approved loan commitments and unused lines of credit outstanding amounted to $245.3 million and $698.1 million, respectively, as compared to $240.9 million and $690.6 million as of December 31, 2023. Certificates of deposit scheduled to mature in one year or less at June 30, 2024 totaled $845.2 million. It is management's policy to manage deposit rates that are competitive with other local financial institutions. Based on this strategy, we believe that a majority of maturing deposits will be retained.

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, mainly to manage customers' requests for funding. These transactions primarily take the form of loan commitments and lines of credit and involve varying degrees of off-balance sheet credit, interest rate and liquidity risks. For further information, see "Note 12 – Commitments and Contingencies" in this Quarterly Report on Form 10-Q.

Capital Resources

HomeTrust Bancshares, Inc. is a bank 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. The Company's subsidiary, the Bank, an FDIC-insured, North Carolina state-chartered bank and a member of the Federal Reserve System, 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. Failure to meet minimum capital requirements can initiate certain mandatory and possibly discretionary actions by bank regulators that, if undertaken, could have a direct material effect on the Company's financial statements.

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.

At June 30, 2024, HomeTrust Bancshares, Inc. and the Bank each exceeded all regulatory capital requirements. Consistent with the Company's goals to operate a sound and profitable organization, its 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 June 30, 2024 under applicable regulatory requirements.

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

			Regulatory Requirements			
	Actual		Minimum for Capital Adequacy Purposes		Minimum to Be Well Capitalized	
(Dollars in thousands)	Amount	Ratio	Amount	Ratio	Amount	Ratio
HomeTrust Bancshares, Inc.						
June 30, 2024						
CET1 Capital (to risk-weighted assets)	$ 487,135	11.74 %	$ 186,713	4.50 %	$ 269,696	6.50 %
Tier I Capital (to total adjusted assets)	497,205	11.32	175,645	4.00	219,556	5.00
Tier I Capital (to risk-weighted assets)	497,205	11.98	248,950	6.00	331,933	8.00
Total Risk-based Capital (to risk-weighted assets)	545,582	13.15	331,933	8.00	414,917	10.00
December 31, 2023						
CET1 Capital (to risk-weighted assets)	$ 463,946	11.33 %	$ 184,256	4.50 %	$ 266,148	6.50 %
Tier I Capital (to total adjusted assets)	473,966	10.84	174,910	4.00	218,638	5.00
Tier I Capital (to risk-weighted assets)	473,966	11.58	245,675	6.00	327,567	8.00
Total Risk-based Capital (to risk-weighted assets)	517,942	12.65	327,567	8.00	409,458	10.00
HomeTrust Bank						
June 30, 2024						
CET1 Capital (to risk-weighted assets)	$ 501,726	12.09 %	$ 186,702	4.50 %	$ 269,681	6.50 %
Tier I Capital (to total adjusted assets)	501,726	11.43	175,566	4.00	219,458	5.00
Tier I Capital (to risk-weighted assets)	501,726	12.09	248,936	6.00	331,915	8.00
Total Risk-based Capital (to risk-weighted assets)	550,103	13.26	331,915	8.00	414,894	10.00
December 31, 2023						
CET1 Capital (to risk-weighted assets)	$ 484,238	11.83 %	$ 184,249	4.50 %	$ 266,137	6.50 %
Tier I Capital (to total adjusted assets)	484,238	11.08	174,849	4.00	218,562	5.00
Tier I Capital (to risk-weighted assets)	484,238	11.83	245,665	6.00	327,553	8.00
Total Risk-based Capital (to risk-weighted assets)	528,214	12.90	327,553	8.00	409,442	10.00

As permitted by the interim final rule issued on March 27, 2020 by the federal banking regulatory agencies, the Company elected the option to delay the estimated impact on regulatory capital of ASU 2016-13, which was adopted on July 1, 2020. The initial adoption of ASU 2016-13 as well as 25% of the quarterly increases in the ACL subsequent to adoption (collectively the "transition adjustments") was delayed for two years. Starting July 1, 2022, the cumulative amount of the transition adjustments became fixed and will be phased out of the regulatory capital calculations evenly over a three-year period, with 75% recognized in year three, 50% recognized in year four, and 25% recognized in year five. After five years, the temporary regulatory capital benefits will be fully reversed.

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 2.50% 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. As of June 30, 2024, the Company's and Bank's risk-based capital exceeded the required capital contribution buffer.

Dividends paid by HomeTrust Bank are limited, without regulatory approval, to current year earnings and earnings less dividends paid during the preceding two years.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There has not been any material change in the market risk disclosures contained in our 2023 Form 10-KT.

Item 4. Controls and Procedures

Evaluation of Disclosure 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 June 30, 2024, 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 June 30, 2024, 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.

Changes in Internal Controls: There have been no changes in the Company's internal control over financial reporting during the quarter ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The "Litigation" section of "Note 12 – 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 2023 Form 10-KT.

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

(a) Not applicable

(b) Not applicable

(c) The following table provides information about repurchases of common stock by the Company during the quarter ended June 30, 2024:

Period	Total # of Shares Purchased	Average Price Paid per Share	Total # of Shares Purchased as Part of Publicly Announced Plans	Maximum # of Shares that May Yet Be Purchased Under Publicly Announced Plans
April 1 - April 30, 2024	—	$ —	—	266,639
May 1 - May 31, 2024	—	—	—	266,639
June 1 - June 30, 2024	23,483	27.48	23,483	243,156
Total	23,483	$ 27.48	23,483	243,156

Over the years as a public company, the Company's Board of Directors has, from time to time, authorized the repurchase of its common stock. Most recently, on February 28, 2022, 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. As of June 30, 2024, 562,844 of these shares had been purchased at an average price of $28.83 per share, 23,483 of which were repurchased during the six months ended June 30, 2024. 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

Trading Plans: During the quarter ended June 30, 2024, no director or officer (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

Regulation S-K Exhibit #	Document	Reference to Prior Filing or Exhibit # Attached Hereto
3.1	Charter of HomeTrust Bancshares, Inc.	(d)
3.2	Amended and Restated Bylaws of HomeTrust Bancshares, Inc.	(s)
10.1	HomeTrust Bancshares, Inc. Senior Leadership Incentive Plan (formerly known as Operating Committee Incentive Program)	(f)

Regulation S-K Exhibit #	Document	Reference to Prior Filing or Exhibit # Attached Hereto
10.2	Amended and Restated Employment and Transition Agreement between HomeTrust Bancshares, Inc. and Dana L. Stonestreet	(a)
10.3	Amended and Restated Employment Agreement between HomeTrust Bancshares, Inc. and C. Hunter Westbrook	(g)
10.3A	Amendment No. 1 to Amended and Restated Employment Agreement between HomeTrust Bancshares, Inc. and C. Hunter Westbrook	(b)
10.3B	Amendment No. 2 to Amended and Restated Employment Agreement between HomeTrust Bancshares, Inc. and C. Hunter Westbrook	(h)
10.3C	Amendment No. 3 to Amended and Restated Employment Agreement between HomeTrust Bancshares, Inc. and C. Hunter Westbrook	(o)
10.3D	Amendment No. 4 to Amended and Restated Employment Agreement between HomeTrust Bancshares, Inc. and C. Hunter Westbrook	(e)
10.4	Amended and Restated Employment Agreement between HomeTrust Bancshares, Inc. and Tony J. VunCannon	(g)
10.4A	Amendment No. 1 to Amended and Restated Employment Agreement between HomeTrust Bancshares, Inc. and Tony VunCannon	(a)
10.5	HomeTrust Bank Executive Supplemental Retirement Income Master Agreement ("SERP")	(d)
10.6	Amendment No. 1 to SERP	(m)
10.7	Amendment No. 2 to SERP	(l)
10.7A	SERP Joinder Agreement for F. Edward Broadwell, Jr.	(d)
10.7B	SERP Joinder Agreement for Dana L. Stonestreet	(d)
10.7C	SERP Joinder Agreement for Tony J. VunCannon	(d)
10.7D	SERP Joinder Agreement for Howard L. Sellinger	(d)
10.7E	SERP Joinder Agreement for Stan Allen	(d)
10.7F	SERP Joinder Agreement for Sidney A. Biesecker	(d)
10.7G	SERP Joinder Agreement for Peggy C. Melville	(d)
10.7H	SERP Joinder Agreement for William T. Flynt	(d)
10.7I	Amended and Restated Supplemental Income Agreement between HomeTrust Bank, as successor to Industrial Federal Savings Bank, and Sidney Biesecker	(i)
10.8	HomeTrust Bank Director Emeritus Plan ("Director Emeritus Plan")	(d)
10.8A	Director Emeritus Plan Joinder Agreement for William T. Flynt	(d)
10.8B	Director Emeritus Plan Joinder Agreement for J. Steven Goforth	(d)
10.8C	Director Emeritus Plan Joinder Agreement for Craig C. Koontz	(d)
10.8D	Director Emeritus Plan Joinder Agreement for Larry S. McDevitt	(d)
10.8E	Director Emeritus Plan Joinder Agreement for F.K. McFarland, III	(d)
10.8F	Director Emeritus Plan Joinder Agreement for Peggy C. Melville	(d)
10.8G	Director Emeritus Plan Joinder Agreement for Robert E. Shepherd, Sr.	(d)
10.9	HomeTrust Bank Defined Contribution Executive Medical Care Plan	(d)
10.9A	Amendment No. 1 to HomeTrust Bank Defined Contribution Executive Medical Care Plan	(m)
10.9B	Form of Joinder Agreement Under the HomeTrust Bank Defined Contribution Executive Medical Care Plan	(m)
10.9C	Amendment No. 2 to HomeTrust Bank Defined Contribution Executive Medical Care Plan	(r)
10.9D	Amendment No. 3 to HomeTrust Bank Defined Contribution Executive Medical Care Plan	(t)
10.10	HomeTrust Bank 2005 Deferred Compensation Plan	(d)
10.10A	Amendment No. 1 to HomeTrust Bank 2005 Deferred Compensation Plan	(m)
10.11	HomeTrust Bank Pre-2005 Deferred Compensation Plan	(d)
10.11A	Amendment No. 1 to HomeTrust Bank Pre-2005 Deferred Compensation Plan	(m)
10.12	HomeTrust Bancshares, Inc. 2013 Omnibus Incentive Plan ("2013 Omnibus Incentive Plan")	(j)
10.12A	Form of Incentive Stock Option Award Agreement under 2013 Omnibus Incentive Plan	(k)
10.12B	Form of Non-Qualified Stock Option Award Agreement under 2013 Omnibus Incentive Plan	(k)
10.12C	Form of Stock Appreciation Right Award Agreement under 2013 Omnibus Incentive Plan	(k)
10.12D	Form of Restricted Stock Award Agreement under 2013 Omnibus Incentive Plan	(k)
10.12E	Form of Restricted Stock Unit Award Agreement under 2013 Omnibus Incentive Plan	(k)
10.13	HomeTrust Bancshares, Inc. 2022 Omnibus Incentive Plan ("2022 Omnibus Incentive Plan")	(q)

Regulation S-K Exhibit #	Document	Reference to Prior Filing or Exhibit # Attached Hereto
10.13A	Form of Non-Qualified Stock Option Award Agreement under the Registrant's 2022 Omnibus Incentive Plan	(u)
10.13B	Form of Restricted Stock Award Agreement for Employees under the Registrant's 2022 Omnibus Incentive Plan	(u)
10.13C	Form of Restricted Stock Award Agreement for Directors under the Registrant's 2022 Omnibus Incentive Plan	(u)
10.14	Change in Control Severance Agreement between HomeTrust Bancshares, Inc. and Marty Caywood	(c)
10.14A	Amendment No. 1 to Change in Control Severance Agreement between HomeTrust Bancshares, Inc. and Marty Caywood	(a)
10.15	Amended and Restated Change in Control Severance Agreement between HomeTrust Bancshares, Inc. and Keith J. Houghton	(g)
10.15A	Amendment No. 1 to Amended and Restated Change in Control Severance Agreement between HomeTrust Bancshares, Inc. and Keith J. Houghton	(a)
10.16	Amended and Restated Change in Control Severance Agreement between HomeTrust Bancshares, Inc. and John Sprink	(s)
10.17	Change in Control Severance Agreement between HomeTrust Bancshares, Inc. and Kristin Powell	(r)
10.17A	Amendment No. 1 to Change in Control Severance Agreement between HomeTrust Bancshares, Inc. and Kristin Powell	(a)
10.18	Change in Control Severance Agreement between HomeTrust Bancshares, Inc. and Megan Pelletier	(a)
10.19	Change in Control Severance Agreement between HomeTrust Bancshares, Inc. and Lora Jex	(p)
10.20	Change in Control Severance Agreement between HomeTrust Bancshares, Inc. and Chuck Sivley	10.20
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
97	Policy Relating to Recovery of Erroneously Awarded Compensation	97
101	The following materials from HomeTrust Bancshares' Transition Report on Form 10-KT for the six-month transition period ended December 31, 2023, 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 Annual Report on Form 10-K for the fiscal year ended June 30, 2022 (File No. 001-35593).

(b) Filed as an exhibit to HomeTrust Bancshares's Current Report on Form 8-K filed on September 25, 2018 (File No. 001-35593).

(c) 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).

(d) Filed as an exhibit to HomeTrust Bancshares's Registration Statement on Form S-1 (File No. 333-178817) filed on December 29, 2011.

(e) Filed as an exhibit to HomeTrust Bancshares's Current Report on Form 8-K filed on May 24, 2022 (File No. 001-35593).

(f) Filed as an exhibit to HomeTrust Bancshares's Transition Report on Form 10-KT for the-six month transition period ended December 31, 2023 (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 October 28, 2020 (File No. 001-35593).

(i) Filed as an exhibit to Amendment No. 1 to HomeTrust Bancshares's Registration Statement on Form S-1 (File No. 333-178817) filed on March 9, 2012.

(j) Attached as Appendix A to HomeTrust Bancshares's definitive proxy statement filed on December 5, 2012 (File No. 001-35593).

(k) Filed as an exhibit to HomeTrust Bancshares's Registration Statement on Form S-8 (File No. 333-186666) filed on February 13, 2013.

(l) Filed as an exhibit to HomeTrust Bancshares's Current Report on Form 8-K filed on February 15, 2022 (File No. 001-35593).

(m) Filed as an exhibit to HomeTrust Bancshares's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 (File No. 001-35593).

(n) 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).

(o) Filed as an exhibit to HomeTrust Bancshares's Current Report on Form 8-K filed on July 28, 2021 (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, 2023 (File No. 001-35593).

(q) Attached as Appendix A to HomeTrust Bancshares's definitive proxy statement filed on October 3, 2022 (File No. 001-35593).

(r) Filed as an exhibit to HomeTrust Bancshares's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 (File No. 001-35593).

(s) Filed as an exhibit to HomeTrust Bancshares's Annual Report on Form 10-K for the fiscal year ended June 30, 2023 (File No. 001-35593).

(t) Filed as an exhibit to HomeTrust Bancshares's Current Report on Form 8-K filed on August 28, 2023 (File No. 001-35593).

(u) Filed as an exhibit to HomeTrust Bancshares's Registration Statement on Form S-8 (File No. 333-186666) filed on February 6, 2023.

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: August 9, 2024	By:	/s/ C. Hunter Westbrook C. Hunter Westbrook President and Chief Executive Officer *(Duly Authorized Officer)*
Date: August 9, 2024	By:	/s/ Tony J. VunCannon Tony J. VunCannon Executive Vice President, CFO, Corporate Secretary and Treasurer *(Principal Financial and Accounting Officer)*

CHANGE IN CONTROL SEVERANCE AGREEMENT

OF

CHUCK SIVLEY

THIS CHANGE IN CONTROL SEVERANCE AGREEMENT ("Agreement") is made and entered into as of this tenth day of June 2024, by and between HomeTrust Bancshares, Inc, Asheville, North Carolina (hereinafter referred to as the "Company") and Chuck Sivley (the "Employee").

WHEREAS, the Employee serves as the EVP/Chief Technology Officer of HomeTrust Bank, Asheville, North Carolina (the "Bank"); and

WHEREAS, the Board of Directors of the Company believes it is in the best interests of the Company and the Bank to enter into this Agreement with the Employee; and

WHEREAS, the Board of Directors has approved and authorized the execution of this Agreement with the Employee;

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements of the parties herein contained, it is AGREED as follows:

1. Definitions.

(a) The term "Cash Compensation" shall mean the highest annual base salary rate paid to the Employee at any time during their employment by the Company and its Consolidated Subsidiaries, plus the higher of (i) the Employee's annual bonus paid during the year immediately preceding the Date of Termination, or (ii) the Employee's target bonus for the year in which the Date of Termination occurs, in each case including any salary or bonus amounts deferred by the Employee.

(b) The term "Change in Control" means any of the following events: (1) any person or persons acting as a group (within the meaning of Section 409A of the Code) acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company or the Bank possessing 30% or more of the total voting power of the outstanding stock of the Company or the Bank; (2) individuals who are members of the Board of Directors of the Company on the date hereof (the "Incumbent Board") cease for any reason during any 12-month period to constitute at least a majority thereof, provided that any person becoming a director subsequent to the date hereof whose election was approved by a vote of at least a majority of the directors comprising the Incumbent Board, or whose nomination for election by the Company's stockholders was approved by the nominating committee serving under an Incumbent Board, shall be considered a member of the Incumbent Board; (3) any person or persons acting as a group (within the meaning of Section 409A of the Code) acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets of the Company or the Bank that have a gross fair market value of 40% or more of the total gross fair market value of all of the assets of the Company or the Bank immediately before such acquisition or acquisitions; or (4) any other event which is not covered by the foregoing subsections but which the Board of Directors determines to affect control of the Company or the Bank and with respect to which the Board of Directors adopts a resolution that the event constitutes a Change in Control for purposes of this Agreement; provided that with respect to each of the events covered by clauses (1) through (4) above, the event must also be deemed to be either a change in the ownership of the Company or the Bank, a change in the effective control of the Company or the Bank or a change in the ownership of a substantial portion of the assets of the Company or the Bank within the meaning of Section 409A of the Code.

(c) The term "Code" means the Internal Revenue Code of 1986, as amended, or any successor code thereto.

(d) The term "Consolidated Subsidiaries" means any subsidiary or subsidiaries of the Company (or its successors) that are part of the consolidated group of the Company (or its successors) for federal income tax reporting.

(e) The term "Date of Termination" means the date upon which the Employee's employment with the Company and its Consolidated Subsidiaries ceases, as specified in a written notice of termination, provided that all references in this Agreement to a Date of Termination that results in the payment of severance shall mean the date of the Executive's involuntary Separation from Service.

(f) The term "Effective Date" means the date first written above.

(g) The term "Health Insurance Benefits" shall mean the following benefits to be provided pursuant to Section 3(a) of this Agreement to the Employee and their dependents who are covered by the Company or any of its Consolidated Subsidiaries at the time of the Employee's Involuntary Termination (each such person, including the Employee, a "Covered Person" and collectively the "Covered Persons"): (i) the Company or the Bank shall pay 100% of the premiums for COBRA coverage for each such Covered Person until the earlier of (A) the expiration of the COBRA period or (B) the death of such person; or (ii) in the event that the continued participation of the Covered Person in any insurance plan as provided in clause (i) above is barred or would trigger the payment of an excise tax under Section 4980D of the Code, or during the COBRA Period any such insurance plan is discontinued, then the Company and the Bank shall at their election either (A) arrange to provide the Covered Person with alternative benefits substantially similar to those which the Covered Person was entitled to receive under such insurance plan immediately prior to the Date of Termination, provided that the alternative benefits do not trigger the payment of an excise tax under Section 4980D of the Code, or (B) in the event that the continuation of any insurance coverage as specified above would trigger the payment of an excise tax under Section 4980D of the Code or in the event such continued coverage is unable to be provided by the Company or the Bank, pay to the Employee within 30 days following the Date of Termination (or within 30 days following the discontinuation of the benefits if later) a lump sum cash amount equal to the projected cost to the Company and the Bank of providing continued coverage to the Covered Person until the expiration of the COBRA Period, with the projected cost to be based on the costs being incurred immediately prior to the Involuntary Termination (or the discontinuation of the benefits if later), as increased by 15% on each scheduled renewal date. Any insurance premiums payable by the Company or the Bank as specified above shall be payable at such times and in such amounts (except that the Company or the Bank shall also pay any employee portion of the premiums) as if the Employee was still an employee of the Company or its Consolidated Subsidiaries, subject to any increases in such amounts imposed by the insurance company or COBRA, and the amount of insurance premiums required to be paid by the Company or the Bank in any taxable year shall not affect the amount of insurance premiums required to be paid by the Company or the Bank in any other taxable year.

(h) The term "Involuntary Termination" means a termination of the employment of the Employee (i) by the Company without their express written consent; or (ii) by the Employee by reason of a material diminution of or interference with their duties, titles, responsibilities or benefits, including any of the following actions unless consented to in writing by the Employee: (1) a requirement that the Employee be based at any place other than Greenville, South Carolina, or within 20 miles thereof, except for reasonable travel on Company or Bank business; (2) a material demotion of the Employee; or (3) a material reduction in the Employee's salary, other than prior to a Change in Control as part of an overall program applied uniformly and with equitable effect to all members of the senior management of the Company or the Bank; provided in each case that Involuntary Termination shall mean a cessation or reduction in the Employee's services for the Company and the Bank (and any other affiliated entities that are deemed to constitute a "service recipient" as defined in Treasury Regulation §1.409A-1(h)(3)) that constitutes a "Separation from Service" as determined under Section 409A of the Code, taking into account all of the facts, circumstances, rules and presumptions set forth in Treasury Regulation §1.409A-1(h) and that also constitutes an involuntary Separation from Service under Treasury Regulation §1.409A-1(n). In addition, before the Employee terminates their employment pursuant to clauses (1) through (3) of the preceding sentence, the Employee must first provide written notice to the Company within ninety (90) days of the initial existence of the condition, describing the existence of such condition, and the Company shall thereafter have the right to remedy the condition within thirty (30) days following the date it received the written notice from the Employee. If the Company remedies the condition within such thirty (30) day cure period, then the Employee shall not have the right to terminate their employment as the result of such event. If the Company does not remedy the condition within such thirty (30) day cure period, then the Employee may terminate their employment as the result of such event at any time within sixty (60) days following the expiration of such cure period. All references in this Agreement to an Involuntary Termination that results in the payment of severance shall mean an involuntary Separation from Service under Treasury Regulation §1.409A-1(n). The term "Involuntary Termination" does not include Termination for Cause, termination of employment due to death or permanent disability, or suspension or temporary or permanent prohibition from participation in the conduct of the affairs of a depository institution under Section 8 of the Federal Deposit Insurance Act.

(i) The term "Section 409A" means Section 409A of the Code and the regulations and guidance of general applicability issued thereunder.

(j) The terms "Termination for Cause" and "Terminated for Cause" mean any of the following: (i) the commission by the Employee of a willful act (including, without limitation, a dishonest or fraudulent act) or a grossly negligent act, or the willful or grossly negligent omission to act by the Employee, which is intended to cause, does cause or is reasonably likely to cause material harm to the Company or any of its Consolidated Subsidiaries (including harm to its business reputation); (ii) the indictment of the Employee for the commission or perpetration by the Employee of any felony or any crime involving dishonesty, moral turpitude or fraud; (iii) the material breach by the Employee of this Agreement; (iv) the receipt of any formal written notice that any regulatory agency having jurisdiction over the Company or the Bank intends to institute any formal regulatory action against the Employee, the Company or the Bank (provided that the Board determines in good faith, with the Employee abstaining from participating in the vote on the matter, that the subject matter of such action involves acts or omissions by the Employee); (v) the exhibition by the Employee of a standard of behavior within the scope of their employment that is materially disruptive to the orderly conduct of the business operations of the Company or any of its Consolidated Subsidiaries (including, without limitation, substance abuse or sexual misconduct) to a level which, in the Board's good faith and reasonable judgment, with the Employee abstaining from participating in the vote on the matter, is materially detrimental to the best interests of the Company or any of its Consolidated Subsidiaries; (vi) the failure of the Employee to devote their full business time and attention to their employment as provided under this Agreement; or (vii) the failure of the Employee to adhere to any policy or code of conduct of the Company or any of its Consolidated Subsidiaries which causes, or is reasonably likely to cause, material harm to the Company or any of its Consolidated Subsidiaries; provided that, if the Board of Directors determines in its good faith discretion that the breach, behavior or failure specified in clauses (iii), (v) or (vi) above is capable of being cured by the Employee, then Cause shall not be deemed to exist with respect to such matter if the Employee cures the breach, behavior or failure to the satisfaction of the Board of Directors within 10 days following written notice to the Employee of such breach, behavior or failure. No act or failure to act by the Employee shall be considered willful unless the Employee acted or failed to act with an absence of good faith and without a reasonable belief that their action or failure to act was in the best interest of the Company or the Bank. The Employee shall not be deemed to have been Terminated for Cause unless and until there shall have been delivered to the Employee a copy of a resolution, duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board of Directors at a meeting of the Board duly called and held for such purpose (after reasonable notice to the Employee and an opportunity for the Employee to present their views on the matter to the Board either in person without counsel or in writing), stating that in the good faith opinion of the Board of Directors the Employee has engaged in conduct described in the preceding sentence and specifying the particulars thereof in detail. The opportunity of the Employee to be heard before the Board shall not affect the right of the Employee to arbitration as set forth in Section 13 of this Agreement. The Board reserves the right to suspend the Employee with pay pending the determination of Cause under this Section 1(j), as appropriate.

2. Term. The initial term of this Agreement shall be from the Effective Date until September 11, 2025, subject to earlier termination as provided herein. On September 11 each year, beginning September 11, 2024, the term shall be extended for a period of one year in addition to the then-remaining term, provided that the Company has not given notice to the Employee in writing at least 30 days prior to such annual anniversary date that the term of this Agreement shall not be extended further, and provided further that the Employee has not received an unsatisfactory performance review by either their manager, the Board of Directors or the board of directors of the Bank.

3. Severance Benefits.

(a) In the event of the Involuntary Termination of the Employee at the time of or within 12 months following a Change in Control, the Company or the Bank shall, subject to the Employee executing and not revoking a general release of claims pursuant to Section 3(b) below, (i) pay to the Employee a lump sum cash amount equal to two times the Employee's Cash Compensation, with such lump sum payment to be made within 30 days following the date the general release of claims is executed and the revocation period expires without the release being revoked, except as otherwise set forth in Section 3(b) below, and (ii) provide Health Insurance Benefits to each Covered Person. If the Employee is a "Specified Employee" (as defined in Section 409A) at the time of their Separation from Service, then payments under this Section 3(a) which are not covered by either the separation pay plan exemption or the short-term deferral exemption from Section 409A set forth in Treasury Regulations §1.409A-1(b)(9)(iii) and §1.409A-1(b)(4), respectively, and as such constitute deferred compensation under Section 409A, shall not be paid until the 185th day following the Employee's Separation from Service, or their earlier death (the "Delayed Distribution Date"). Any payments deferred on account of the preceding sentence shall be accumulated without interest and paid with the first payment that is payable in accordance with the preceding sentence and Section 409A. To the extent permitted by Section 409A, amounts payable under this Section 3(a) which are considered deferred compensation shall be treated as payable after amounts which are not considered deferred compensation (i.e., which are considered payable on account of an involuntary Separation from Service as herein defined herein pursuant to a separation pay plan or pursuant to the short-term deferral exemption).

(b) The obligations of the Company and the Bank to pay severance or provide benefits under Section 3(a) above is expressly conditioned upon the Employee executing a general release of claims within the time period set forth in the release to be provided to him by the Company and not revoking such release, with such general release to release any and all claims, charges and complaints which the Employee may have against the Company and its Consolidated Subsidiaries, as well as the directors, officers and employees of such entities, in connection with the Employee's employment with the Company and its Consolidated Subsidiaries and the termination of such employment. Notwithstanding any other provision contained in this Agreement, in the event the time period that the Employee has to consider the terms of such general release (including any revocation period under such release) commences in one calendar year and ends in the succeeding calendar year, then the payments shall not commence or be paid until the succeeding calendar year.

(c) Certain Reduction of Payments by the Bank.

(i) In the event that the aggregate payments or benefits to be provided to the Employee pursuant to this Agreement, together with other payments and benefits which the Employee has a right to receive from the Company or its Consolidated Subsidiaries or any their successors are deemed to be parachute payments as defined in Section 280G of the Code or any successor thereto (the "Severance Benefits"), then the aggregate present value of amounts payable or distributable to or for the benefit of the Employee pursuant to this Agreement (such amounts payable or distributable pursuant to this Agreement are hereinafter referred to as

"Agreement Payments") shall be reduced to the Reduced Amount. The "Reduced Amount" shall be an amount, not less than zero, expressed in present value which maximizes the aggregate present value of Agreement Payments without causing any Severance Benefits to be nondeductible by the Company because of Section 280G of the Code. For purposes of this Section 3(b), present value shall be determined in accordance with Section 280G(d)(4) of the Code.

(ii) All determinations required to be made under this Section 3(b)) related to the application of Section 280G of the Code shall be made by the Company's independent auditors or by such other firm with recognized expertise as may be selected by the Company (such auditors or, if applicable, such other firm are hereinafter referred to as the "Advisory Firm"). The Advisory Firm shall, within ten business days of the Date of Termination or at such earlier time as is requested by the Company, provide to both the Company and the Employee an opinion (and detailed supporting calculations) that the Company has substantial authority to deduct for purposes of Section 280G of the Code (before taking into account any amount not deductible under Section 162(m) of the Code) the full amount of the Agreement Payments to be paid and that the Employee has substantial authority not to report on their federal income tax return any excise tax imposed by Section 4999 of the Code with respect to the Agreement Payments to be paid. Any such determination and opinion by the Advisory Firm shall be binding upon the Company and the Employee. If the Agreement Payments are required to be reduced to the Reduced Amount, then the cash severance payable pursuant to Section 3(a) of this Agreement shall be reduced first. The Company and the Employee shall cooperate fully with the Advisory Firm, including without limitation providing to the Advisory Firm all information and materials reasonably requested by it, in connection with the making of the determinations required under this Section 3(c).

(iii) As a result of uncertainty in the application of Section 280G of the Code at the time of the initial determination by the Advisory Firm hereunder, it is possible that Agreement Payments will have been made by the Company which should not have been made ("Overpayment") or that additional Agreement Payments will not have been made by the Company which should have been made ("Underpayment"), in each case, consistent with the calculations required to be made hereunder. In the event that the Advisory Firm, based upon the assertion by the Internal Revenue Service against the Employee of a deficiency which the Advisory Firm believes has a high probability of success, determines that an Overpayment has been made, any such Overpayment paid or distributed by the Company to or for the benefit of the Employee shall be repaid by the Employee to the Company together with interest at the applicable federal rate provided for in Section 1274 of the Code, with such repayment to be made within 60 days following the date the amount of the Overpayment has been communicated to the Employee. In the event that the Advisory Firm, based upon controlling precedent or other substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Company to or for the benefit of the Employee together with interest at the applicable federal rate provided for in Section 1274 of the Code, with such payment to be made within 60 days following the date the amount of the Underpayment has been communicated to the Company.

(iv) Any payments made to the Employee pursuant to this Agreement, or otherwise, are subject to and conditioned upon their compliance with 12 U.S.C. 1828(k) and any regulations promulgated thereunder.

(d) Termination for Cause. In the event of Termination for Cause, the Company shall have no further obligation to the Employee under this Agreement after the Date of Termination.

4. Attorneys Fees. In the event of a dispute arising out of this Agreement, reasonable legal fees and related expenses incurred by the Employee resulting from such dispute shall be paid by the Company only if the Employee prevails in such dispute.

5. Non-Disclosure, Non-Competition and Non-Solicitation Provisions.

(a) Non-Disclosure. The Employee acknowledges that he has acquired, and will continue to acquire while employed by the Company and/or performing services for the Consolidated Subsidiaries, special knowledge of the business, affairs, strategies and plans of the Company and the Consolidated Subsidiaries which has not been disclosed to the public and which constitutes confidential and proprietary business information owned by the Company and the Consolidated Subsidiaries, including but not limited to, information about the customers, customer lists, software, data, formulae, processes, inventions, trade secrets, marketing information and plans, and business strategies of the Company and the Consolidated Subsidiaries, and other information about the products and services offered or developed or planned to be offered or developed by the Company and/or the Consolidated Subsidiaries ("Confidential Information"). The Employee agrees that, without the prior written consent of the Company, he shall not, during the term of their employment or at any time thereafter, in any manner directly or indirectly disclose any Confidential Information to any person or entity other than the Company and the Consolidated Subsidiaries. Notwithstanding the foregoing, if the Employee is requested or required (including but not limited to by oral questions, interrogatories, requests for information or documents in legal proceeding, subpoena, civil investigative demand or other similar process) to disclose any Confidential Information, the Employee shall provide the Company with prompt written notice of any such request or requirement so that the Company and/or a Consolidated Subsidiary may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Section 5(a). If, in the absence of a protective order or other remedy or the receipt of a waiver from the Company, the Employee is nonetheless legally compelled to disclose Confidential Information to any tribunal or else stand liable for contempt or suffer other censure or penalty, the Employee may, without liability hereunder, disclose to such tribunal only that portion of the Confidential Information which is legally required to be disclosed, provided that the Employee exercise their best efforts to preserve the confidentiality of the Confidential Information, including without limitation by cooperating with the Company and/or a Consolidated Subsidiary to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the Confidential Information by such tribunal. Notwithstanding anything to the contrary herein, the parties hereto agree that nothing contained in this Agreement limits the Employee's ability to report information to or file a charge or complaint with the Equal Employment Opportunity Commission, the Securities and Exchange Commission, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System or any other federal, state or local governmental agency or commission that has jurisdiction over the Company or any Consolidated Subsidiary (the

"Government Agencies"). The Employee further understands that this Agreement does not limit their ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company and/or any Consolidated Subsidiary. This Agreement does not limit the Employee's right to receive an award for information provided to any Government Agencies. In addition, pursuant to the Defend Trade Secrets Act of 2016, the Employee understands that an individual may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made (A) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. Further, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the employer's trade secrets to the attorney and use the trade secret information in the court proceeding if the individual (y) files any document containing the trade secret under seal; and (z) does not disclose the trade secret, except pursuant to court order. On the Date of Termination, the Employee shall promptly deliver to the Company all copies of documents or other records (including without limitation electronic records) containing any Confidential Information that is in their possession or under their control, and shall retain no written or electronic record of any Confidential Information.

(b) Non-Competition. As partial consideration for the severance payments and benefits to be provided to the Employee pursuant to Section 3 of this Agreement, the Employee agrees that during the one-year period next following the Date of Termination (the "Non-Competition Period"), the Employee shall not engage in, become interested in, directly or indirectly, as a sole proprietor, as a partner in a partnership, or as a shareholder in a corporation, or become associated with, in the capacity of employee, director, officer, principal, agent, consultant, trustee or in any other capacity whatsoever, any enterprise or entity with an office located within 50 miles of any office of the Company or any Consolidated Subsidiary during the Non-Competition Period, which proprietorship, partnership, corporation, enterprise or other entity is engaged in any line of business conducted by the Company or any banking subsidiary of the Company during the Non-Competition Period, including but not limited to entities which lend money and take deposits (in each case, a "Competing Business"), provided, however, that this provision shall not prohibit the Employee from owning bonds, non-voting preferred stock or up to five percent (5%) of the outstanding common stock of any Competing Business if such common stock is publicly traded.

(c) Non-Solicitation. As partial consideration for the severance payments and benefits to be provided to the Employee pursuant to Section 3 of this Agreement, the Employee agrees that during the two-year period next following the Date of Termination, the Employee shall not directly or indirectly (i) solicit or induce, or cause others to solicit or induce, any employee of the Company or any Consolidated Subsidiary to leave the employment of such entities, or (ii) solicit (whether by mail, telephone, personal meeting or any other means, excluding general solicitations of the public that are not based in whole or in part on any list of customers of the Company or any Consolidated Subsidiary) any customer of the Company or any Consolidated Subsidiary to transact business with any Competing Business, or to reduce or refrain from doing any business with the Company or any Consolidated Subsidiary, or interfere with or damage (or attempt to interfere with or damage) any relationship between the Company or any Consolidated Subsidiary and any such customers.

The provisions of this Section 5 shall survive any termination of the Employee's employment and any termination of this Agreement.

6. No Assignments.

(a) This Agreement is personal to each of the parties hereto, and neither party may assign or delegate any of its rights or obligations hereunder without first obtaining the written consent of the other party; provided, however, that the Company shall require any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) by an assumption agreement in form and substance satisfactory to the Employee, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place. Failure of the Company to obtain such an assumption agreement prior to the effectiveness of any such succession or assignment shall be a breach of this Agreement and shall entitle the Employee to compensation and benefits from the Company in the same amount and on the same terms as provided for upon an Involuntary Termination under Section 3 hereof. For purposes of implementing the provisions of this Section 6(a), the date on which any such succession becomes effective shall be deemed the Date of Termination.

(b) This Agreement and all rights of the Employee hereunder shall inure to the benefit of and be enforceable by the Employee's personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

7. No Mitigation. The Employee shall not be required to mitigate the amount of any payment or benefit provided for in this Agreement by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in this Agreement be reduced by any compensation earned by the Employee as the result of employment by another employer, by retirement benefits after the Date of Termination or otherwise.

8. Notice. For the purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or sent by certified mail, return receipt requested, postage prepaid, to the Company at its principal office, to the attention of the Board of Directors with a copy to the Secretary of the Company, or, if to the Employee, to such home or other address as the Employee has most recently provided in writing to the Company.

9. Amendments. No amendments or additions to this Agreement shall be binding unless in writing and signed by both parties, except as herein otherwise provided.

10. Headings. The headings used in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement.

11. Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

12. Governing Law. This Agreement shall be governed by the laws of the State of North Carolina.

13. Arbitration. Any dispute or controversy arising under or in connection with this Agreement (other than relating to the enforcement of the provisions of Section 5) shall be settled exclusively by arbitration before a single arbitrator in Asheville, North Carolina under the commercial arbitration rules of the American Arbitration Association (the "AAA") then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction. The arbitrator shall be selected by the mutual agreement of the parties within ten (10) business days of the date when the parties shall first have the opportunity to select an arbitrator (the "Selection Period"); provided, however, that if the parties fail to agree upon an arbitrator by the expiration of the Selection Period, each party shall, within five (5) business days after the expiration of the Selection Period, select an arbitrator from the list of arbitrators provided by the AAA and the two arbitrators so selected by each party, acting independently, shall, as soon as practicable and within thirty (30) days of both being selected, agree upon the selection of the arbitrator to arbitrate the controversy or claim.

14. Equitable and Other Judicial Relief.

(a) It is the intention of the parties hereto that the provisions of this Agreement shall be enforced to the fullest extent permissible under all applicable laws and public policies, but that the unenforceability or the modification to conform with such laws or public policies of any provision hereof shall not render unenforceable or impair the remainder of this Agreement. The covenants in Section 5(b) with respect to the geographic area surrounding each office shall be deemed to be separate covenants with respect to each office, and should any court of competent jurisdiction conclude or find that this Agreement or any portion is not enforceable with respect to a particular office, such conclusion or finding shall in no way render invalid or unenforceable the covenants herein with respect to any other office. Accordingly, if any provision shall be determined to be invalid or unenforceable either in whole or in part, including without limitation the geographic scope or duration of such provision, the parties hereto agree that the court or authority making such determination shall have the power to reduce the scope or duration of such provision or to delete specific words or phrases as necessary (but only to the minimum extent necessary) to cause such provision or part to be valid and enforceable. If such court or authority does not have the legal authority to take the actions described in the preceding sentence, the parties agree to negotiate in good faith a modified provision that would, in so far as possible, reflect the original intent of this Agreement, including without limitation Section 5 hereof, without violating applicable law.

(b) The Employee acknowledges that any breach of Section 5 will result in irreparable damage to the Company for which the Company will not have an adequate remedy at law, especially in light of the impossibility of ascertaining exact money damages. In addition to any other remedies and damages available to the Company, the Employee further acknowledges that the Company shall be entitled to seek a temporary restraining order as well as preliminary and permanent injunctive relief hereunder to enjoin any breach or threatened breach of Section 5 of this Agreement, and the Employee hereby consents to any restraining order or injunction issued in favor of the Company by any court of competent jurisdiction, without prejudice to any other right or remedy to which the Company may be entitled. In addition, in the event of a breach of Section 5 of this Agreement by the Employee, the Employee acknowledges that in addition to or in lieu of the Company seeking injunctive relief, the Company may also seek a forfeiture of the cash severance payments paid or payable to the Employee pursuant to Section 3 of this Agreement with respect to the period of the breach in an amount equal to (i) the value ascribed to the non-competition or non-solicitation provision in Section 5 that was breached, multiplied by (ii) a fraction, the numerator of which is the period of time that the Employee was in breach of such provision and the denominator of which is the total duration of such provision in Section 5. Each of the remedies available to the Company in the event of a breach by the Employee shall be cumulative and not mutually exclusive.

15. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together will constitute one and the same instrument.

16. Changes in Statutes or Regulations. If any statutory or regulatory provision referenced herein is subsequently changed or re-numbered, or is replaced by a separate provision, then the references in this Agreement to such statutory or regulatory provision shall be deemed to be a reference to such section as amended, re-numbered or replaced.

17. Entire Agreement. This Agreement embodies the entire agreement between the Company and the Employee with respect to the matters agreed to herein. All prior agreements between the Company and the Employee with respect to the matters agreed to herein, including the Prior Agreement, are hereby superseded and shall have no force or effect.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

HOMETRUST BANCSHARES, INC.

/s/ Hunter Westbrook
By: Hunter Westbrook
Its: President and CEO

EMPLOYEE

/s/ Chuck Sivley
Chuck Sivley

Exhibit 31.1

RULE 13a-14(a) CERTIFICATION

I, C. Hunter Westbrook, 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.

August 9, 2024	By:	/s/ C. Hunter Westbrook
		C. Hunter Westbrook
		President and Chief Executive Officer

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.

August 9, 2024	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 June 30, 2024, 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.

August 9, 2024	By:	/s/ C. Hunter Westbrook
		C. Hunter Westbrook
		President and Chief Executive Officer
August 9, 2024	By:	/s/ Tony J. VunCannon
		Tony J. VunCannon
		Executive Vice President, CFO, and Treasurer