

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) May 31, 2014

HOMETRUST BANCSHARES, INC.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction
of incorporation)

001-35593

(Commission File No.)

45-5055422

(IRS Employer
Identification Number)

10 Woodfin Street, Asheville, North Carolina

(Address of principal executive offices)

28801

(Zip Code)

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

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.01. Completion of Acquisition or Disposition of Assets.

Effective May 31, 2014, HomeTrust Bancshares, Inc. (“HomeTrust”) completed its previously announced merger with Jefferson Bancshares, Inc. (“Jefferson”) pursuant to an Agreement and Plan of Merger, dated as of January 22, 2014, under which Jefferson merged with and into HomeTrust (the “Merger”). Immediately following the Merger, Jefferson’s wholly owned subsidiary bank, Jefferson Federal Bank, merged with and into HomeTrust’s wholly owned subsidiary bank, HomeTrust Bank (“HomeTrust Bank”).

Pursuant to the Merger Agreement, Jefferson shareholders will receive 0.2661 shares (the “Exchange Ratio”) of common stock, \$0.01 par value per share, of HomeTrust (“HomeTrust Common Stock”) and \$4.00 in cash for each share of common stock, \$0.01 par value per share, of Jefferson (“Jefferson Common Stock”). Each option granted by Jefferson to purchase shares of Jefferson Common Stock has been canceled.

The total consideration paid by HomeTrust in the Merger approximates \$50.5 million. The total number of HomeTrust shares issued was approximately 1.7 million shares. HomeTrust paid aggregate cash consideration of approximately \$25.2 million. HomeTrust common stock shares outstanding immediately prior to the Merger on May 31, 2014 was 19,101,752.

The foregoing description of the Merger Agreement does not purport to be complete and is qualified in its entirety by reference to the Merger Agreement, which is incorporated herein by reference as Exhibit 2.1.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of Registrant.

In connection with the Merger, pursuant to a Second Supplemental Indenture (the “Supplemental Indenture”), dated as of May 31, 2014, among HomeTrust, Jefferson, as successor to State of Franklin Bancshares, Inc. (“State of Franklin”), and Wilmington Trust Company, HomeTrust assumed the responsibility to perform the covenants to be performed by Jefferson under the First Supplemental Indenture, dated as of October 31, 2008 pursuant to which Jefferson assumed the responsibility to perform the covenants to be performed by State of Franklin under the Junior Subordinated Indenture dated December 13, 2006 (the “Indenture”), between State of Franklin and Wilmington Trust Company, as Trustee, relating to debt securities issued by State of Franklin, and the due and punctual payment of the principal of, and premium, if any, and interest on the \$10.31 million of its Floating Rate Junior Subordinated Notes due 2037 issued under the Indenture.

The foregoing description does not purport to be complete and is qualified in its entirety by reference to the Second Supplemental Indenture, a copy of which is attached hereto as Exhibit 4.1 and incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Effective upon the consummation of the Merger, Anderson L. Smith, President and Chief Executive Officer of Jefferson, became the East Tennessee Regional President of HomeTrust Bank, and a director of HomeTrust and HomeTrust Bank. In connection with the completion of the Merger, the previously disclosed employment agreement of Mr. Smith, which

provides for an annual base salary of \$210,000, a lump sum payment in the amount of \$300,000 in full satisfaction of the change in control benefits provided under his prior Jefferson employment agreement and a loan of \$200,000 became effective. Each required loan payment is expected to be forgiven as additional compensation to Mr. Smith. A copy of the employment agreement with Mr. Smith is attached hereto as Exhibit 10.1. The foregoing description does not purport to be complete and is qualified in its entirety by reference to the full text of the agreement.

Item 8.01. Other Events.

On June 2, 2014, HomeTrust issued a press release announcing the completion of the Merger. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

(a) Financial statements of businesses acquired.

Financial statements of the business acquired will be filed by amendment to this Current Report on Form 8-K (this "Report") no later than 71 days following the date that this Report is required to be filed.

(b) Pro forma financial information.

Pro forma financial information will be filed by amendment to this Report no later than 71 days following the date that this Report is required to be filed.

(d) Exhibits.

The following exhibit is being furnished herewith and this list shall constitute the exhibit index:

- 2.1 Agreement and Plan of Merger, dated as of January 22, 2014, by and between HomeTrust Bancshares, Inc. and Jefferson Bancshares, Inc. (attached as Exhibit 2.1 to HomeTrust's Current Report on Form 8-K filed on January 27, 2014, and incorporated herein by reference).
- 4.1 Second Supplemental Indenture, dated as of May 31, 2014, among HomeTrust, Jefferson and Wilmington Trust Company.
- 10.1 Employment Agreement, dated as of May 31, 2014 between HomeTrust Bank and Anderson L. Smith.
- 99.1 Press Release of HomeTrust Bancshares, Inc. dated June 2, 2014.

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 hereunto duly authorized.

HOMETRUST BANCSHARES, INC.

Date: June 2, 2014

By: /s/ Tony J. VunCannon
Tony J. VunCannon
Senior Vice President, Chief Financial Officer,
and Treasurer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
2.1	Agreement and Plan of Merger, dated as of January 22, 2014, by and between HomeTrust Bancshares, Inc. and Jefferson Bancshares, Inc. (attached as Exhibit 2.1 to HomeTrust's Current Report on Form 8-K filed on January 27, 2014, and incorporated herein by reference).
4.1	Second Supplemental Indenture, dated as of May 31, 2014, among HomeTrust, Jefferson and Wilmington Trust Company.
10.1	Employment Agreement, dated as of May 31, 2014 between HomeTrust Bank and Anderson L. Smith.
99.1	Press Release of HomeTrust Bancshares, Inc. dated June 2, 2014.

SECOND SUPPLEMENTAL INDENTURE

THIS SECOND SUPPLEMENTAL INDENTURE, dated as of May 31, 2014, is by and among Wilmington Trust Company, a Delaware trust company, as Trustee (herein, together with its successors in interest, the “Trustee”), HomeTrust Bancshares, Inc., a Maryland corporation (the “Successor Company”), and Jefferson Bancshares, Inc., a Tennessee corporation (the “Company”), as successor to State of Franklin Bancshares, Inc., a Tennessee corporation, under the First Supplemental Indenture referred to below.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the Trustee, the Company, and the Successor Company hereby agree as follows:

PRELIMINARY STATEMENTS

State of Franklin Bancshares, Inc., a former Tennessee corporation (“State of Franklin”), and the Trustee were parties to that certain Junior Subordinated Indenture, dated as of December 13, 2006 (the “Indenture”), pursuant to which State of Franklin issued its Floating Rate Junior Subordinated Notes due 2037.

The Trustee, the Company and State of Franklin are parties to that certain First Supplemental Indenture, dated as of October 31, 2008 (the “First Supplemental Indenture”) pursuant to which the Company became the successor to State of Franklin under the terms of the Indenture.

As permitted by the terms of the Indenture, the Company, simultaneously with the effectiveness of this Second Supplemental Indenture, shall merge (referred to herein for purposes of Article VIII of the Indenture as the “Merger”) with and into the Successor Company with the Successor Company as the surviving corporation. The parties hereto are entering into this Second Supplemental Indenture pursuant to, and in accordance with, Articles VIII and IX of the Indenture.

SECTION 1. Definitions. All capitalized terms used herein that are defined in the Indenture, either directly or by reference therein, shall have the respective meanings assigned them in the Indenture except as otherwise provided herein or unless the context otherwise requires.

SECTION 2. Interpretation.

- (a) In this Second Supplemental Indenture, unless a clear contrary intention appears:
 - (i) the singular number includes the plural number and vice versa;
 - (ii) reference to any gender includes the other gender;

- (iii) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Second Supplemental Indenture as a whole and not to any particular Section or other subdivision;
 - (iv) reference to any Person includes such Person’s successors and assigns but, if applicable, only if such successors and assigns are permitted by this Second Supplemental Indenture or the Indenture, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually provided that nothing in this clause (iv) is intended to authorize any assignment not otherwise permitted by this Second Supplemental Indenture or the Indenture;
 - (v) reference to any agreement, document or instrument means such agreement, document or instrument as amended, supplemented or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof, as well as any substitution or replacement therefor and reference to any note includes modifications thereof and any note issued in extension or renewal thereof or in substitution or replacement therefor;
 - (vi) reference to any Section means such Section of this Second Supplemental Indenture; and
 - (vii) the word “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term.
- (b) No provision in this Second Supplemental Indenture shall be interpreted or construed against any Person because that Person or its legal representative drafted such provision.

SECTION 3. Assumption of Obligations.

- (a) Pursuant to, and in compliance and accordance with, Section 8.1(a) of the Indenture, the Successor Company hereby expressly assumes the due and punctual payment of the principal of and any premium and interest (including any Additional Interest) on all the Securities and the performance of every covenant of the Indenture on the part of the Company to be performed or observed.
- (b) Pursuant to, and in compliance and accordance with, Section 8.2 of the Indenture, the Successor Company succeeds to, is substituted for, and may exercise every right and power of, the Company under the Indenture with the same effect as if the Successor Company had originally been named in

the Indenture as the Company, and the Company is discharged from all obligations and covenants under the Indenture and the Securities.

- (c) The Successor Company also succeeds to and is substituted for the Company with the same effect as if the Successor Company had originally been named in (i) the Amended and Restated Trust Agreement of the Trust, dated as of December 13, 2006 (the "Trust Agreement"), as Depositor (as defined in the Trust Agreement) and (ii) the Guarantee Agreement, dated as of December 13, 2006 (the "Guarantee"), as Guarantor (as defined in the Guarantee).

SECTION 4. Representations and Warranties. The Successor Company represents and warrants that (a) it has all necessary power and authority to execute and deliver this Second Supplemental Indenture and to perform the Indenture, (b) that it is the successor of the Company pursuant to the Merger effected in accordance with applicable law, (c) that it is a corporation organized and existing under the laws of the State of Maryland, (d) that both immediately before and after giving effect to the Merger and this Second Supplemental Indenture, no Event of Default, and no event which, after notice or lapse of time or both, would constitute an Event of Default, has occurred and is continuing and (e) that this Second Supplemental Indenture is executed and delivered pursuant to Section 9.1(a) and Article VIII of the Indenture and does not require the consent of the Holders of the Securities.

SECTION 5. Conditions of Effectiveness. This Second Supplemental Indenture shall become effective simultaneously with the effectiveness of the Merger, provided, however, that:

- (a) the Trustee shall have executed a counterpart of this Second Supplemental Indenture and shall have received one or more counterparts of this Second Supplemental Indenture executed by the Company and the Successor Company;
- (b) the Trustee shall have received an Officers' Certificate stating that (i) in the opinion of the signers, all conditions precedent (including covenants compliance with which constitutes a condition precedent), if any, provided for in the Indenture relating to the Merger and the Second Supplemental Indenture have been complied with, (ii) the Merger and this Second Supplemental Indenture comply with Article VIII of the Indenture, and (iii) the Trustee's execution of this Second Supplemental Indenture is authorized or permitted by the Indenture;
- (c) the Trustee shall have received an Opinion of Counsel to the effect that (i) all conditions precedent (including covenants compliance with which constitutes a condition precedent), if any, provided for in the Indenture relating to the Merger and the Second Supplemental Indenture have been complied with, (ii) the Merger and this Second Supplemental Indenture comply with Article VIII of the Indenture, and (iii) the Trustee's

execution of this Second Supplemental Indenture is authorized or permitted by the Indenture; and

- (d) the Successor Company and the Company shall have duly executed and filed Articles of Merger with the Secretary of the State of the State of Tennessee and the Maryland State Department of Assessments and Taxation in connection with the Merger.

SECTION 6. Reference to the Indenture.

- (a) Upon the effectiveness of this Second Supplemental Indenture, each reference in the Indenture to “this Indenture,” “hereunder,” “herein” or words of like import shall mean and be a reference to the Indenture, as affected, amended and supplemented hereby.
- (b) Upon the effectiveness of this Second Supplemental Indenture, each reference in the Securities to the Indenture including each term defined by reference to the Indenture shall mean and be a reference to the Indenture or such term, as the case may be, as affected, amended and supplemented hereby.
- (c) The Indenture, as amended and supplemented hereby, shall remain in full force and effect and is hereby ratified and confirmed.

SECTION 7. Execution in Counterparts. This Second Supplemental Indenture may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which when taken together shall constitute but one and the same instrument.

SECTION 8. Governing Law; Binding Effect. This Second Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York and shall be binding upon the parties hereto and their respective successors and assigns.

SECTION 9. The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Second Supplemental Indenture or the due execution thereof by the Company or the Successor Company. The recitals of fact contained herein shall be taken as the statements solely of the Company or the Successor Company, and the Trustee assumes no responsibility for the correctness thereof.

[SIGNATURE APPEARS ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Indenture to be duly executed as of the day and year first written above.

JEFFERSON BANCSHARES, INC.

By: /s/ Anderson L. Smith
Name: Anderson L. Smith
Title: President and Chief Executive Officer

HOMETRUST BANCSHARES, INC.

By: /s/ Tony J. VunCannon
Name: Tony J. VunCannon
Title: Senior Vice President, Chief Financial Officer and Treasurer

WILMINGTON TRUST COMPANY, not in its individual capacity, but solely as Trustee

By: /s/ Michael H. Wass
Name: Michael H. Wass
Title: Assistant Vice President

**HOMETRUST BANK
FULLY RESTATED EMPLOYMENT AGREEMENT
ANDERSON L. SMITH**

THIS FULLY RESTATED EMPLOYMENT AGREEMENT (this "Agreement"), signed as of May 29, 2014, between ANDERSON L. SMITH ("Executive") and HOMETRUST BANK (the "Bank") supersedes and replaces in their entirety the Employment Agreement, dated December 18, 2008, between Jefferson Bancshares, Inc. ("Jefferson"), Jefferson Federal Bank ("JFB") and Executive and the Employment Agreement dated January 22, 2014 between Executive and the Bank (the "Prior Employment Agreements"), and takes effect on the consummation of the Bank Merger (the "Effective Time") referenced below.

RECITALS

- A. Jefferson has entered into an Agreement and Plan of Merger (the "Merger Agreement") with HomeTrust Bancshares, Inc. ("HomeTrust"), the parent of the Bank, pursuant to which Jefferson will be merged into HomeTrust (the "Merger") and JFB will be merged into the Bank (the "Bank Merger").
- B. Executive presently serves as President and Chief Executive Officer of Jefferson and JFB and will continue to do so until consummation of the Merger and the Bank Merger.
- C. The Bank desires Executive to be employed by the Bank from and after the Effective Time, under the terms and conditions of this Agreement, and Executive desires to be employed by the Bank from and after the Effective Time, under the terms and conditions of this Agreement.

AGREEMENT

In consideration of the promises set forth in this Agreement, the parties agree as follows.

1. Change in Control Benefits. At the Effective Time, in full and complete satisfaction of Executive's change in control benefits under the Prior Employment Agreement, the Bank shall make a compensatory payment to Executive in the amount of \$300,000 and the Bank or HomeTrust shall loan Executive \$200,000 to be evidenced by and subject to the provisions of a promissory note, in the form previously furnished to Executive.
2. Employment; Title. The Bank agrees to employ Executive, and Executive accepts employment by the Bank on the terms and conditions set forth in this Agreement. Executive's title will be Eastern Tennessee Market President.
3. Effective Time and Term.
 - a. Term. The term of this Agreement ("Term") is two years beginning on the day of the Effective Time.

- b. Abandonment or Termination of the Merger. This Agreement is void if the Merger Agreement is terminated for any reason or Executive dies or becomes disabled before the Effective Time.
4. Duties. Executive will faithfully and diligently perform the duties assigned to him, which duties will be consistent with his title and position. Executive will report directly to the Bank's Chief Banking Officer (the "CBO"). The Chief Executive Officer of the Bank (the "CEO") or the CBO may, from time to time, modify Executive's performance responsibilities to accommodate management objectives of the Bank. Executive will assume any additional positions, duties, and responsibilities as may reasonably be requested of him consistent with his title and position without additional compensation.
5. Extent of Services. Executive will devote all of his work time, attention and skill to the duties and responsibilities referenced in Section 4. To the extent that such activities do not interfere with his duties under Section 4, Executive may participate in other businesses as a passive investor and provide services to charitable and community organizations, but (a) Executive may not actively participate in the operation or management of those businesses or organizations, and (b) Executive may not, without the Bank's prior written consent, make or maintain any investment in a business with which the Bank and/or HomeTrust has an existing competitive or commercial relationship.
6. Compensation. Executive shall receive a base salary of not less than \$210,000 per year during the Term ("Base Salary"), payable not less frequently than monthly in accordance with the Bank's regular payroll practices for executives.
7. Vacation and Benefits.
- a. Vacation and Holidays. Executive will receive Paid Time Off (PTO) of 30 days each year, excluding holidays. Executive's ability to carry over or accumulate PTO will be governed by the Bank's applicable policies.
- b. Benefits. Executive will be entitled to participate in all benefit and welfare plans and programs of the Bank that are provided to employees of the Bank on a uniform and non-discriminatory basis.
- c. Certain Specific Benefits. Executive shall be entitled to the following benefits:
- (i) Auto Allowance. An automobile allowance of \$600 per month.
 - (ii) Cell phone. Reimbursement or direct payment of Executive's cell phone bill in an amount not to exceed \$125 per month.
 - (iii) Executive Life Insurance. The Bank's group plan provides for 2x total annual compensation, the same coverage that is provided to other Bank executives.

- (iv) Long Term Disability. The benefit is 60% of compensation up to a maximum \$180,000 benefit amount, with the benefit designed to be received by Executive on a tax-free basis. At age 65 the benefit goes to 24 months and declines three months every year.
- (v) Qualified Plans. The 401(k) and ESOP plans will provide Executive a potential for significant annual employer funded benefits.
- (vi) SERP Benefit. \$15,083 per year payable annually less any required tax withholding for the remainder of the 15 year term which commenced on April 26, 2013.

8. Termination of Employment.

- a. Termination by Bank for Cause. If the Bank terminates Executive's employment for Cause or Executive terminates his employment without Good Reason (defined below) before this Agreement terminates, Executive will be entitled to receive all compensation and benefits earned and expenses reimbursable through the date of termination, and in the case of a termination by the Executive without Good Reason, the remaining SERP Benefit payable annually. Executive shall have no right to receive compensation or benefits for any period after termination.
- b. Other Termination by Bank. If the Bank terminates Executive's employment without Cause before this Agreement terminates, or Executive terminates his employment for Good Reason, then contingent upon Executive's execution of a release of any and all claims arising out of such termination of his employment, the Bank will pay Executive a lump sum payment equal to the amount of Base Salary remaining to be paid during the Term, plus all compensation and benefits earned and expenses reimbursable through the date of termination, plus the remaining SERP Benefit payable annually.
- c. Death or Disability. This Agreement terminates (1) if Executive dies or (2) if Executive is unable to perform his duties and obligations under this Agreement for a period of 90 consecutive days as a result of a physical or mental disability arising at any time during the Term, unless with reasonable accommodation Executive could continue to perform his duties under this Agreement and making these accommodations would not pose an undue hardship on the Bank. If termination occurs under this Section 8(c), Executive or his estate will be entitled to receive all compensation and benefits earned and expenses reimbursable through the date Executive's employment terminated plus the remaining SERP Benefit payable annually.
- d. Return of Bank Property. If and when Executive ceases, for any reason, to be employed by the Bank, Executive must return to the Bank all keys, pass cards, identification cards and any other property of the Bank. At the same time, Executive also must return to the Bank all originals and copies (whether in hard copy, electronic or other form) of any documents, drawings, notes, memoranda, designs, devices, diskettes, tapes, manuals, and specifications which constitute

proprietary information or material of the Bank. The obligations in this Section 8(d) include the return of documents and other materials that may be in his desk at work, in his car, in place of residence, or in any other location under his control.

e. Cause. “Cause” includes any one or more of the following:

- (1) Executive’s personal dishonesty, incompetence, willful misconduct, breach of fiduciary duty involving personal profit or willful violation of any law, rule or regulation (other than traffic violations or similar offenses);
- (2) Executive’s intentional failure to perform stated duties;
- (3) The material breach by the Executive of this Agreement;
- (4) Executive being subject to a final cease and desist order;
- (5) The exhibition by the Executive of a standard of behavior within the scope of his employment that is materially disruptive to the orderly conduct of the Bank’s business operations (including, without limitation, substance abuse or sexual misconduct) to a level which, in the Board of Directors’ good faith and reasonable judgment is materially detrimental to the Bank’s best interest, that, if susceptible of cure remains uncured 10 days following written notice to the Executive of such specific inappropriate behavior; or
- (6) The failure of the Executive to devote his full business time and attention to his employment as provided under this Agreement that, if susceptible of cure, remains uncured 10 days following written notice to the Executive of such failure.

In order for the Board of Directors to make a determination that termination shall be for Cause under subpart (6) above, the Board must provide the Executive with an opportunity to meet with the Board in person.

f. Good Reason. “Good Reason” means any one or more of the following:

- (1) Reduction of Executive’s Base Salary;
- (2) A material diminution in the authority, responsibilities or duties of the Executive in relationship to the authority, duties and responsibilities of other Market Presidents of the Bank on the date hereof, without the Executive’s consent;
- (3) A material breach or violation of this Agreement by the Bank that is not remedied within 10 days after the receipt of written notice by the Bank to cure; or
- (4) A non-consensual relocation or transfer of Executive’s principal place of employment that would require Executive to commute on a regular basis more than thirty (30) miles each way from Morristown, Tennessee.

Provided that the Executive shall provide notice to the Bank of the existence of the condition described above within 30 days of the initial existence of the condition, upon the notice of which the Bank shall have 30 days to remedy the condition.

9. Confidentiality. Executive will not, at any time during and after the Term, use for his own purposes or disclose to any other person or entity any confidential business information concerning the Bank or HomeTrust or their business operations, unless (1) the Bank or HomeTrust consents in writing to the use or disclosure of such confidential information; (2) the use or disclosure is consistent with Executive's duties under this Agreement; (3) disclosure is required by law or court order; or (4) the information is made or otherwise becomes public. For purposes of this Agreement, confidential business information includes, without limitation, information concerning all aspects of current and future operations, information on asset and investment management practices, marketing plans, pricing structure and technology of either the Bank or HomeTrust.
10. Restrictive Covenants.
- a. Competitive Activities. During the period of his employment with the Bank and two years thereafter, Executive will not, directly or indirectly, as a founder, shareholder, director, officer, employee, partner, agent, consultant, creditor or otherwise, provide employment, consulting, advisory or other similar services within a 50 miles radius of any branch or office location of the Bank, to any person or entity engaged in any business that is competitive with the business of the Bank or HomeTrust, as conducted during the Term or as conducted as of the date of termination of employment, including any preliminary steps associated with the formation of a new financial institution.
- b. Non-Interference. During the period of his employment with the Bank and for two years thereafter, Executive will not, directly or indirectly, encourage or entice, or attempt to encourage or entice, (i) any employee or the Bank or HomeTrust to terminate his/her employment with the Bank or HomeTrust, or (ii) any person or entity to terminate, cancel, rescind, revoke, diminish or reduce the level of its business or contractual relationships with the Bank or HomeTrust.
11. Enforcement.
- a. The Bank and Executive stipulate that, in light of all the facts and circumstances of the relationship between Executive and the Bank, the agreements referred to in Sections 9 and 10 (including without limitation their scope and duration) are fair and reasonably necessary for the protection of the Bank's and HomeTrust's confidential information, goodwill and other protectable interests. If a court of competent jurisdiction should decline to enforce any of those covenants and agreements, Executive and the Bank request the court to reform these provisions to maximize enforceable.

- b. Executive acknowledges the Bank and/or HomeTrust will suffer immediate and irreparable harm that will not be compensable by damages alone if Executive repudiates or breaches any of the provisions of Section 9 or 10 or threatens or attempts to do so. For this reason, under these circumstances, the Bank, in addition to and without limitation of any other rights, remedies or damages available to it at law or in equity, will be entitled to obtain temporary, preliminary and permanent injunctions in order to prevent or restrain the breach, and the Bank will not be required to post a bond as a condition for the granting of this relief.
12. Covenants. Executive specifically acknowledges the receipt of adequate consideration for the covenants contained in Sections 9 and 10 and that the Bank is entitled to require him to comply with such Sections. Sections 9, 10 and 11 will survive termination of this Agreement. Executive represents that if his employment is terminated, whether voluntarily or involuntarily, Executive has experience and capabilities sufficient to enable Executive to obtain employment in areas which do not violate this Agreement and that the Bank's enforcement of a remedy by way of injunction will not prevent Executive from earning a livelihood.
13. Regulatory Action. Notwithstanding any other provisions of this Agreement:
- a. If Executive is suspended and/or temporarily prohibited from participating in the Bank's affairs by a notice served under Section 8(e)(3) or (g)(1) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e)(3) and (g)(1), the Bank's obligations under this Agreement shall be suspended as of the date of service of such notice unless stayed by appropriate proceedings. If the charges in the notice are dismissed, the Bank may in its discretion (i) pay Executive all or part of the compensation withheld while its contract obligations were suspended or (ii) reinstate (in whole or in part) any of its obligations which were suspended;
- b. If the Executive is removed and/or permanently prohibited from participating in the conduct of the affairs of a depository institution by an order issued under Section 8(e)(4) or (g)(1) of FDIA, 12 U.S.C. 1818(e)(4) and (g)(1), all obligations of the Bank under this Agreement shall terminate as of the effective date of the order, but vested rights of the contracting parties shall not be affected;
- c. If the Bank is in default (as defined in Section 3(x)(1) of the FDIA), all obligations of the Bank under this Agreement shall terminate as of the date of default, but this provision shall not affect any vested rights of the contracting parties; and
- d. All obligations of the Bank under this Agreement shall be terminated, except to the extent determined that continuation of this Agreement is necessary for the continued operation of the Bank: (i) by the Comptroller of the Currency or his or her designee (the "OCC"), at the time the Federal Deposit Insurance Corporation enters into an agreement to provide assistance to or on behalf of the Bank under

the authority contained in Section 13(c) of FDIA; or (ii) by the OCC, at the time the OCC approves a supervisory merger to resolve problems related to operation of the Bank or when the Bank is determined by the OCC to be in an unsafe or unsound condition. Any rights of the parties that have already vested, however, shall not be affected by any such action.

14. Miscellaneous Provisions.

- a. Tax Withholding. All actual and deemed compensation payments made to Executive by the Bank or HomeTrust under this Agreement or otherwise shall be subject to the customary tax withholding policies and practices of the Bank and HomeTrust. Consistent herewith, the Bank and/or HomeTrust may make additional tax withholding from cash compensatory payments to be made to Executive to cover any withholding obligation relating to non-cash compensatory payments or benefits being provided to Executive from the Bank or HomeTrust.
- b. Entire Agreement. This Agreement constitutes the entire understanding and agreement between the parties concerning its subject matter and supersedes all prior agreements, correspondence, representations, or understandings between the parties relating to its subject matter.
- c. Prior Agreements; Waiver and Release. This Agreement supersedes and replaces in their entirety any and all previous agreements between Executive and Jefferson, JFB or the Bank regarding compensation or terms of employment of Executive, including, without limitation, the Prior Employment Agreements and any other agreements regarding change in control payments, severance payments, supplemental life insurance benefits, supplemental retirement benefits, and/or other benefits (collectively, the "Prior Agreements"); provided, however, that in the event this Agreement becomes void in accordance with Section 3(b) above, the Prior Agreements between Jefferson, JFB and Executive shall remain in full force and effect. Executive hereby waives any right or entitlement to any severance payments, compensation, monies, or benefits under the Prior Agreements. Executive expressly waives and releases the Bank and HomeTrust, from any and all claims or obligations arising out of the Prior Agreements.
- d. Binding Effect. This Agreement will bind and inure to the benefit of the Bank, and its successors and assigns and Executive and his heirs and legal representatives.
- e. Litigation Expenses. If either party seeks to enforce any provision of this Agreement or to collect any amount claimed to be due under it, the party who has obtained a legal judgment in its favor or settlement will be entitled to reimbursement from the non-prevailing party for any and all of its out-of-pocket expenses and costs including, without limitation, reasonable attorneys' fees and costs incurred in connection with the enforcement or collection.

- f. Waiver. Any waiver by a party of its rights under this Agreement must be written and signed by the party waiving its rights. A party's waiver of the other party's breach of any provision of this Agreement will not operate as a waiver of any other breach by the breaching party.
- g. Assignment. The services to be rendered by Executive under this Agreement are unique and personal. Accordingly, Executive may not assign any of his rights or duties under this Agreement.
- h. Amendment. This Agreement may be modified only through a written instrument signed by both parties.
- i. Severability. The provisions of this Agreement are severable. The invalidity of any provision will not affect the validity of other provisions of this Agreement.
- j. Governing Law and Venue. This Agreement will be governed by and construed in accordance with laws of the state of Tennessee, except to the extent that certain regulatory matters may be governed by federal law.
- k. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same document.
- l. Counsel Review. Executive acknowledges that he has had the opportunity to consult with independent counsel with respect to the negotiation, preparation, and execution of this Agreement.
- m. IRC Section 409A. The provisions of this Agreement are intended to comply with Section 409A of the U.S. Internal Code of 1986, as amended, U.S. Treasury regulations issued thereunder, and related U.S. Internal Revenue Service guidance ("409A Rules"). Such provisions will be interpreted and applied in a manner consistent with the 409A Rules so that payments and benefits provided to Executive hereunder will not, to the greatest extent possible, be subject to taxation under such Section 409A, including payments excluded from the 409A Rules as separation pay on account of an involuntary separation from service or as short-term deferral. Notwithstanding any contrary provisions hereof, this Agreement may be amended if and to the extent the Bank determines that such amendment is necessary to comply with the 409A Rules. In addition, each payment hereunder is intended to constitute a separate payment from each other payment for purposes of Treasury Regulation § 1.409A-2(b)(2).

If the Executive is a "Specified Employee" within the meaning of the 409A Rules on the date of the Executive's separation from service ("Separation Date"), and if an exemption from the six month delay requirement of the 409A Rules is not available, then no such payment shall be made or commence during the period beginning on the Separation Date and ending on the date that is six months

following the Separation Date or, if earlier, on the date of the Executive's death. The amount of any payment that would otherwise be paid to the Executive during this period shall instead be paid to the Executive on the first day of the first calendar month following the end of the period.

[Signatures appear on following page]

This Fully Restated Employment Agreement is executed as of May 29, 2014.

HOMETRUST BANK

By: /s/ Dana L. Stonestreet
Dana L. Stonestreet
Its: President and Chief Executive Officer

EXECUTIVE:

/s/ Anderson L. Smith
Anderson L. Smith



HomeTrust Bancshares, Inc.

HomeTrust Bancshares, Inc. and Jefferson Bancshares Complete Merger

ASHEVILLE, NC – June 2, 2014 - HomeTrust Bancshares, Inc. (NASDAQ: HTBI) (“HomeTrust”), the holding company for HomeTrust Bank, announced today the completion of its acquisition of Jefferson Bancshares, Inc. (“Jefferson”) (NASDAQ:JFBI) of Morristown, Tennessee, effective May 31, 2014. In connection with the acquisition, Jefferson Federal Bank, the bank subsidiary of Jefferson, was merged into HomeTrust Bank. The bank merger results in a community bank with total assets of approximately \$2.1 billion and an expanded banking presence for HomeTrust in the Kingsport/Johnson City, Knoxville, and Morristown, Tennessee markets. HomeTrust will continue to operate Jefferson’s twelve offices under the Jefferson Federal Bank name until a system conversion is completed in August 2014.

Dana Stonestreet, Chairman, President and CEO of HomeTrust commented, “Expansion into the East Tennessee market represents the disciplined execution of our previously communicated growth strategy to capitalize on acquisition opportunities that leverage our capital, create scale and increase operating efficiencies over a larger geographic footprint. Jefferson, located in attractive and growing markets, is a like-minded institution that shares a common interest of creating value for customers, employees, communities, and shareholders, which makes it a great fit with our franchise. We are excited to welcome the Jefferson employees to the HomeTrust team and look forward to realizing the many benefits that we expect this transaction to produce.” Stonestreet continued, “The Jefferson combination represents HomeTrust’s second acquisition in 23 months, with a third acquisition scheduled for completion during the third calendar quarter of 2014. Once, the three acquisitions are completed, since converting to stock in July 2012 we will have achieved a \$750 million, or 50% growth in assets and a 75% increase in banking offices, from 20 to 35 full service offices located in North Carolina, Eastern Tennessee and Greenville, South Carolina.”

HomeTrust will issue an aggregate of approximately 1.7 million shares of common stock and pay approximately \$25.2 million in cash in the transaction. Under the terms of the merger agreement, each Jefferson shareholder will receive a total of \$8.00 per share in merger consideration consisting of \$4.00 in cash plus .2661 shares of HomeTrust common stock for each share of Jefferson common stock owned as of the effective date. This represents approximately \$50.5 million of aggregate transaction consideration. Jefferson had total assets of \$506.8 million, total deposits of \$384.0 million, and stockholders’ equity of \$54.4 million at March 31, 2014.

Anderson Smith, former President and Chief Executive of Jefferson and now a director for HomeTrust Bancshares, Inc. and HomeTrust Bank, as well as the East Tennessee Regional President, stated, “We are excited to become part of a vibrant and growing community-based banking institution sharing our core values. As combined entities, we will be able to build value far faster than we would be able to do so alone. We are enthusiastic to provide our customers an expanded product and service offering made possible through this combination.”

HomeTrust Bancshares, Inc. was advised in this transaction by Sandler O’Neill & Partners, L.P. as financial advisor and Silver, Freedman, Taff & Tiernan LLP as legal counsel. Jefferson was advised by Keefe, Bruyette and Woods as financial advisor and Kilpatrick Townsend & Stockton LLP as legal counsel.

About HomeTrust Bancshares, Inc.

HomeTrust is the holding company for HomeTrust Bank, including its banking divisions – HomeTrust Bank, Tryon Federal Bank, Shelby Savings Bank, Home Savings Bank, Industrial Federal Bank, Cherryville Federal Bank and Rutherford County Bank. Upon the closing and merger of Jefferson, HomeTrust has assets of approximately \$2.1 billion and the community-oriented financial institution offers traditional financial services within its local communities through its 34 offices in Western North Carolina, including the Asheville metropolitan area, the “Piedmont” region of North Carolina, Greenville, South Carolina, and East Tennessee, including Kingsport/Johnson City, Knoxville, and Morristown.

On March 4, 2014, HomeTrust announced it entered into a merger agreement to acquire Bank of Commerce headquartered in Charlotte, North Carolina. The transaction is anticipated to close in the third calendar quarter of 2014. Bank of Commerce has one office in midtown Charlotte. As of March 31, 2014, Bank of Commerce had total assets of \$126.4 million.

Forward-Looking Statements

This press release may contain certain forward-looking statements. Forward-looking statements include statements regarding anticipated future events and can be identified by the fact that they do not relate strictly to historical or current facts. They often include words such as “believe,” “expect,” “anticipate,” “estimate,” and “intend” or future or conditional verbs such as “will,” “would,” “should,” “could,” or “may.” Forward-looking statements, by their nature, are subject to risks and uncertainties. Certain factors that could cause actual results to differ materially from expected results for the businesses of HomeTrust Bancshares, Inc. and HomeTrust Bank include: expected cost savings, synergies and other financial benefits from the acquisitions of Bank of Commerce and Jefferson Bancshares, Inc. (“acquisitions”) might not be realized within the expected time frames or at all, and costs or difficulties relating to integration matters might be greater than expected; the requisite shareholder and regulatory approvals for the Bank of Commerce merger might not be obtained; the credit risks of lending activities, including changes in the level and trend of loan delinquencies and write offs and changes in our allowance for loan losses and provision for loan losses that may be impacted by deterioration in the housing and commercial real estate markets; changes in general economic conditions, either nationally or in our market areas; changes in the levels of general interest rates, and the relative differences between short and long term interest rates, deposit interest rates, our net interest margin and funding sources; fluctuations in the demand for loans, the number of unsold homes, land and other properties and fluctuations in real estate values in our market areas; decreases in the secondary market for the sale of loans that we originate; results of examinations of us by the Board of Governors of the Federal Reserve System and our bank subsidiary by the Office of the Comptroller of the Currency or other regulatory authorities, including the possibility that any such regulatory authority may, among other things, require us to increase our reserve for loan losses, write-down assets, change our regulatory capital position or affect our ability to borrow funds or maintain or increase deposits, which could adversely affect our liquidity and earnings; legislative or regulatory changes that adversely affect our business including the effect of Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) and Basel III, changes in regulatory policies and principles, or the interpretation of regulatory capital or other rules; our ability to attract and retain deposits; increases in premiums for deposit insurance; management’s assumptions in determining the adequacy of the allowance for loan losses; our ability to control operating costs and expenses, especially new costs associated with our operation as a public company; the use of estimates in determining fair value of certain of our 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; computer systems on which we depend could fail or experience a security breach; our ability to retain key members of our senior management team; costs and effects of litigation, including settlements and judgments; our ability to successfully integrate any assets, liabilities, customers, systems, and management personnel we may in the future acquire into our operations and our ability to realize related revenue synergies and cost savings within expected time frames and any goodwill charges related thereto; increased competitive pressures among financial services companies; changes in consumer spending, borrowing and savings habits; the availability of resources to address changes in laws, rules, or regulations or to respond to regulatory actions; adverse changes in the securities markets; inability of key third-party providers to perform their obligations to us; statements with respect to our intentions regarding disclosure and other changes resulting from the Jumpstart Our Business Startups Act of 2012 (“JOBS Act”); changes in accounting policies and practices, as may be adopted by the financial institution regulatory agencies, the Public Company Accounting Oversight Board or the Financial Accounting Standards Board; and other economic, competitive, governmental, regulatory, and technological factors affecting our operations, pricing, products and services; and the other risks described in the Company’s reports filed with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended June 30, 2013.

Any of the forward-looking statements that we make in this release are based upon management's beliefs and assumptions at the time they are made and may turn out to be wrong because of inaccurate assumptions we might make, because of the factors illustrated above or because of other factors that we cannot foresee. We do not undertake and specifically disclaim any obligation to revise any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements. These risks could cause our actual results for fiscal 2014 and beyond to differ materially from those expressed in any forward-looking statements by, or on behalf of, us, and could negatively affect our operating and stock price performance.

WEBSITE: WWW.HOMETRUSTBANCSHARES.COM

Contact:

Dana L. Stonestreet – Chairman, President and CEO
Tony J. VunCannon - Senior Vice President, CFO, and Treasurer
828-259-3939