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, 2026

☐ 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	Name of each exchange on which registered
Common Stock, par value $0.01 per share	HTB	The New York Stock Exchange 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 16,693,180 shares of common stock, par value of $0.01 per share, issued and outstanding as of July 30, 2026.

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
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 of Atlanta
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
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, 2026	December 31, 2025
Assets		
Cash	$ 17,141	$ 14,411
Interest-bearing deposits	255,403	310,281
Cash and cash equivalents	272,544	324,692
Certificates of deposit in other banks	11,629	18,841
Debt securities available for sale, at fair value (amortized cost of $146,448 and $141,793 at June 30, 2026 and December 31, 2025, respectively)	145,880	142,540
FHLB and FRB stock	13,620	13,636
SBIC investments	20,398	18,818
Loans held for sale, at fair value	2,999	7,005
Loans held for sale, at the lower of cost or fair value	117,891	198,688
Loans, net of deferred loan fees and costs	3,622,244	3,578,154
Allowance for credit losses – loans	(39,789)	(41,479)
Loans, net	3,582,455	3,536,675
Premises and equipment, net	62,485	62,400
Accrued interest receivable	14,530	15,973
Deferred income taxes, net	9,395	9,922
BOLI	95,456	93,930
Goodwill	34,111	34,111
Core deposit intangibles, net	4,172	4,848
Other assets	52,713	63,556
Total assets	$ 4,440,278	$ 4,545,635
Liabilities and stockholders' equity		
Liabilities		
Deposits	$ 3,606,847	$ 3,709,997
Junior subordinated debt	—	10,220
Borrowings	175,000	165,000
Other liabilities	57,831	59,728
Total liabilities	3,839,678	3,944,945
Commitments and contingencies – See Note 11		
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, 16,727,821 and 17,286,289 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively	168	173
Additional paid in capital	139,759	166,856
Retained earnings	464,285	436,524
Unearned ESOP shares	(3,174)	(3,438)
Accumulated other comprehensive income (loss)	(438)	575
Total stockholders' equity	600,600	600,690
Total liabilities and stockholders' equity	$ 4,440,278	$ 4,545,635

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, 2026	(Unaudited) Three Months Ended June 30, 2025	(Unaudited) Six Months Ended June 30, 2026	(Unaudited) Six Months Ended June 30, 2025
Interest and dividend income				
Loans	$ 57,507	$ 60,440	$ 115,232	$ 119,053
Debt securities available for sale	1,667	1,658	3,271	3,445
Other investments and interest-bearing deposits	1,999	1,543	4,167	4,778
Total interest and dividend income	61,173	63,641	122,670	127,276
Interest expense				
Deposits	15,578	18,856	32,428	39,219
Junior subordinated debt	151	206	339	411
Borrowings	150	350	304	510
Total interest expense	15,879	19,412	33,071	40,140
Net interest income	45,294	44,229	89,599	87,136
Provision for credit losses	920	1,303	1,290	2,843
Net interest income after provision for credit losses	44,374	42,926	88,309	84,293
Noninterest income				
Service charges and fees on deposit accounts	2,627	2,502	5,041	4,746
Loan income and fees	501	548	1,193	1,269
Gain on sale of loans held for sale	1,874	2,109	4,528	4,017
BOLI income	893	852	1,785	1,694
Operating lease income	1,407	1,876	3,299	3,255
Gain on sale of branches	—	1,448	—	1,448
Gain on sale of premises and equipment	1,101	28	1,478	28
Other	844	794	1,954	1,727
Total noninterest income	9,247	10,157	19,278	18,184
Noninterest expense				
Salaries and employee benefits	20,169	18,208	40,046	35,907
Occupancy expense, net	2,417	2,375	5,047	4,886
Computer services	3,027	2,488	5,904	5,293
Operating lease depreciation expense	1,378	1,789	2,894	3,657
Telephone, postage and supplies	509	561	1,090	1,107
Marketing and advertising	584	442	1,001	894
Deposit insurance premiums	481	473	965	984
Core deposit intangible amortization	302	411	676	926
Loss on redemption of junior subordinated debt securities	1,079	—	1,079	—
Other	4,033	4,508	8,252	8,562
Total noninterest expense	33,979	31,255	66,954	62,216
Income before income taxes	19,642	21,828	40,633	40,261
Income tax expense	4,012	4,618	8,231	8,512
Net income	$ 15,630	$ 17,210	$ 32,402	$ 31,749
Per share data				
Net income per common share				
Basic	$ 0.95	$ 1.01	$ 1.95	$ 1.85
Diluted	$ 0.94	$ 1.00	$ 1.93	$ 1.84
Average shares outstanding				
Basic	16,311,782	17,006,141	16,446,295	17,008,699
Diluted	16,423,442	17,106,448	16,569,902	17,109,842

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,	
	2026	**2025**	**2026**	**2025**
Net income	$ 15,630	$ 17,210	$ 32,402	$ 31,749
Other comprehensive income (loss)				
Unrealized holding gains (losses) on debt securities available for sale				
Gains (losses) arising during the period	(507)	420	(1,315)	1,829
Deferred income tax benefit (expense)	116	(96)	302	(420)
Total other comprehensive income (loss)	(391)	324	(1,013)	1,409
Comprehensive income	$ 15,239	$ 17,534	$ 31,389	$ 33,158

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, 2026						
	Common Stock		Additional Paid In Capital	Retained Earnings	Unearned ESOP Shares	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount					
Balance at March 31, 2026	16,803,185	$ 168	$ 144,465	$ 451,127	$ (3,306)	$ (47)	$ 592,407
Net income	—	—	—	15,630	—	—	15,630
Cash dividends declared on common stock, $0.15/common share	—	—	—	(2,472)	—	—	(2,472)
Common stock repurchased	(153,606)	(2)	(7,149)	—	—	—	(7,151)
Forfeited restricted stock	(3,458)	—	—	—	—	—	—
Retired stock	(33,156)	—	(14)	—	—	—	(14)
Granted restricted stock	6,936	—	—	—	—	—	—
Exercised stock options	107,920	2	1,263	—	—	—	1,265
Share-based compensation expense	—	—	713	—	—	—	713
ESOP compensation expense	—	—	481	—	132	—	613
Other comprehensive loss	—	—	—	—	—	(391)	(391)
Balance at June 30, 2026	16,727,821	$ 168	$ 139,759	$ 464,285	$ (3,174)	$ (438)	$ 600,600

	(Unaudited) Three Months Ended June 30, 2025						
	Common Stock		Additional Paid In Capital	Retained Earnings	Unearned ESOP Shares	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount					
Balance at March 31, 2025	17,552,626	$ 176	$ 176,682	$ 393,026	$ (3,835)	$ (600)	$ 565,449
Net income	—	—	—	17,210	—	—	17,210
Cash dividends declared on common stock, $0.12/common share	—	—	—	(2,058)	—	—	(2,058)
Common stock repurchased	(78,412)	(1)	(2,830)	—	—	—	(2,831)
Forfeited restricted stock	(1,088)	—	—	—	—	—	—
Retired stock	(427)	—	(15)	—	—	—	(15)
Granted restricted stock	10,044	—	—	—	—	—	—
Exercised stock options	9,400	—	235	—	—	—	235
Share-based compensation expense	—	—	496	—	—	—	496
ESOP compensation expense	—	—	332	—	132	—	464
Other comprehensive income	—	—	—	—	—	324	324
Balance at June 30, 2025	17,492,143	$ 175	$ 174,900	$ 408,178	$ (3,703)	$ (276)	$ 579,274

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

(Unaudited)
Six Months Ended June 30, 2026

	Common Stock		Additional Paid In Capital	Retained Earnings	Unearned ESOP Shares	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	**Amount**					
Balance at December 31, 2025	17,286,289	$ 173	$ 166,856	$ 436,524	$ (3,438)	$ 575	$ 600,690
Net income	—	—	—	32,402	—	—	32,402
Cash dividends declared on common stock, $0.28/common share	—	—	—	(4,641)	—	—	(4,641)
Common stock repurchased	(686,846)	(8)	(30,224)	—	—	—	(30,232)
Forfeited restricted stock	(3,458)	—	—	—	—	—	—
Retired stock	(55,131)	—	(593)	—	—	—	(593)
Granted restricted stock	61,047	1	—	—	—	—	1
Exercised stock options	125,920	2	1,322	—	—	—	1,324
Share-based compensation expense	—	—	1,480	—	—	—	1,480
ESOP compensation expense	—	—	918	—	264	—	1,182
Other comprehensive loss	—	—	—	—	—	(1,013)	(1,013)
Balance at June 30, 2026	16,727,821	$ 168	$ 139,759	$ 464,285	$ (3,174)	$ (438)	$ 600,600

(Unaudited)
Six Months Ended June 30, 2025

	Common Stock		Additional Paid In Capital	Retained Earnings	Unearned ESOP Shares	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	**Amount**					
Balance at December 31, 2024	17,527,709	$ 175	$ 176,693	$ 380,541	$ (3,966)	$ (1,685)	$ 551,758
Net income	—	—	—	31,749	—	—	31,749
Cash dividends declared on common stock, $0.24/common share	—	—	—	(4,112)	—	—	(4,112)
Common stock repurchased	(93,212)	(1)	(3,333)	—	—	—	(3,334)
Forfeited restricted stock	(3,621)	—	—	—	—	—	—
Retired stock	(11,762)	—	(442)	—	—	—	(442)
Granted restricted stock	59,329	—	—	—	—	—	—
Exercised stock options	13,700	1	330	—	—	—	331
Share-based compensation expense	—	—	986	—	—	—	986
ESOP compensation expense	—	—	666	—	263	—	929
Other comprehensive income	—	—	—	—	—	1,409	1,409
Balance at June 30, 2025	17,492,143	$ 175	$ 174,900	$ 408,178	$ (3,703)	$ (276)	$ 579,274

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,	
	2026	**2025**
Operating activities		
Net income	$ 32,402	$ 31,749
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	1,290	2,843
Depreciation and amortization of premises and equipment and equipment for operating leases	4,924	5,612
Deferred income tax expense	829	347
Net accretion of purchase accounting adjustments on loans	(1,129)	(1,343)
Net amortization and accretion	1,701	2,610
SBIC investments income	(876)	(1,561)
Gain on sale of branches	—	(1,448)
Gain on sale of premises and equipment	(1,478)	(28)
Loss on repossessed assets	49	275
Loss on previously leased equipment	372	1,103
Loss on redemption of junior subordinated debt securities	1,079	—
BOLI income	(1,785)	(1,694)
Gain on sale of loans held for sale	(4,528)	(4,017)
Origination of loans held for sale	(147,706)	(231,120)
Proceeds from sales of loans held for sale	220,321	263,374
New deferred loan origination fees (costs), net	1,251	(571)
Amortization of tax credit equity investments	2,154	188
Decrease in accrued interest receivable and other assets	1,996	4,411
Share-based compensation expense	1,480	986
ESOP compensation expense	1,182	929
Decrease in accrued interest payable and other liabilities	(1,222)	(9,576)
Net cash provided by operating activities	112,306	63,069
Investing activities		
Purchase of debt securities available for sale	(26,733)	(6,872)
Proceeds from maturities, calls and paydowns of debt securities available for sale	22,478	17,426
Purchases of CDs in other banks	—	(1,742)
Proceeds from maturities of CDs in other banks	7,212	6,961
Net redemption (purchase) of FHLB and FRB stock	16	(1,633)
Net capital contributions in SBIC investments	(79)	(1,042)
Net capital redemption of (contribution in) tax credit equity investments	542	(208)
Net capital contribution in fintech equity investments	(625)	—
Net increase in loans	(35,784)	(20,433)
Purchase of BOLI	(9)	(14)
Proceeds from redemption of BOLI policies	—	2,174
Death benefit proceeds from BOLI policies	268	—
Purchase of equipment for operating leases - lessor	—	(2,550)
Proceeds from sale of equipment for operating leases - lessor	6,432	731
Purchase of premises and equipment	(2,164)	(2,363)
Proceeds from sale of premises and equipment and assets held for sale	2,185	7,652
Proceeds from sale of repossessed assets	439	416
Net cash used in investing activities	(25,822)	(1,497)

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

	(Unaudited) Six Months Ended June 30, 2026	2025
Financing activities		
Deposits assumed by third parties through branch sales	—	(34,252)
Net decrease in deposits	(103,150)	(78,773)
Net increase in short-term borrowings	10,000	77,000
Redemption of junior subordinated debt securities	(11,341)	—
Common stock repurchased	(30,232)	(3,334)
Granted restricted stock	1	—
Cash dividends paid	(4,641)	(4,112)
Retired stock	(593)	(442)
Exercised stock options	1,324	331
Net cash used in financing activities	(138,632)	(43,582)
Net (decrease) increase in cash and cash equivalents	(52,148)	17,990
Cash and cash equivalents at beginning of period	324,692	279,219
Cash and cash equivalents at end of period	$ 272,544	$ 297,209
Supplemental disclosures		
Cash paid during the period for		
Interest	$ 35,927	$ 45,326
Income taxes	1,978	10,239
Noncash transactions		
Unrealized (loss of) gain in value of debt securities available for sale, net of income taxes	$ (1,013)	$ 1,409
Transfers of loans held for sale to loans held for investment	15,403	7,311
Transfers of loans held for investment to repossessed assets	3,886	273
Transfer of premises and equipment to assets held for sale	—	7,624
ROU asset and lease liabilities for operating lease accounting	—	448

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 and Morristown), Southwest Virginia (the Roanoke Valley) and Georgia (Greater Atlanta). The Company operates under a single set of corporate policies and procedures and its operations are considered to be aggregated in one reportable operating 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 ("the Trust") Delaware trust. The sole assets of the trust represented the proceeds of offerings loaned in exchange for subordinated debentures with similar terms to the trust preferred securities; however, the Company elected to redeem the junior subordinated debt securities on June 15, 2026 as discussed further in "Note 7 – Borrowings - Junior Subordinated Debentures." As its sole purpose has been fulfilled, the Company has initiated action to dissolve the trust.

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 Annual Report on Form 10-K for the year ended December 31, 2025 ("2025 Form 10-K") filed with the SEC on March 13, 2026. The results of operations for the six months ended June 30, 2026 are not necessarily indicative of results that may be expected for the fiscal year ending December 31, 2026, 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 2025 Form 10-K. Management believes that the judgments, estimates and assumptions used in the preparation of the financial statements are appropriate based on the factual circumstances at the time. However, given the sensitivity of the financial statements to this critical accounting policy, the use of other judgments, estimates and assumptions could result in material differences in the Company's results of operations or financial condition. Further, subsequent changes in economic or market conditions could have a material impact on these estimates and the Company's financial condition and operating results in future periods.

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

2. Recent Accounting Pronouncements

Newly Issued but Not Yet Effective Accounting Standards

ASU 2024-03, "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses." In November 2024, the FASB issued ASU 2024-03 which requires entities to disclose more detailed information about certain costs and expenses related to purchases of inventory, employee compensation, depreciation and intangible asset amortization amongst other items. This ASU is effective for public business entities for annual reporting periods beginning after December 15, 2026 and interim periods beginning after December 15, 2027. The adoption of the provisions of ASU 2024-03 is not expected to have an impact on the Company's operating results or financial condition, but will impact disclosures.

ASU 2025-06, "Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software." In September 2025, the FASB issued ASU 2025-06 which removes all references to prescriptive and sequential software development stages (i.e., project stages), instead requiring an entity to start capitalizing software costs when both of the following occur: 1) management has authorized and committed to funding the software project, and 2) it is probable that the project will be completed and the software will be used to perform the intended function. This ASU is effective for public business entities for interim and annual reporting periods beginning after December 15, 2027. The adoption of the provisions of ASU 2025-06 is not expected to have a material effect on the Company's operating results or financial condition.

ASU 2025-08, "Financial Instruments—Credit Losses (Topic 326): Purchased Loans." In November 2025, the FASB issued ASU 2025-08 which simplifies the accounting for acquired loans under CECL by expanding the use of the gross-up method to a new category of purchased seasoned loans, defined as acquired loans purchased more than 90 days after origination, or through a business combination, when the acquirer was not involved in the origination. This ASU is effective for public business entities for interim and annual reporting periods beginning after December 15, 2026. The adoption of the provisions of ASU 2025-06 is not expected to have an impact on the Company's operating results or financial condition, but will impact the Company's accounting for future purchased loans.

(Dollars in thousands, except per share data)

3. Debt Securities

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

	June 30, 2026			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
MBS, residential	$ 142,116	$ 1,072	$ (1,453)	$ 141,735
Municipal bonds	1,832	—	(19)	1,813
Corporate bonds	2,500	—	(168)	2,332
Total	$ 146,448	$ 1,072	$ (1,640)	$ 145,880

	December 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
MBS, residential	$ 134,950	$ 2,003	$ (871)	$ 136,082
Municipal bonds	1,843	—	(17)	1,826
Corporate bonds	5,000	—	(368)	4,632
Total	$ 141,793	$ 2,003	$ (1,256)	$ 142,540

Debt securities available for sale by contractual maturity at June 30, 2026 and December 31, 2025 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, 2026	
	Amortized Cost	Estimated Fair Value
Due within one year	$ 905	$ 904
Due after one year through five years	927	909
Due after five years through ten years	2,500	2,332
Due after ten years	—	—
MBS, residential	142,116	141,735
Total	$ 146,448	$ 145,880

	December 31, 2025	
	Amortized Cost	Estimated Fair Value
Due within one year	$ 409	$ 408
Due after one year through five years	1,434	1,418
Due after five years through ten years	5,000	4,632
Due after ten years	—	—
MBS, residential	134,950	136,082
Total	$ 141,793	$ 142,540

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, 2026 or 2025.

Debt securities available for sale with amortized costs totaling $25,658 and $73,944 and market values of $25,474 and $74,987 at June 30, 2026 and December 31, 2025, respectively, were pledged as collateral to secure various public deposits and other borrowings.

The gross unrealized losses and the fair value of 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, 2026 and December 31, 2025 were as follows:

	June 30, 2026					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
MBS, residential	$ 68,135	$ (615)	$ 20,355	$ (838)	$ 88,490	$ (1,453)
Municipal bonds	499	(1)	1,314	(18)	1,813	(19)
Corporate bonds	—	—	1,582	(168)	1,582	(168)
Total	$ 68,634	$ (616)	$ 23,251	$ (1,024)	$ 91,885	$ (1,640)

(Dollars in thousands, except per share data)

	December 31, 2025					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
MBS, residential	$ 9,478	$ (75)	$ 26,409	$ (796)	$ 35,887	$ (871)
Municipal bonds	—	—	1,326	(17)	1,326	(17)
Corporate bonds	—	—	3,882	(368)	3,882	(368)
Total	$ 9,478	$ (75)	$ 31,617	$ (1,181)	$ 41,095	$ (1,256)

The total number of securities with unrealized losses at June 30, 2026 and December 31, 2025 were 137 and 119, 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, 2026 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 2025 Form 10-K for further discussion.

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

Management excludes the accrued interest receivable balance from the amortized cost basis in measuring ECLs on investment securities and does not record an ACL on accrued interest receivable. As of June 30, 2026 and December 31, 2025, the accrued interest receivable for debt securities available for sale was $589 and $554, respectively.

4. 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, 2026	December 31, 2025
One-to-four family	$ 164	$ 304
SBA	36,057	35,567
HELOCs	81,670	162,817
Total loans held for sale, at the lower of cost or fair value	$ 117,891	$ 198,688

The carrying balance of loans held for sale, at fair value, was $2,999 and $7,005 at June 30, 2026 and December 31, 2025, respectively, while the amortized cost of these loans was $2,937 and $6,896, respectively, at the same dates.

(Dollars in thousands, except per share data)

5. Loans and Allowance for Credit Losses on Loans

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

	June 30, 2026	December 31, 2025
Commercial real estate		
Construction and land development	$ 326,985	$ 277,028
Commercial real estate – owner occupied	536,475	562,049
Commercial real estate – non-owner occupied	875,143	832,502
Multifamily	128,492	110,912
Total commercial real estate	1,867,095	1,782,491
Commercial		
Commercial and industrial	392,876	378,686
Equipment finance	260,670	311,356
Municipal leases	169,611	166,396
Total commercial	823,157	856,438
Residential real estate		
Construction and land development	47,694	45,617
One-to-four family	617,469	633,511
HELOCs	236,357	217,310
Total residential real estate	901,520	896,438
Consumer	30,472	42,787
Total loans, net of deferred loan fees and costs	3,622,244	3,578,154
Allowance for credit losses – loans	(39,789)	(41,479)
Loans, net	$ 3,582,455	$ 3,536,675

(1) June 30, 2026 and December 31, 2025 accrued interest receivable of $13,845 and $15,305 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 related parties totaled $0 at both June 30, 2026 and December 31, 2025. In relation to these loans are unfunded commitments that totaled approximately $3 at both June 30, 2026 and December 31, 2025.

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 table presents 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, 2026. Also included in the table detailing loan balances are gross charge-offs for the six months ended June 30, 2026:

	Term Loans By Origination Fiscal Year							
June 30, 2026	**2026**	**2025**	**2024**	**2023-S[1]**	**2023**	**Prior**	**Revolving**	**Total**
Construction and land development								
Risk rating								
Pass	$ 64,316	$ 157,816	$ 49,021	$ 15,290	$ 5,746	$ 22,403	$ 11,921	$ 326,513
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	472	—	472
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total construction and land development	$ 64,316	$ 157,816	$ 49,021	$ 15,290	$ 5,746	$ 22,875	$ 11,921	$ 326,985
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial real estate – owner occupied								
Risk rating								
Pass	$ 37,983	$ 74,667	$ 50,843	$ 38,111	$ 56,037	$ 242,127	$ 7,887	$ 507,655
Special mention	—	—	—	—	1,358	14,626	—	15,984
Substandard	—	—	1,388	3,185	2,525	3,823	—	10,921
Doubtful	—	—	—	—	1,897	14	—	1,911
Loss	—	—	—	—	—	4	—	4
Total commercial real estate – owner occupied	$ 37,983	$ 74,667	$ 52,231	$ 41,296	$ 61,817	$ 260,594	$ 7,887	$ 536,475
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ 15	$ —	$ 15
Commercial real estate – non-owner occupied								
Risk rating								
Pass	$ 82,644	$ 83,157	$ 64,578	$ 12,013	$ 84,034	$ 522,237	$ 14,074	$ 862,737
Special mention	—	—	—	—	753	6,044	—	6,797
Substandard	—	—	—	—	—	5,298	—	5,298
Doubtful	—	—	—	—	—	311	—	311
Loss	—	—	—	—	—	—	—	—
Total commercial real estate – non-owner occupied	$ 82,644	$ 83,157	$ 64,578	$ 12,013	$ 84,787	$ 533,890	$ 14,074	$ 875,143
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ 654	$ —	$ 654
Multifamily								
Risk rating								
Pass	$ 19,162	$ 9,213	$ 18,681	$ 5,586	$ 4,444	$ 70,081	$ 50	$ 127,217
Special mention	—	—	—	—	—	232	—	232
Substandard	—	—	—	—	—	1,043	—	1,043
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total multifamily	$ 19,162	$ 9,213	$ 18,681	$ 5,586	$ 4,444	$ 71,356	$ 50	$ 128,492
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total commercial real estate								
Risk rating								
Pass	$ 204,105	$ 324,853	$ 183,123	$ 71,000	$ 150,261	$ 856,848	$ 33,932	$ 1,824,122
Special mention	—	—	—	—	2,111	20,902	—	23,013
Substandard	—	—	1,388	3,185	2,525	10,636	—	17,734
Doubtful	—	—	—	—	1,897	325	—	2,222
Loss	—	—	—	—	—	4	—	4
Total commercial real estate	$ 204,105	$ 324,853	$ 184,511	$ 74,185	$ 156,794	$ 888,715	$ 33,932	$ 1,867,095
Total current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ 669	$ —	$ 669

(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, 2026	**2026**	**2025**	**2024**	**2023-S[1]**	**2023**	**Prior**	**Revolving**	**Total**
Commercial and industrial								
Risk rating								
Pass	$ 19,317	$ 105,905	$ 64,850	$ 29,597	$ 22,214	$ 31,076	$ 90,638	$ 363,597
Special mention	—	61	30	—	518	7,405	3,010	11,024
Substandard	—	786	4,189	2,823	800	6,797	297	15,692
Doubtful	188	—	506	—	—	1,869	—	2,563
Loss	—	—	—	—	—	—	—	—
Total commercial and industrial	$ 19,505	$ 106,752	$ 69,575	$ 32,420	$ 23,532	$ 47,147	$ 93,945	$ 392,876
Current period gross charge-offs	$ —	$ —	$ 21	$ —	$ 125	$ 498	$ 25	$ 669
Equipment finance								
Risk rating								
Pass	$ 19,825	$ 54,492	$ 61,412	$ 34,458	$ 53,374	$ 26,381	$ —	$ 249,942
Special mention	—	292	998	178	1,930	371	—	3,769
Substandard	—	996	501	916	1,854	874	—	5,141
Doubtful	—	333	330	341	547	258	—	1,809
Loss	—	—	—	—	—	9	—	9
Total equipment finance	$ 19,825	$ 56,113	$ 63,241	$ 35,893	$ 57,705	$ 27,893	$ —	$ 260,670
Current period gross charge-offs	$ —	$ 498	$ 124	$ 138	$ 821	$ 1,256	$ —	$ 2,837
Municipal leases								
Risk rating								
Pass	$ 12,727	$ 20,380	$ 28,624	$ 14,260	$ 18,612	$ 75,008	$ —	$ 169,611
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total municipal leases	$ 12,727	$ 20,380	$ 28,624	$ 14,260	$ 18,612	$ 75,008	$ —	$ 169,611
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total commercial								
Risk rating								
Pass	$ 51,869	$ 180,777	$ 154,886	$ 78,315	$ 94,200	$ 132,465	$ 90,638	$ 783,150
Special mention	—	353	1,028	178	2,448	7,776	3,010	14,793
Substandard	—	1,782	4,690	3,739	2,654	7,671	297	20,833
Doubtful	188	333	836	341	547	2,127	—	4,372
Loss	—	—	—	—	—	9	—	9
Total commercial	$ 52,057	$ 183,245	$ 161,440	$ 82,573	$ 99,849	$ 150,048	$ 93,945	$ 823,157
Total current period gross charge-offs	$ —	$ 498	$ 145	$ 138	$ 946	$ 1,754	$ 25	$ 3,506

(Dollars in thousands, except per share data)

	Term Loans By Origination Fiscal Year							
June 30, 2026	**2026**	**2025**	**2024**	**2023-S[(1)]**	**2023**	**Prior**	**Revolving**	**Total**
Construction and land development								
Risk rating								
Pass	$ 8,812	$ 27,290	$ 3,115	$ 726	$ 2,385	$ 5,366	$ —	$ 47,694
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total construction and land development	$ 8,812	$ 27,290	$ 3,115	$ 726	$ 2,385	$ 5,366	$ —	$ 47,694
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
One-to-four family								
Risk rating								
Pass	$ 28,180	$ 50,520	$ 32,185	$ 18,666	$ 141,347	$ 329,599	$ 6,703	$ 607,200
Special mention	—	—	—	—	—	267	—	267
Substandard	—	—	1,697	1,234	1,400	5,660	—	9,991
Doubtful	—	—	—	—	—	11	—	11
Loss	—	—	—	—	—	—	—	—
Total one-to-four family	$ 28,180	$ 50,520	$ 33,882	$ 19,900	$ 142,747	$ 335,537	$ 6,703	$ 617,469
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
HELOCs								
Risk rating								
Pass	$ —	$ —	$ —	$ —	$ —	$ —	$ 225,815	$ 225,815
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	10,542	10,542
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total HELOCs	$ —	$ —	$ —	$ —	$ —	$ —	$ 236,357	$ 236,357
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total residential real estate								
Risk rating								
Pass	$ 36,992	$ 77,810	$ 35,300	$ 19,392	$ 143,732	$ 334,965	$ 232,518	$ 880,709
Special mention	—	—	—	—	—	267	—	267
Substandard	—	—	1,697	1,234	1,400	5,660	10,542	20,533
Doubtful	—	—	—	—	—	11	—	11
Loss	—	—	—	—	—	—	—	—
Total residential real estate	$ 36,992	$ 77,810	$ 36,997	$ 20,626	$ 145,132	$ 340,903	$ 243,060	$ 901,520
Total current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —

	Term Loans By Origination Fiscal Year							
June 30, 2026	**2026**	**2025**	**2024**	**2023-S[(1)]**	**2023**	**Prior**	**Revolving**	**Total**
Total consumer								
Risk rating								
Pass	$ 791	$ 896	$ 1,972	$ 8,155	$ 13,445	$ 4,007	$ 237	$ 29,503
Special mention	—	—	—	—	—	—	—	—
Substandard	—	16	44	263	482	161	3	969
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total consumer	$ 791	$ 912	$ 2,016	$ 8,418	$ 13,927	$ 4,168	$ 240	$ 30,472
Total current period gross charge-offs	$ —	$ 6	$ 12	$ 86	$ 266	$ 88	$ 21	$ 479

(Dollars in thousands, except per share data)

The following table presents 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, 2025. Also included in the table detailing loan balances are gross charge-offs for the year ended December 31, 2025:

	Term Loans By Origination Fiscal Year							
December 31, 2025	2025	2024	2023-S(1)	2023	2022	Prior	Revolving	Total
Construction and land development								
Risk rating								
Pass	$ 133,327	$ 85,217	$ 21,775	$ 5,722	$ 16,693	$ 11,108	$ 2,805	$ 276,647
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	381	—	—	381
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total construction and land development	$ 133,327	$ 85,217	$ 21,775	$ 5,722	$ 17,074	$ 11,108	$ 2,805	$ 277,028
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial real estate – owner occupied								
Risk rating								
Pass	$ 78,784	$ 52,556	$ 42,988	$ 60,162	$ 84,571	$ 218,775	$ 5,589	$ 543,425
Special mention	—	—	—	655	241	2,375	—	3,271
Substandard	—	1,406	918	162	4,949	5,767	—	13,202
Doubtful	—	—	—	1,895	244	12	—	2,151
Loss	—	—	—	—	—	—	—	—
Total commercial real estate – owner occupied	$ 78,784	$ 53,962	$ 43,906	$ 62,874	$ 90,005	$ 226,929	$ 5,589	$ 562,049
Current period gross charge-offs	$ —	$ —	$ —	$ 138	$ 90	$ —	$ —	$ 228
Commercial real estate – non-owner occupied								
Risk rating								
Pass	$ 77,184	$ 55,342	$ 12,561	$ 91,992	$ 131,895	$ 433,461	$ 8,523	$ 810,958
Special mention	—	—	—	754	—	9,226	—	9,980
Substandard	—	—	—	2,591	—	8,973	—	11,564
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total commercial real estate – non-owner occupied	$ 77,184	$ 55,342	$ 12,561	$ 95,337	$ 131,895	$ 451,660	$ 8,523	$ 832,502
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Multifamily								
Risk rating								
Pass	$ 9,361	$ 15,105	$ 5,638	$ 4,881	$ 9,916	$ 65,560	$ —	$ 110,461
Special mention	—	—	—	—	—	285	—	285
Substandard	—	—	—	—	—	166	—	166
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total multifamily	$ 9,361	$ 15,105	$ 5,638	$ 4,881	$ 9,916	$ 66,011	$ —	$ 110,912
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total commercial real estate								
Risk rating								
Pass	$ 298,656	$ 208,220	$ 82,962	$ 162,757	$ 243,075	$ 728,904	$ 16,917	$ 1,741,491
Special mention	—	—	—	1,409	241	11,886	—	13,536
Substandard	—	1,406	918	2,753	5,330	14,906	—	25,313
Doubtful	—	—	—	1,895	244	12	—	2,151
Loss	—	—	—	—	—	—	—	—
Total commercial real estate	$ 298,656	$ 209,626	$ 83,880	$ 168,814	$ 248,890	$ 755,708	$ 16,917	$ 1,782,491
Total current period gross charge-offs	$ —	$ —	$ —	$ 138	$ 90	$ —	$ —	$ 228

(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							
December 31, 2025	**2025**	**2024**	**2023-S[(1)]**	**2023**	**2022**	**Prior**	**Revolving**	**Total**
Commercial and industrial								
Risk rating								
Pass	$ 101,886	$ 73,327	$ 33,005	$ 29,181	$ 24,786	$ 20,049	$ 75,308	$ 357,542
Special mention	392	290	2,651	910	312	2,478	2,497	9,530
Substandard	—	3,157	—	252	1,929	3,643	100	9,081
Doubtful	—	505	—	122	89	1,794	23	2,533
Loss	—	—	—	—	—	—	—	—
Total commercial and industrial	$ 102,278	$ 77,279	$ 35,656	$ 30,465	$ 27,116	$ 27,964	$ 77,928	$ 378,686
Current period gross charge-offs	$ —	$ 151	$ 362	$ 241	$ 1,318	$ 472	$ —	$ 2,544
Equipment finance								
Risk rating								
Pass	$ 63,176	$ 76,224	$ 43,547	$ 73,355	$ 31,444	$ 13,466	$ —	$ 301,212
Special mention	172	151	255	615	232	185	—	1,610
Substandard	673	1,117	173	2,096	871	417	—	5,347
Doubtful	—	57	415	1,353	1,067	295	—	3,187
Loss	—	—	—	—	—	—	—	—
Total equipment finance	$ 64,021	$ 77,549	$ 44,390	$ 77,419	$ 33,614	$ 14,363	$ —	$ 311,356
Current period gross charge-offs	$ —	$ 167	$ 454	$ 2,829	$ 2,711	$ 466	$ —	$ 6,627
Municipal leases								
Risk rating								
Pass	$ 19,195	$ 29,939	$ 15,546	$ 20,701	$ 18,934	$ 62,081	$ —	$ 166,396
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total municipal leases	$ 19,195	$ 29,939	$ 15,546	$ 20,701	$ 18,934	$ 62,081	$ —	$ 166,396
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total commercial								
Risk rating								
Pass	$ 184,257	$ 179,490	$ 92,098	$ 123,237	$ 75,164	$ 95,596	$ 75,308	$ 825,150
Special mention	564	441	2,906	1,525	544	2,663	2,497	11,140
Substandard	673	4,274	173	2,348	2,800	4,060	100	14,428
Doubtful	—	562	415	1,475	1,156	2,089	23	5,720
Loss	—	—	—	—	—	—	—	—
Total commercial	$ 185,494	$ 184,767	$ 95,592	$ 128,585	$ 79,664	$ 104,408	$ 77,928	$ 856,438
Total current period gross charge-offs	$ —	$ 318	$ 816	$ 3,070	$ 4,029	$ 938	$ —	$ 9,171

(Dollars in thousands, except per share data)

	Term Loans By Origination Fiscal Year							
December 31, 2025	**2025**	**2024**	**2023-S(1)**	**2023**	**2022**	**Prior**	**Revolving**	**Total**
Construction and land development								
Risk rating								
Pass	$ 24,620	$ 7,350	$ 1,054	$ 5,753	$ 4,173	$ 2,254	$ —	$ 45,204
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	413	—	—	—	—	413
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total construction and land development	$ 24,620	$ 7,350	$ 1,467	$ 5,753	$ 4,173	$ 2,254	$ —	$ 45,617
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ 132	$ —	$ 132
One-to-four family								
Risk rating								
Pass	$ 45,062	$ 40,995	$ 22,428	$ 152,935	$ 139,276	$ 213,367	$ 11,814	$ 625,877
Special mention	—	—	—	—	21	282	—	303
Substandard	—	661	835	1,074	764	3,984	—	7,318
Doubtful	—	—	—	—	—	13	—	13
Loss	—	—	—	—	—	—	—	—
Total one-to-four family	$ 45,062	$ 41,656	$ 23,263	$ 154,009	$ 140,061	$ 217,646	$ 11,814	$ 633,511
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ 50	$ —	$ 50
HELOCs								
Risk rating								
Pass	$ —	$ —	$ —	$ —	$ —	$ —	$ 208,402	$ 208,402
Special mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	8,908	8,908
Doubtful	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—
Total HELOCs	$ —	$ —	$ —	$ —	$ —	$ —	$ 217,310	$ 217,310
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ 40	$ 40
Total residential real estate								
Risk rating								
Pass	$ 69,682	$ 48,345	$ 23,482	$ 158,688	$ 143,449	$ 215,621	$ 220,216	$ 879,483
Special mention	—	—	—	—	21	282	—	303
Substandard	—	661	1,248	1,074	764	3,984	8,908	16,639
Doubtful	—	—	—	—	—	13	—	13
Loss	—	—	—	—	—	—	—	—
Total residential real estate	$ 69,682	$ 49,006	$ 24,730	$ 159,762	$ 144,234	$ 219,900	$ 229,124	$ 896,438
Total current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ 182	$ 40	$ 222

	Term Loans By Origination Fiscal Year							
December 31, 2025	**2025**	**2024**	**2023-S(1)**	**2023**	**2022**	**Prior**	**Revolving**	**Total**
Total consumer								
Risk rating								
Pass	$ 2,346	$ 2,688	$ 10,866	$ 18,552	$ 4,392	$ 2,463	$ 244	$ 41,551
Special mention	—	—	—	—	—	—	—	—
Substandard	—	31	168	644	127	247	16	1,233
Doubtful	—	1	—	—	2	—	—	3
Loss	—	—	—	—	—	—	—	—
Total consumer	$ 2,346	$ 2,720	$ 11,034	$ 19,196	$ 4,521	$ 2,710	$ 260	$ 42,787
Total current period gross charge-offs	$ 3	$ 68	$ 131	$ 306	$ 65	$ 79	$ —	$ 652

(Dollars in thousands, except per share data)

The following tables present aging analyses of past due loans (including nonaccrual loans) by segment and class as of the dates indicated.

	Past Due				
	30-89 Days	90 Days+	Total[1]	Current	Total Loans
June 30, 2026					
Commercial real estate					
Construction and land development	$ —	$ 472	$ 472	$ 326,513	$ 326,985
Commercial real estate – owner occupied	14,619	6,760	21,379	515,096	536,475
Commercial real estate – non-owner occupied	1,718	1,463	3,181	871,962	875,143
Multifamily	—	837	837	127,655	128,492
Total commercial real estate	16,337	9,532	25,869	1,841,226	1,867,095
Commercial					
Commercial and industrial	4,425	12,610	17,035	375,841	392,876
Equipment finance	6,105	3,415	9,520	251,150	260,670
Municipal leases	—	—	—	169,611	169,611
Total commercial	10,530	16,025	26,555	796,602	823,157
Residential real estate					
Construction and land development	—	—	—	47,694	47,694
One-to-four family	3,817	3,357	7,174	610,295	617,469
HELOCs	3,007	5,390	8,397	227,960	236,357
Total residential real estate	6,824	8,747	15,571	885,949	901,520
Consumer	1,104	171	1,275	29,197	30,472
Total loans	$ 34,795	$ 34,475	$ 69,270	$ 3,552,974	$ 3,622,244

	Past Due[2]				
	30-89 Days	90 Days+	Total[1]	Current	Total Loans
December 31, 2025					
Commercial real estate					
Construction and land development	$ —	$ 381	$ 381	$ 276,647	$ 277,028
Commercial real estate – owner occupied	7,434	4,352	11,786	550,263	562,049
Commercial real estate – non-owner occupied	1,479	5,422	6,901	825,601	832,502
Multifamily	—	—	—	110,912	110,912
Total commercial real estate	8,913	10,155	19,068	1,763,423	1,782,491
Commercial					
Commercial and industrial	1,625	8,306	9,931	368,755	378,686
Equipment finance	8,185	5,501	13,686	297,670	311,356
Municipal leases	—	—	—	166,396	166,396
Total commercial	9,810	13,807	23,617	832,821	856,438
Residential real estate					
Construction and land development	699	—	699	44,918	45,617
One-to-four family	25,822	2,774	28,596	604,915	633,511
HELOCs	3,211	5,393	8,604	208,706	217,310
Total residential real estate	29,732	8,167	37,899	858,539	896,438
Consumer	1,441	361	1,802	40,985	42,787
Total loans	$ 49,896	$ 32,490	$ 82,386	$ 3,495,768	$ 3,578,154

(1) Of the past due totals presented above, $19,193 and $14,307 of these balances were fully guaranteed by the SBA as of June 30, 2026 and December 31, 2025, respectively.
(2) Reflects a change in prior period disclosures where, for loans with monthly payments, they were previously considered past due when a loan is in arrears two or more payments. Under the updated disclosure, these loans are considered past due when the loan is in arrears one or more payments. The most significant impact was to the "30-89 Days" column where the total balance increased by $37,194, with the one-to-four family residential real estate portfolio making up $22,393 of the change.

(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, 2026.

	June 30, 2026[(1)]	December 31, 2025[(1)]	90 Days+ & Still Accruing as of June 30, 2026	Nonaccrual with No ACL as of June 30, 2026	Interest Income Recognized
Commercial real estate					
Construction and land development	$ 472	$ 381	$ —	$ —	$ —
Commercial real estate – owner occupied	11,996	10,467	—	2,120	359
Commercial real estate – non-owner occupied	4,273	6,566	—	1,403	214
Multifamily	838	—	—	—	13
Total commercial real estate	17,579	17,414	—	3,523	586
Commercial					
Commercial and industrial	14,617	9,786	—	239	149
Equipment finance	5,003	6,690	—	—	113
Municipal leases	—	—	—	—	—
Total commercial	19,620	16,476	—	239	262
Residential real estate					
Construction and land development	—	—	—	—	—
One-to-four family	5,168	2,961	—	—	113
HELOCs	7,797	6,523	—	—	159
Total residential real estate	12,965	9,484	—	—	272
Consumer	438	402	—	—	25
Total loans	$ 50,602	$ 43,776	$ —	$ 3,762	$ 1,145

(1) Of the nonaccrual totals presented above, $23,563 and $14,885 of these balances were fully guaranteed by the SBA as of June 30, 2026 and December 31, 2025, respectively.

The following tables present analyses of the ACL on loans by segment for the periods indicated below. In addition to the provision (benefit) for credit losses on loans presented below, benefits of $100 and $675 for off-balance sheet credit exposures were recorded for the three and six months ended June 30, 2026, respectively. A benefit of $82 and a provision of $658 for off-balance sheet credit exposures were recorded for the three and six months ended June 30, 2025, respectively.

	Three Months Ended June 30, 2026				
	Commercial Real Estate	Commercial	Residential Real Estate	Consumer	Total
Balance at beginning of period	$ 19,781	$ 12,047	$ 8,452	$ 327	$ 40,607
Provision for credit losses	664	153	12	191	1,020
Charge-offs	(654)	(1,445)	—	(223)	(2,322)
Recoveries	40	353	9	82	484
Net (charge-offs) recoveries	(614)	(1,092)	9	(141)	(1,838)
Balance at end of period	$ 19,831	$ 11,108	$ 8,473	$ 377	$ 39,789

	Three Months Ended June 30, 2025				
	Commercial Real Estate	Commercial	Residential Real Estate	Consumer	Total
Balance at beginning of period	$ 19,565	$ 14,863	$ 9,330	$ 984	$ 44,742
Provision (benefit) for credit losses	(520)	2,385	(435)	(45)	1,385
Charge-offs	—	(1,776)	(178)	(190)	(2,144)
Recoveries	—	97	5	54	156
Net (charge-offs) recoveries	—	(1,679)	(173)	(136)	(1,988)
Balance at end of period	$ 19,045	$ 15,569	$ 8,722	$ 803	$ 44,139

(Dollars in thousands, except per share data)

	Six Months Ended June 30, 2026				
	Commercial Real Estate	Commercial	Residential Real Estate	Consumer	Total
Balance at beginning of period	$ 19,298	$ 13,331	$ 8,492	$ 358	$ 41,479
Provision (benefit) for credit losses	1,162	659	(203)	347	1,965
Charge-offs	(669)	(3,506)	—	(479)	(4,654)
Recoveries	40	624	184	151	999
Net (charge-offs) recoveries	(629)	(2,882)	184	(328)	(3,655)
Balance at end of period	$ 19,831	$ 11,108	$ 8,473	$ 377	$ 39,789

	Six Months Ended June 30, 2025				
	Commercial Real Estate	Commercial	Residential Real Estate	Consumer	Total
Balance at beginning of period	$ 19,284	$ 15,267	$ 9,664	$ 1,070	$ 45,285
Provision (benefit) for credit losses	(277)	3,275	(773)	(40)	2,185
Charge-offs	—	(3,386)	(188)	(366)	(3,940)
Recoveries	38	413	19	139	609
Net (charge-offs) recoveries	38	(2,973)	(169)	(227)	(3,331)
Balance at end of period	$ 19,045	$ 15,569	$ 8,722	$ 803	$ 44,139

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 the 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 at the dates indicated below:

	Type and Extent of Collateral Securing CDAs					
June 30, 2026	Residential Property	Investment Property	Commercial Property	Business Assets	Non-CDAs	Total
Commercial real estate						
Construction and land development	$ —	$ —	$ —	$ —	$ 326,985	$ 326,985
Commercial real estate – owner occupied	—	—	2,635	—	533,840	536,475
Commercial real estate – non-owner occupied	—	—	1,403	—	873,740	875,143
Multifamily	—	—	—	—	128,492	128,492
Total commercial real estate	—	—	4,038	—	1,863,057	1,867,095
Commercial						
Commercial and industrial	—	—	—	—	392,876	392,876
Equipment finance	—	—	—	—	260,670	260,670
Municipal leases	—	—	—	—	169,611	169,611
Total commercial	—	—	—	—	823,157	823,157
Residential real estate						
Construction and land development	—	—	—	—	47,694	47,694
One-to-four family	—	—	—	—	617,469	617,469
HELOCs	—	—	—	—	236,357	236,357
Total residential real estate	—	—	—	—	901,520	901,520
Consumer	—	—	—	—	30,472	30,472
Total	$ —	$ —	$ 4,038	$ —	$ 3,618,206	$ 3,622,244
Total collateral value	$ —	$ —	$ 5,164	$ —		

(Dollars in thousands, except per share data)

December 31, 2025	Type and Extent of Collateral Securing CDAs: Residential Property	Investment Property	Commercial Property	Business Assets	Non-CDAs	Total
Commercial real estate						
Construction and land development	$ —	$ —	$ —	$ —	$ 277,028	$ 277,028
Commercial real estate – owner occupied	—	—	3,532	—	558,517	562,049
Commercial real estate – non-owner occupied	—	—	4,699	—	827,803	832,502
Multifamily	—	—	—	—	110,912	110,912
Total commercial real estate	—	—	8,231	—	1,774,260	1,782,491
Commercial						
Commercial and industrial	—	—	—	—	378,686	378,686
Equipment finance	—	—	—	2,087	309,269	311,356
Municipal leases	—	—	—	—	166,396	166,396
Total commercial	—	—	—	2,087	854,351	856,438
Residential real estate						
Construction and land development	—	—	—	—	45,617	45,617
One-to-four family	—	—	—	—	633,511	633,511
HELOCs	—	—	—	—	217,310	217,310
Total residential real estate	—	—	—	—	896,438	896,438
Consumer	—	—	—	—	42,787	42,787
Total	$ —	$ —	$ 8,231	$ 2,087	$ 3,567,836	$ 3,578,154
Total collateral value	$ —	$ —	$ 9,605	$ 1,299		

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 tables present the amortized cost basis of loans at June 30, 2026 and 2025, that were both experiencing financial difficulty and modified during the three and six months ended June 30, 2026 and 2025, 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, 2026: 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 – owner occupied	$ —	$ —	$ —	$ 1,485	$ —	$ —	0.28 %
Commercial loans							
Commercial and industrial	—	743	70	—	—	1,624	0.62
Total	$ —	$ 743	$ 70	$ 1,485	$ —	$ 1,624	0.11 %

(Dollars in thousands, except per share data)

	Three Months Ended June 30, 2025						
	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	$ —	$ 755	$ 350	$ —	$ —	$ —	0.13 %
Commercial loans							
Commercial and industrial	—	2,306	45	—	—	—	0.64
Residential real estate loans							
One-to-four family	—	—	50	—	—	—	0.01
Total	$ —	$ 3,061	$ 445	$ —	$ —	$ —	0.10 %

	Six Months Ended June 30, 2026						
	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 – owner occupied	$ —	$ 780	$ —	$ 2,818	$ —	$ —	0.67 %
Commercial real estate – non-owner occupied	—	1,700	—	—	—	—	0.19
Commercial loans							
Commercial and industrial	—	3,323	210	—	—	1,624	1.31
Total	$ —	$ 5,803	$ 210	$ 2,818	$ —	$ 1,624	0.29 %

	Six Months Ended June 30, 2025						
	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 – owner occupied	$ —	$ 774	$ —	$ —	$ —	$ —	0.14 %
Commercial real estate – non-owner occupied	—	755	350	—	—	—	0.13
Commercial loans							
Commercial and industrial	—	2,854	419	115	—	—	0.92
Residential real estate loans							
One-to-four family	—	—	50	—	—	—	0.01
Total	$ —	$ 4,383	$ 819	$ 115	$ —	$ —	0.14 %

The following table presents the financial effect of the loan modifications presented above to borrowers experiencing financial difficulty for the periods indicated below:

	Three Months Ended June 30, 2026		
	Principal Forgiveness	Weighted-Average Interest Rate Reduction	Weighted-Average Term Extension (Years)
Commercial real estate			
Commercial real estate – owner occupied	$ —	1.3 %	—
Commercial loans			
Commercial and industrial	—	4.6	5.2
Total	$ —	3.0 %	5.2

(Dollars in thousands, except per share data)

	Three Months Ended June 30, 2025		
	Principal Forgiveness	Weighted-Average Interest Rate Reduction	Weighted-Average Term Extension (Years)
Commercial real estate			
Commercial real estate – non-owner occupied	$ —	— %	5.5
Commercial loans			
Commercial and industrial	—	—	10.2
Residential real estate loans			
One-to-four family	—	—	10.6
Total	$ —	— %	6.5

	Six Months Ended June 30, 2026		
	Principal Forgiveness	Weighted-Average Interest Rate Reduction	Weighted-Average Term Extension (Years)
Commercial real estate			
Commercial real estate – owner occupied	$ —	2.8 %	—
Commercial loans			
Commercial and industrial	—	4.6	5.2
Total	$ —	3.4 %	5.2

	Six Months Ended June 30, 2025		
	Principal Forgiveness	Weighted-Average Interest Rate Reduction	Weighted-Average Term Extension (Years)
Commercial real estate			
Commercial real estate – non-owner occupied	$ —	— %	5.5
Commercial loans			
Commercial and industrial	—	7.0	10.0
Residential real estate loans			
One-to-four family	—	—	10.6
Total	$ —	7.0 %	8.9

The following tables present loans that had a payment default during the periods indicated that had previously been modified within the prior twelve months. For purposes of these tables, a loan is considered to be in default when it becomes 30 days contractually past due under the modified terms.

	Three Months Ended June 30, 2026			
	Principal Forgiveness	Payment Delay	Term Extension	Interest Rate Adjustment
Commercial real estate				
Commercial real estate – owner occupied	$ —	$ 294	$ —	$ —
Commercial loans				
Commercial and industrial	—	1,571	824	—
Total	$ —	$ 1,865	$ 824	$ —

	Three Months Ended June 30, 2025			
	Principal Forgiveness	Payment Delay	Term Extension	Interest Rate Adjustment
Commercial loans				
Equipment finance	$ —	$ —	$ —	$ 115

(Dollars in thousands, except per share data)

	Six Months Ended June 30, 2026			
	Principal Forgiveness	Payment Delay	Term Extension	Interest Rate Adjustment
Commercial real estate				
Commercial real estate – owner occupied	$ —	$ 294	$ —	$ —
Commercial loans				
Commercial and industrial	—	2,636	824	—
Total	$ —	$ 2,930	$ 824	$ —

	Six Months Ended June 30, 2025			
	Principal Forgiveness	Payment Delay	Term Extension	Interest Rate Adjustment
Commercial real estate				
Commercial real estate – owner occupied	$ —	$ 675	$ —	$ 161
Commercial loans				
Commercial and industrial	—	—	132	—
Equipment finance	—	—	—	115
Total	$ —	$ 675	$ 132	$ 276

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, 2026 and December 31, 2025, the ACL on off-balance sheet credit exposures included in other liabilities was $3,470 and $4,145, respectively.

6. Deposits

Deposit accounts at the dates indicated consist of the following:

	June 30, 2026	December 31, 2025
Noninterest-bearing accounts	$ 739,787	$ 707,748
NOW accounts	541,807	546,387
Money market accounts	1,421,600	1,374,635
Savings accounts	165,902	171,455
Certificates of deposit	737,751	909,772
Total	$ 3,606,847	$ 3,709,997

Deposits received from executive officers, directors and their associates totaled approximately $1,799 and $1,105 at June 30, 2026 and December 31, 2025, respectively.

As of June 30, 2026, scheduled maturities of certificates of deposit were as follows:

Remainder of 2026	$ 609,523
2027	124,112
2028	2,124
2029	645
2030	978
Thereafter	369
Total	$ 737,751

Certificates of deposit with balances of $250 or greater totaled $158,439 and $198,473 at June 30, 2026 and December 31, 2025, respectively. Generally, deposit amounts in excess of $250 are not federally insured.

7. Borrowings

Junior Subordinated Debentures

On February 21, 2007, Quantum formed a Delaware 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 common securities of the Trust.

(Dollars in thousands, except per share data)

The trust preferred securities, which accrued and paid quarterly distributions at a floating rate of 3-month Term SOFR plus 2.20%, were mandatorily redeemable upon maturity of the debentures on March 15, 2037 or upon earlier redemption as provided in the indenture, and the Company elected to redeem the trust preferred securities in whole on June 15, 2026. The redemption price was the principal amount and any accrued but unpaid interest. The Company had previously established a fair value mark (discount) on the junior subordinated debt securities when accounting for the referenced merger, which was being accreted into income through interest expense. Associated with the redemption of the debt instruments, the remaining unaccreted discount of $1,079 was written off through other noninterest expense.

Other Borrowings

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

	June 30, 2026		December 31, 2025	
	Balance	**Weighted Average Rate**	**Balance**	**Weighted Average Rate**
FRB advances (short-term)	$ 175,000	3.75 %	$ 165,000	3.75 %

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 loans, indirect auto loans, and equipment and municipal leases are pledged as collateral to secure outstanding FRB advances. At June 30, 2026 and December 31, 2025, the Company had the ability to borrow $373,387 and $355,296, respectively, through additional FHLB advances and $30,618 and $66,347, respectively, through the unused portion of a line of credit with the FRB.

At June 30, 2026 and December 31, 2025, the Company maintained revolving lines of credit with four unaffiliated banks which totaled $135,000 and $165,000, respectively. At both dates, the aggregate outstanding balance on the revolving lines of credit was $0.

8. 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 tables present 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, 2026	December 31, 2025
ROU assets	$ 7,047	$ 7,634
Lease liabilities	$ 8,357	$ 9,047
Weighted-average remaining lease terms (years)	7.4	7.5
Weighted-average discount rate	3.66 %	3.64 %

The following schedule summarizes aggregate future minimum lease payments under these operating leases at June 30, 2026:

Remainder of 2026	$ 965
2027	1,947
2028	1,755
2029	976
2030	878
Thereafter	3,096
Total undiscounted minimum lease payments	9,617
Less: amount representing interest	(1,260)
Total lease liability	$ 8,357

(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,	
	2026	2025	2026	2025
Operating lease cost (included in occupancy expense, net)	$ 399	$ 397	$ 800	$ 792
Variable lease cost (included in occupancy expense, net)	—	2	—	2
Sublease income (included in other noninterest income)	(53)	(46)	(108)	(89)
Total operating lease expense, net	$ 346	$ 353	$ 692	$ 705

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

	Six Months Ended June 30,	
	2026	2025
ROU assets - noncash additions	$ —	$ 448
Cash paid for amounts included in the measurement of lease liabilities	796	762

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 $19,917 and $25,415 with a residual value of $10,686 and $13,167 as of June 30, 2026 and December 31, 2025, respectively.

The following schedule summarizes, as of June 30, 2026, aggregate future minimum lease payments to be received:

Remainder of 2026	$ 2,706
2027	3,507
2028	3,150
2029	2,655
2030	1,265
Thereafter	77
Total of future minimum payments	$ 13,360

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, 2026 and 2025, interest income on equipment finance leases totaled $1,481 and $1,283, respectively. For the six months ended June 30, 2026 and 2025, interest income on equipment finance leases totaled $2,980 and $2,501, respectively.

The lease receivable component of finance lease net investment included within the equipment finance class of financing receivables was $78,144 and $82,305 at June 30, 2026 and December 31, 2025, respectively.

The following schedule summarizes, as of June 30, 2026, aggregate future minimum finance lease payments to be received:

Remainder of 2026	$ 14,464
2027	26,441
2028	19,933
2029	14,571
2030	8,955
Thereafter	6,318
Total undiscounted minimum lease payments	90,682
Less: amount representing interest	(12,538)
Total lease receivable	$ 78,144

9. 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.

(Dollars in thousands, except per share data)

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 periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Share-based compensation expense	$ 713	$ 496	$ 1,480	$ 986
Tax benefit	164	117	340	233

The table below presents stock option activity and related information for the periods indicated below:

	Options	Weighted-Average Exercise Price	Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Options outstanding at December 31, 2024	413,637	$ 26.02	3.8	$ 3,169
Exercised	(13,700)	24.08		
Forfeited	(1,400)	26.72		
Options outstanding at June 30, 2025	398,537	$ 26.08	3.3	$ 4,514
Exercisable at June 30, 2025	373,157	$ 25.93	3.1	$ 4,285
Non-vested at June 30, 2025	25,380	$ 28.37	6.4	$ 230
Options outstanding at December 31, 2025	354,797	$ 26.19	2.8	$ 5,945
Exercised	(125,920)	25.61		
Forfeited	(210)	31.35		
Options outstanding at June 30, 2026	228,667	$ 26.50	2.6	$ 5,349
Exercisable at June 30, 2026	219,587	$ 26.34	2.5	$ 5,171
Non-vested at June 30, 2026	9,080	$ 30.34	5.7	$ 178

There were no options granted during the six months ended June 30, 2026 or 2025.

At June 30, 2026, the Company had $48 of unrecognized compensation expense related to 9,080 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 0.6 years at June 30, 2026. At June 30, 2025, the Company had $156 of unrecognized compensation expense related to 25,380 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 0.9 years at June 30, 2025.

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, 2024	138,582	30,001	$ 27.15	$ 5,678
Granted	59,329	15,444	37.38	
Vested	(50,326)	—	27.20	
Forfeited	(3,621)	—	26.90	
Non-vested at June 30, 2025	143,964	45,445	$ 31.18	$ 7,086
Non-vested at December 31, 2025	144,964	31,341	$ 31.52	$ 7,571
Granted	61,047	26,034	44.21	
Vested	(49,745)	—	30.98	
Forfeited	(3,458)	—	34.59	
Non-vested at June 30, 2026	152,808	57,375	$ 36.86	$ 10,486

(1) Restricted stock awards granted in calendar year 2026 are scheduled to vest over 1.0 year for director awards and 3.0 years for employee awards. All restricted stock awards granted prior to calendar year 2026 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, 2026, unrecognized compensation expense was $6,308 related to 210,183 shares of restricted stock. The weighted average period over which compensation cost related to non-vested awards is expected to be recognized was 1.7 years at June 30, 2026. At June 30, 2025, unrecognized compensation expense was $4,803 related to 189,409 shares of restricted stock. The weighted average period over which compensation cost related to non-vested awards is expected to be recognized was 1.8 years at June 30, 2025.

(Dollars in thousands, except per share data)

10. Net Income per Share

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Numerator				
Net income	$ 15,630	$ 17,210	$ 32,402	$ 31,749
Allocation of earnings to participating securities	(199)	(190)	(409)	(350)
Numerator for basic and diluted EPS - net income available to common stockholders	$ 15,431	$ 17,020	$ 31,993	$ 31,399
Denominator				
Weighted-average common shares outstanding - basic	16,311,782	17,006,141	16,446,295	17,008,699
Dilutive effect of assumed exercise of stock options	111,660	100,307	123,607	101,143
Weighted-average common shares outstanding - diluted	16,423,442	17,106,448	16,569,902	17,109,842
Net income per share - basic	$ 0.95	$ 1.01	$ 1.95	$ 1.85
Net income per share - diluted	$ 0.94	$ 1.00	$ 1.93	$ 1.84

Potential dilutive shares are excluded from the computation of earnings per share if their effect is anti-dilutive. There were no stock options that were anti-dilutive as of June 30, 2026 or 2025.

11. 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.

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

	June 30, 2026	December 31, 2025
Variable rate commitments	$ 50,913	$ 87,259
Fixed rate commitments[1]	20,975	34,716
Total loan commitments	$ 71,888	$ 121,975
Range of fixed interest rates	2.00% - 12.85%	4.12% - 9.75%
Undisbursed portions of construction loans	$ 224,297	$ 225,617
Pre-approved but unused lines of credit[2]	$ 793,594	$ 831,298

(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, 2026 or December 31, 2025.

Equity Investment Commitments – The Company invests in a variety of equity investments. For investments where the Company's original commitment amount has not been funded in full, the table below summarizes the Company's outstanding commitments:

	June 30, 2026		December 31, 2025	
	Original Commitment	Remaining Commitments	Original Commitment	Remaining Commitments
Fintech	$ 2,500	$ 1,875	$ —	$ —
Low income housing	4,500	452	4,500	483
SBIC	19,000	8,573	19,000	9,983
Solar tax equity	10,000	2,519	10,000	2,519
Total	$ 36,000	$ 13,419	$ 33,500	$ 12,985

(Dollars in thousands, except per share data)

Although the remaining capital contributions may or may not be called in the future, under the terms of the associated agreements, the Company's exposure will not extend beyond the amount of the original commitments. The disclosure does not include equity investments where either the Company's capital commitments have been fully funded or the investment is winding down.

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, 2026 and December 31, 2025 were $52,765 and $55,491, respectively. There was no liability recorded for these letters of credit at June 30, 2026 or December 31, 2025.

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**.**

12. 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 June 30, 2026 and December 31, 2025, 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 2025 Form 10-K.

Financial Assets Recorded at Fair Value

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

	June 30, 2026			
	Total	**Level 1**	**Level 2**	**Level 3**
Debt securities available for sale				
MBS, residential	$ 141,735	$ —	$ 141,735	$ —
Municipal bonds	1,813	—	1,813	—
Corporate bonds	2,332	—	2,332	—
Total debt securities available for sale	$ 145,880	$ —	$ 145,880	$ —
Loans held for sale	$ 2,999	$ —	$ 2,999	$ —

	December 31, 2025			
	Total	**Level 1**	**Level 2**	**Level 3**
Debt securities available for sale				
MBS, residential	$ 136,082	$ —	$ 136,082	$ —
Municipal bonds	1,826	—	1,826	—
Corporate bonds	4,632	—	4,632	—
Total debt securities available for sale	$ 142,540	$ —	$ 142,540	$ —
Loans held for sale	$ 7,005	$ —	$ 7,005	$ —

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, 2026 or 2025.

(Dollars in thousands, except per share data)

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

	June 30, 2026			
	Total	Level 1	Level 2	Level 3
Collateral dependent loans				
Commercial real estate loans				
Commercial real estate – non-owner occupied	$ 311	$ —	$ —	$ 311

	December 31, 2025			
	Total	Level 1	Level 2	Level 3
Collateral dependent loans				
Commercial real estate loans				
Commercial real estate – non-owner occupied	$ 3,555	$ —	$ —	$ 3,555
Commercial loans				
Equipment finance	1,809	—	—	1,809
Total	$ 5,364	$ —	$ —	$ 5,364

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.

The stated carrying value and estimated fair value amounts of financial instruments as of June 30, 2026 and December 31, 2025, are summarized below:

	June 30, 2026				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets					
Cash and cash equivalents	$ 272,544	$ 272,544	$ 272,544	$ —	$ —
Certificates of deposit in other banks	11,629	11,629	—	11,629	—
Debt securities available for sale, at fair value	145,880	145,880	—	145,880	—
Loans held for sale, at fair value	2,999	2,999	—	2,999	—
Loans held for sale, at the lower of cost or fair value	117,891	120,196	—	—	120,196
Loans, net	3,582,455	3,555,865	—	—	3,555,865
Accrued interest receivable	14,530	14,530	—	685	13,845
Liabilities					
Noninterest-bearing and NOW deposits	1,281,594	1,281,594	—	1,281,594	—
Money market accounts	1,421,600	1,421,600	—	1,421,600	—
Savings accounts	165,902	165,902	—	165,902	—
Certificates of deposit	737,751	736,351	—	736,351	—
Borrowings	175,000	175,000	—	175,000	—
Accrued interest payable	2,749	2,749	—	2,749	—

(Dollars in thousands, except per share data)

	December 31, 2025				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets					
Cash and cash equivalents	$ 324,692	$ 324,692	$ 324,692	$ —	$ —
Certificates of deposit in other banks	18,841	18,841	—	18,841	—
Debt securities available for sale, at fair value	142,540	142,540	—	142,540	—
Loans held for sale, at fair value	7,005	7,005	—	7,005	—
Loans held for sale, at the lower of cost or fair value	198,688	201,377	—	—	201,377
Loans, net	3,536,675	3,521,272	—	—	3,521,272
Accrued interest receivable	15,973	15,973	—	668	15,305
Liabilities					
Noninterest-bearing and NOW deposits	1,254,135	1,254,135	—	1,254,135	—
Money market accounts	1,374,635	1,374,635	—	1,374,635	—
Savings accounts	171,455	171,455	—	171,455	—
Certificates of deposit	909,772	909,101	—	909,101	—
Junior subordinated debt	10,220	10,152	—	10,152	—
Borrowings	165,000	165,003	—	165,003	—
Accrued interest payable	5,605	5,605	—	5,605	—

The Company had off-balance sheet financial commitments, which included approximately $1,142,544 and $1,234,381 of commitments to originate loans, undisbursed portions of construction loans, unused lines of credit and standby letters of credit at June 30, 2026 and December 31, 2025, respectively (see "Note 11 – 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 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;
- the impact of geopolitical instability and trade policies on our operations including the imposition of tariffs and retaliatory tariffs;
- effects of natural disasters, other severe weather events, epidemics and other public health issues, and other external events;
- changes in interest rate levels and the duration of such changes, whether or not through actions by the Federal Reserve, which could materially affect our net interest margin, funding costs, asset values, and access to capital and liquidity;
- the impact of inflation or a potential recession, including monetary and fiscal policy responses thereto, and the impact on consumer and business behavior;
- the effects of a Federal government shutdown, a debt ceiling standoff, or other fiscal policy uncertainty;
- 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;
- 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;
- 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, increase our regulatory capital position or affect our ability to borrow funds or maintain or increase deposits, which could adversely affect our liquidity and earnings;
- 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;
- the availability of resources to address changes in laws, rules or regulations, or to respond to regulatory actions;
- 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, including 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;
- the ability to adapt to rapid technological changes, including advancements in artificial intelligence, digital banking and cybersecurity;
- 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;
- 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;
- increased competitive pressures among financial services companies;
- changes in consumer spending, borrowing and savings habits;
- 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

For the quarter ended June 30, 2026 compared to the quarter ended March 31, 2026:

- net income was $15.6 million compared to $16.8 million;
- diluted EPS were $0.94 compared to $0.99;
- annualized ROA was 1.46% compared to 1.55%;
- annualized ROE was 10.44% compared to 11.35%;
- net interest margin was 4.41% compared to 4.31%;
- provision for credit losses was $920,000 compared to $370,000;
- gain on the sale of real estate was $1.1 million compared to $377,000;
- loss on the redemption of junior subordinated debt securities was $1.1 million compared to $0;
- quarterly cash dividends increased $0.02 per share, or 15.4%, to $0.15 per share totaling $2.4 million compared to $0.13 per share totaling $2.2 million; and
- 153,606 shares of Company common stock were repurchased during the current quarter at an average price of $46.31 compared to 533,240 shares repurchased at an average price of $42.85 in the prior quarter.

For the six months ended June 30, 2026 compared to the six months ended June 30, 2025:

- net income was $32.4 million compared to $31.7 million;
- diluted EPS were $1.93 compared to $1.84;
- annualized ROA was 1.51% compared to 1.46%;
- annualized ROE was 10.89% compared to 11.26%;
- net interest margin was 4.36% compared to 4.25%;
- provision for credit losses was $1.3 million compared to $2.8 million;
- cash dividends were $0.28 per share totaling $4.6 million compared to $0.24 per share totaling $4.1 million; and
- 686,846 shares of Company common stock were repurchased at an average price of $43.62 compared to 93,212 shares of Company common stock repurchased at an average price of $35.41 in the same period last year.

(Dollars in thousands)	Three Months Ended		Six Months Ended	
	June 30, 2026	March 31, 2026	June 30, 2026	June 30, 2025
Interest and dividend income	$ 61,173	$ 61,497	$ 122,670	$ 127,276
Interest expense	15,879	17,192	33,071	40,140
Net interest income	45,294	44,305	89,599	87,136
Provision for credit losses	920	370	1,290	2,843
Net interest income after provision for credit losses	44,374	43,935	88,309	84,293
Noninterest income	9,247	10,031	19,278	18,184
Noninterest expense	33,979	32,975	66,954	62,216
Income before income taxes	19,642	20,991	40,633	40,261
Income tax expense	4,012	4,219	8,231	8,512
Net income	$ 15,630	$ 16,772	$ 32,402	$ 31,749
Net income per common share(1)				
Basic	$ 0.95	$ 1.00	$ 1.95	$ 1.85
Diluted	0.94	0.99	1.93	1.84
Cash dividends declared per common share	0.15	0.13	0.28	0.24
Book value per share at end of period	35.90	35.26	35.90	33.12
Tangible book value per share at end of period(2)	33.67	33.02	33.67	30.92
Market price per share at end of period	49.89	42.65	49.89	37.41

(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.

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.

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:

	As of		
(Dollars in thousands, except per share data)	**June 30, 2026**	**March 31, 2026**	**June 30, 2025**
Total stockholders' equity	$ 600,600	$ 592,407	$ 579,274
Less: goodwill, core deposit intangibles, net of taxes	37,323	37,556	38,477
Tangible book value	$ 563,277	$ 554,851	$ 540,797
Common shares outstanding	16,727,821	16,803,185	17,492,143
Book value per share	$ 35.90	$ 35.26	$ 33.12
Tangible book value per share	$ 33.67	$ 33.02	$ 30.92

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

	As of		
(Dollars in thousands)	**June 30, 2026**	**March 31, 2026**	**June 30, 2025**
Tangible equity(1)	$ 563,277	$ 554,851	$ 540,797
Total assets	4,440,278	4,386,341	4,578,053
Less: goodwill, core deposit intangibles, net of taxes	37,323	37,556	38,477
Total tangible assets	$ 4,402,955	$ 4,348,785	$ 4,539,576
Tangible equity to tangible assets	12.79 %	12.76 %	11.91 %

(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, 2026 and March 31, 2026

Net Income. Net income totaled $15.6 million, or $0.94 per diluted share, for the three months ended June 30, 2026 compared to $16.8 million, or $0.99 per diluted share, for the three months ended March 31, 2026, a decrease of $1.2 million, or 6.8%. The results for the three months ended June 30, 2026 compared to the three months ended March 31, 2026 were negatively impacted by a $784,000 decrease in noninterest income and a $1.0 million increase in noninterest expense due to a $1.1 million loss resulting from the redemption of junior subordinated debt securities, partially offset by a $1.0 million increase in net interest income. 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, 2026			March 31, 2026		
(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]	$ 3,770,898	$ 57,507	6.12 %	$ 3,793,994	$ 57,725	6.17 %
Debt securities available for sale	152,647	1,667	4.38	144,520	1,604	4.50
Other interest-earning assets[2]	199,135	1,999	4.03	227,051	2,168	3.87
Total interest-earning assets	4,122,680	61,173	5.95	4,165,565	61,497	5.99
Other assets	175,077			218,936		
Total assets	$ 4,297,757			$ 4,384,501		
Liabilities and equity						
Interest-bearing liabilities						
Interest-bearing checking accounts	$ 556,610	$ 1,128	0.81 %	$ 561,216	$ 1,101	0.80 %
Money market accounts	1,376,199	8,678	2.53	1,369,569	8,616	2.55
Savings accounts	170,067	28	0.07	170,227	28	0.07
Certificate accounts	712,224	5,744	3.23	830,675	7,105	3.47
Total interest-bearing deposits	2,815,100	15,578	2.22	2,931,687	16,850	2.33
Junior subordinated debt	8,449	151	7.17	10,231	188	7.45
Borrowings	15,978	150	3.77	16,667	154	3.75
Total interest-bearing liabilities	2,839,527	15,879	2.24	2,958,585	17,192	2.36
Noninterest-bearing deposits	806,566			759,493		
Other liabilities	50,949			67,106		
Total liabilities	3,697,042			3,785,184		
Stockholders' equity	600,715			599,317		
Total liabilities and stockholders' equity	$ 4,297,757			$ 4,384,501		
Net earning assets	$ 1,283,153			$ 1,206,980		
Average interest-earning assets to average interest-bearing liabilities	145.19 %			140.80 %		
Non-tax-equivalent						
Net interest income		$ 45,294			$ 44,305	
Interest rate spread			3.71 %			3.63 %
Net interest margin[3]			4.41 %			4.31 %
Tax-equivalent[4]						
Net interest income		$ 45,752			$ 44,740	
Interest rate spread			3.76 %			3.67 %
Net interest margin[3]			4.45 %			4.36 %

(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 $458 and $435 for the three months ended June 30, 2026 and March 31, 2026, respectively, calculated based on a combined federal and state tax rate of 23%.

Total interest and dividend income for the three months ended June 30, 2026 decreased $324,000, or 0.5%, when compared to the three months ended March 31, 2026. A decline of $605,000 in accretion income was the primary driver of this change, partially offset by the impact of an additional day in the current quarter.

Total interest expense for the three months ended June 30, 2026 decreased $1.3 million, or 7.6%, when compared to the three months ended March 31, 2026. A decline of $1.3 million, or 7.5%, in deposit interest expense drove this change, the result of a decline in both the average balance of and rate paid on certificate accounts, specifically brokered deposits.

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	$ 281	$ (499)	$ (218)
Debt securities available for sale	109	(46)	63
Other interest-earning assets	(245)	76	(169)
Total interest-earning assets	145	(469)	(324)
Interest-bearing liabilities			
Interest-bearing checking accounts	3	24	27
Money market accounts	137	(75)	62
Savings accounts	—	—	—
Certificate accounts	(950)	(411)	(1,361)
Junior subordinated debt	(31)	(6)	(37)
Borrowings	(5)	1	(4)
Total interest-bearing liabilities	(846)	(467)	(1,313)
Increase in net interest income			$ 989

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		$ Change	% Change
	June 30, 2026	March 31, 2026		
Provision for credit losses				
Loans	$ 1,020	$ 945	$ 75	8 %
Off-balance sheet credit exposure	(100)	(575)	475	83
Total provision for credit losses	$ 920	$ 370	$ 550	149 %

For the quarter ended June 30, 2026, the "loans" portion of the provision for credit losses was primarily the result of the following, offset by net charge-offs of $1.8 million during the quarter:

- $0.2 million provision driven by changes in the loan mix.
- $0.4 million benefit due to changes in the projected economic forecast, specifically the national unemployment rate, and changes in qualitative adjustments.
- $0.6 million decrease in specific reserves on individually evaluated loans.

For the quarter ended March 31, 2026, the "loans" portion of the provision for credit losses was primarily the result of the following, offset by net charge-offs of $1.8 million during the quarter:

- $0.5 million benefit driven by changes in the loan mix.
- $0.2 million provision due to changes in the projected economic forecast, specifically the national unemployment rate, and changes in qualitative adjustments.
- $0.6 million decrease in specific reserves on individually evaluated loans.

For the quarters ended June 30, 2026 and March 31, 2026, the amounts recorded for off-balance sheet credit exposure were the result of changes in the balance of loan commitments, loan mix, projected economic forecast and qualitative allocations as outlined above.

Noninterest Income. Noninterest income for the three months ended June 30, 2026 decreased $784,000, or 7.8%, when compared to the quarter ended March 31, 2026. Changes in the components of noninterest income are discussed below:

	Three Months Ended			
(Dollars in thousands)	**June 30, 2026**	**March 31, 2026**	**$ Change**	**% Change**
Noninterest income				
Service charges and fees on deposit accounts	$ 2,627	$ 2,414	$ 213	9 %
Loan income and fees	501	692	(191)	(28)
Gain on sale of loans held for sale	1,874	2,654	(780)	(29)
BOLI income	893	892	1	—
Operating lease income	1,407	1,892	(485)	(26)
Gain on sale of premises and equipment	1,101	377	724	192
Other	844	1,110	(266)	(24)
Total noninterest income	$ 9,247	$ 10,031	$ (784)	(8)%

- *Loan income and fees:* The decrease was primarily the result of $251,000 less in prepayment penalties, partially offset by a $68,000 increase in other servicing fees.
- *Gain on sale of loans held for sale:* The decrease was primarily driven by a drop in the sales volume of HELOC loans originated for sale, partially offset by an increase in the sales volume of residential mortgage loans. There were $17.2 million of HELOCs originated for sale which were sold during the current quarter with gains of $93,000 compared to $103.0 million sold with gains of $934,000 in the prior quarter. There were $39.9 million of residential mortgage loans sold for gains of $481,000 during the current quarter compared to $23.3 million sold with gains of $431,000 in the prior quarter. There were $15.3 million in sales of the guaranteed portion of SBA commercial loans with gains of $1.3 million for the current quarter compared to $16.4 million sold and gains of $1.2 million for the prior quarter. Lastly, our hedging of mandatory commitments on the residential mortgage loan pipeline resulted in a net gain of $4,000 for the current quarter compared to $68,000 for the prior quarter.
- *Operating lease income:* The decrease was the result of a $402,000 increase in losses upon contract termination in addition to a $83,000 decrease in contract earnings.
- *Gain on sale of premises and equipment:* In both periods presented, gains were recognized on the sale of excess real estate.
- *Other:* The decrease was primarily driven by a $108,000 reduction in investment services income quarter-over-quarter.

Noninterest Expense. Noninterest expense for the three months ended June 30, 2026 increased $1.0 million, or 3.0%, when compared to the three months ended March 31, 2026. Changes in the components of noninterest expense are discussed below:

	Three Months Ended			
(Dollars in thousands)	**June 30, 2026**	**March 31, 2026**	**$ Change**	**% Change**
Noninterest expense				
Salaries and employee benefits	$ 20,169	$ 19,877	$ 292	1 %
Occupancy expense, net	2,417	2,630	(213)	(8)
Computer services	3,027	2,877	150	5
Operating lease depreciation expense	1,378	1,516	(138)	(9)
Telecom, postage and supplies	509	581	(72)	(12)
Marketing and advertising	584	417	167	40
Deposit insurance premiums	481	484	(3)	(1)
Core deposit intangible amortization	302	374	(72)	(19)
Loss on redemption of junior subordinated debt securities	1,079	—	1,079	100
Other	4,033	4,219	(186)	(4)
Total noninterest expense	$ 33,979	$ 32,975	$ 1,004	3 %

- *Marketing and advertising:* The increase was associated with the launch of online deposit account opening.
- *Loss on redemption of junior subordinated debt securities:* We previously established a fair value mark (discount) on the junior subordinated debt securities assumed through our merger with Quantum Capital Corp. and had been accreting the discount into interest expense. Associated with our redemption of the debt instruments in the current quarter, we wrote-off the remaining discount as an expense.

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, 2026 and March 31, 2026 were 20.4% and 20.1%, respectively.

Comparison of Results of Operations for the Six Months Ended June 30, 2026 and June 30, 2025

Net Income. Net income totaled $32.4 million, or $1.93 per diluted share, for the six months ended June 30, 2026 compared to $31.7 million, or $1.84 per diluted share, for the six months ended June 30, 2025, an increase of $653,000, or 2.1%. The results for the six months ended June 30, 2026 compared to the prior year were positively impacted by a $2.5 million increase in net interest income, a $1.6 million decrease in the provision for credit losses, and a $1.1 million increase in noninterest income, partially offset by a $4.7 million increase in noninterest expense. 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, 2026			June 30, 2025		
(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]	$ 3,782,382	$ 115,232	6.14 %	$ 3,803,259	$ 119,053	6.31 %
Debt securities available for sale	148,606	3,271	4.44	151,127	3,445	4.60
Other interest-earning assets[2]	213,016	4,167	3.94	177,551	4,778	5.43
Total interest-earning assets	4,144,004	122,670	5.97	4,131,937	127,276	6.21
Other assets	196,886			264,865		
Total assets	$ 4,340,890			$ 4,396,802		
Liabilities and equity						
Interest-bearing liabilities						
Interest-bearing checking accounts	$ 558,900	$ 2,229	0.80 %	$ 568,540	$ 2,575	0.91 %
Money market accounts	1,372,902	17,293	2.54	1,337,731	18,180	2.74
Savings accounts	170,147	57	0.07	182,844	75	0.08
Certificate accounts	771,122	12,849	3.36	909,787	18,389	4.08
Total interest-bearing deposits	2,873,071	32,428	2.28	2,998,902	39,219	2.64
Junior subordinated debt	9,335	339	7.32	10,142	411	8.17
Borrowings	16,321	304	3.76	21,780	510	4.72
Total interest-bearing liabilities	2,898,727	33,071	2.30	3,030,824	40,140	2.67
Noninterest-bearing deposits	783,159			732,123		
Other liabilities	58,984			65,367		
Total liabilities	3,740,870			3,828,314		
Stockholders' equity	600,020			568,488		
Total liabilities and stockholders' equity	$ 4,340,890			$ 4,396,802		
Net earning assets	$ 1,245,277			$ 1,101,113		
Average interest-earning assets to average interest-bearing liabilities	142.96 %			136.33 %		
Non-tax-equivalent						
Net interest income		$ 89,599			$ 87,136	
Interest rate spread			3.67 %			3.54 %
Net interest margin[3]			4.36 %			4.25 %
Tax-equivalent[4]						
Net interest income		$ 90,491			$ 87,985	
Interest rate spread			3.71 %			3.58 %
Net interest margin[3]			4.40 %			4.29 %

(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 $892 and $849 for the six months ended June 30, 2026 and 2025, respectively, calculated based on combined federal and state tax rates of 23% and 24% for the same periods, respectively.

Total interest and dividend income for the six months ended June 30, 2026 decreased $4.6 million, or 3.6%, when compared to the six months ended June 30, 2025. A decline of $3.8 million, or 3.2%, in interest income drove this change, primarily due to the impact of decreases in the federal funds rate upon loan yields. Accretion income on acquired loans of $1.1 million and $1.3 million was recognized during the same periods, respectively, and was included in loan interest income.

Total interest expense for the six months ended June 30, 2026 decreased $7.1 million, or 17.6%, when compared to the six months ended June 30, 2025. A decline of $6.8 million, or 17.3%, in deposit interest expense drove this change, the result of a decline in the average balance of certificate accounts, specifically brokered deposits, in addition to a decline in the average cost of funds across funding categories.

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:

	Increase / (Decrease) Due to		Total Increase / (Decrease)
(Dollars in thousands)	Volume	Rate	
Interest-earning assets			
Loans receivable	$ (654)	$ (3,167)	$ (3,821)
Debt securities available for sale	(57)	(117)	(174)
Other interest-earning assets	954	(1,565)	(611)
Total interest-earning assets	243	(4,849)	(4,606)
Interest-bearing liabilities			
Interest-bearing checking accounts	(44)	(302)	(346)
Money market accounts	478	(1,365)	(887)
Savings accounts	(5)	(13)	(18)
Certificate accounts	(2,803)	(2,737)	(5,540)
Junior subordinated debt	(33)	(39)	(72)
Borrowings	(128)	(78)	(206)
Total interest-bearing liabilities	(2,535)	(4,534)	(7,069)
Increase in net interest income			$ 2,463

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

	Six Months Ended			
(Dollars in thousands)	June 30, 2026	June 30, 2025	$ Change	% Change
Provision for credit losses				
Loans	$ 1,965	$ 2,185	$ (220)	(10)%
Off-balance sheet credit exposure	(675)	658	(1,333)	(203)
Total provision for credit losses	$ 1,290	$ 2,843	$ (1,553)	(55)%

For the six months ended June 30, 2026, the "loans" portion of the provision for credit losses was the result of the following, offset by net charge-offs of $3.7 million during the period:

- $0.2 million benefit driven by changes in the loan mix.
- $0.3 million benefit due to changes in the projected economic forecast, specifically the national unemployment rate, and changes in qualitative adjustments.
- $1.2 million decrease in specific reserves on individually evaluated credits.

For the six months June 30, 2025, the "loans" portion of the provision for credit losses was the result of the following, offset by net charge-offs of $3.3 million during the period:

- $0.9 million benefit driven by changes in the loan mix.
- $1.6 million benefit due to changes in qualitative adjustments, partially offset by a slight worsening of the projected economic forecast, specifically the national unemployment rate. Of note, we released the $2.2 million qualitative allocation previously established for the potential impact of Hurricane Helene upon our loan portfolio which had been established in the quarter ended September 30, 2024.
- $1.4 million increase in specific reserves on individually evaluated loans.

For the six months ended June 30, 2026 and June 30, 2025, the amounts recorded for off-balance sheet credit exposure were the result of changes in the balance of loan commitments, loan mix, projected economic forecast and qualitative allocations as outlined above.

Noninterest Income. Noninterest income for the six months ended June 30, 2026 increased $1.1 million, or 6.0%, 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, 2026**	**June 30, 2025**	**$ Change**	**% Change**
Noninterest income				
Service charges and fees on deposit accounts	$ 5,041	$ 4,746	$ 295	6 %
Loan income and fees	1,193	1,269	(76)	(6)
Gain on sale of loans held for sale	4,528	4,017	511	13
BOLI income	1,785	1,694	91	5
Operating lease income	3,299	3,255	44	1
Gain on sale of branches	—	1,448	(1,448)	(100)
Gain on sale of premises and equipment	1,478	28	1,450	5,179
Other	1,954	1,727	227	13
Total noninterest income	$ 19,278	$ 18,184	$ 1,094	6 %

- *Gain on sale of loans held for sale:* The increase was primarily driven by an increase in the sales volume of the guaranteed portion of SBA commercial loans, partially offset by a reduction in the sales volume of HELOC loans. During the six months ended June 30, 2026, there were $31.7 million of sales of the guaranteed portion of SBA commercial loans with gains of $2.5 million compared to $11.9 million sold with gains of $936,000 for the corresponding period in the prior year. There were $63.2 million of residential mortgage loans sold during the current period for gains of $912,000 compared to $49.1 million sold with gains of $1.0 million for the corresponding period in the prior year. There were $120.2 million of HELOCs originated for sale which were sold during the current period with gains of $1.0 million compared to $198.2 million sold with gains of $2.0 million for the corresponding period in the prior year. Lastly, our hedging of mandatory commitments on the residential mortgage loan pipeline resulted in a net gain of $72,000 for the six months ended June 30, 2026 compared to $40,000 for the six months ended June 30, 2025.
- *Gain on sale of branches:* During the prior year we completed the sale of our two Knoxville, Tennessee branches, recognizing a gain of $1.4 million, with no similar activity occurring in the current year.
- *Gain on sale of premises and equipment:* In both periods presented, gains were recognized on the sale of excess parcels of real estate.

Noninterest Expense. Noninterest expense for the six months ended June 30, 2026 increased $4.7 million, or 7.6%, 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, 2026**	**June 30, 2025**	**$ Change**	**% Change**
Noninterest expense				
Salaries and employee benefits	$ 40,046	$ 35,907	$ 4,139	12 %
Occupancy expense, net	5,047	4,886	161	3
Computer services	5,904	5,293	611	12
Operating lease depreciation expense	2,894	3,657	(763)	(21)
Telecom, postage and supplies	1,090	1,107	(17)	(2)
Marketing and advertising	1,001	894	107	12
Deposit insurance premiums	965	984	(19)	(2)
Core deposit intangible amortization	676	926	(250)	(27)
Loss on redemption of junior subordinated debt securities	1,079	—	1,079	100
Other	8,252	8,562	(310)	(4)
Total noninterest expense	$ 66,954	$ 62,216	$ 4,738	8 %

- *Salaries and employee benefits:* The increase was primarily the result of increases in both pay and incentive compensation.
- *Computer services:* The increase year-over-year reflects the Company's further investment in both our internal- and external-facing technological capabilities.
- *Operating lease depreciation expense:* The decrease was due to a decline in the population of operating lease contracts (assets being depreciated) year-over-year.
- *Core deposit intangible amortization:* The intangible recorded associated with the Quantum merger is being amortized on an accelerated basis, so the rate of amortization slowed year-over-year.
- *Loss on redemption of junior subordinated debt securities:* See explanation in the "Comparison of Results of Operations for the Three Months Ended June 30, 2026 and March 31, 2026 – Noninterest Expense" section above.

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, 2026 and 2025 were 20.3% and 21.1%, respectively.

Comparison of Financial Condition at June 30, 2026 and December 31, 2025

General. Total assets decreased by $105.4 million to $4.4 billion and total liabilities decreased by $105.3 million to $3.8 billion at June 30, 2026 as compared to December 31, 2025. These changes can be traced to the use of existing liquidity and the proceeds from loan sales to offset a $103.2 million decline in deposits. The decrease in deposits was the result of a $134.6 million reduction in brokered deposits, partially offset by an increase of $31.5 million in all other deposit categories.

Cash and Cash Equivalents. Total cash and cash equivalents decreased $52.1 million, or 16.1%, to $272.5 million at June 30, 2026 from $324.7 million at December 31, 2025.

Certificates of Deposit in Other Banks. Total certificates of deposit in other banks decreased $7.2 million, or 38.3%, to $11.6 million at June 30, 2026 compared to December 31, 2025.

Debt Securities Available for Sale. Debt securities available for sale increased $3.3 million, or 2.3%, to $145.9 million at June 30, 2026 from $142.5 million at December 31, 2025. Outside of fluctuations in value, the changes between periods were the result of $26.7 million in purchases, partially offset by $22.5 million in proceeds from the maturity, call and paydown of securities. All purchases were MBS and consistent with the composition of the existing securities held in the portfolio.

Loans Held for Sale. Loans held for sale decreased $84.8 million, or 41.2%, to $120.9 million at June 30, 2026 from $205.7 million at December 31, 2025. This was driven by a decrease of $81.1 million, or 49.8%, in HELOCs held for sale due to loan sales during the current period.

Loans, Net of Deferred Loan Fees and Costs. Loans held for investment totaled $3.6 billion at June 30, 2026, an increase of $44.1 million, or 1.2%, compared to the balance as of December 31, 2025. The following table illustrates the changes within the portfolio:

	As of		Change		Percent of Total	
(Dollars in thousands)	June 30, 2026	December 31, 2025	$	%	June 30, 2026	December 31, 2025
Commercial real estate loans						
Construction and land development	$ 326,985	$ 277,028	$ 49,957	18 %	9 %	8 %
Commercial real estate – owner occupied	536,475	562,049	(25,574)	(5)	15	16
Commercial real estate – non-owner occupied	875,143	832,502	42,641	5	24	23
Multifamily	128,492	110,912	17,580	16	3	3
Total commercial real estate loans	1,867,095	1,782,491	84,604	5	51	50
Commercial loans						
Commercial and industrial	392,876	378,686	14,190	4	11	10
Equipment finance	260,670	311,356	(50,686)	(16)	7	9
Municipal leases	169,611	166,396	3,215	2	5	5
Total commercial loans	823,157	856,438	(33,281)	(4)	23	24
Residential real estate loans						
Construction and land development	47,694	45,617	2,077	5	1	1
One-to-four family	617,469	633,511	(16,042)	(3)	17	18
HELOCs	236,357	217,310	19,047	9	7	6
Total residential real estate loans	901,520	896,438	5,082	1	25	25
Consumer loans	30,472	42,787	(12,315)	(29)	1	1
Total loans, net of deferred loan fees and costs	$ 3,622,244	$ 3,578,154	$ 44,090	1 %	100 %	100 %

Asset Quality. The following table sets forth the composition of nonperforming assets, made up of nonaccrual loans and repossessed assets, across our asset categories.

(Dollars in thousands)	June 30, 2026	March 31, 2026	December 31, 2025
Nonaccruing loans			
Commercial real estate			
Construction and land development	$ 472	$ 854	$ 381
Commercial real estate – owner occupied	11,996	11,256	10,467
Commercial real estate – non-owner occupied	4,273	6,704	6,566
Multifamily	838	—	—
Total commercial real estate	17,579	18,814	17,414
Commercial			
Commercial and industrial	14,617	10,578	9,786
Equipment finance	5,003	6,096	6,690
Total commercial	19,620	16,674	16,476
Residential real estate			
One-to-four family	5,168	3,632	2,961
HELOCs	7,797	7,140	6,523
Total residential real estate	12,965	10,772	9,484
Consumer	438	479	402
Total nonaccruing loans	$ 50,602	$ 46,739	$ 43,776
Total repossessed assets	4,049	316	657
Total nonperforming assets	$ 54,651	$ 47,055	$ 44,433
Total nonperforming assets as a percentage of total assets	1.23 %	1.07 %	0.98 %
Total SBA loans included in nonaccrual loans	$ 30,254	$ 22,720	$ 20,647
Portion of SBA loans fully guaranteed by the SBA	23,563	16,348	14,885
Total nonaccruing loans, excluding the balance fully guaranteed by the SBA	27,039	30,391	28,891
Total repossessed assets	4,049	316	657
Total nonperforming assets, excluding the balance fully guaranteed by the SBA	$ 31,088	$ 30,707	$ 29,548
Total nonperforming assets, excluding the balance fully guaranteed by the SBA, as a percentage of total assets	0.70 %	0.70 %	0.65 %

SBA loans made up 55.4%, 48.3% and 46.5% of total nonperforming assets at June 30, 2026, March 31, 2026 and December 31, 2025, respectively. The increase during the current six month period was primarily the result of a management decision to accelerate the repurchase of the sold portion of nonperforming SBA loans (fully guaranteed portion) to simplify the workout process.

Classified assets decreased by $1.5 million, or 2.0%, to $70.7 million, or 1.59% of total assets, as of June 30, 2026 when compared to the balance of $72.2 million, or 1.65% of total assets, as of March 31, 2026. Classified assets increased by $4.5 million, or 6.9%, to $70.7 million, or 1.59% of total assets, as of June 30, 2026 when compared to the balance of $66.2 million, or 1.46% of total assets, as of December 31, 2025. SBA loans made up the largest portion of classified assets at $32.3 million and $27.3 million, respectively, as of June 30, 2026 and December 31, 2025, of which $24.5 million and $19.8 million, respectively, was fully guaranteed. The remaining population of classified assets as of June 30, 2026 included $10.5 million of HELOCs, $10.0 million of 1-4 family residential real estate loans and $7.0 million of equipment finance loans (concentrated in the transportation sector).

Allowance for Credit Losses on Loans. The ACL on loans was $39.8 million, or 1.10% of total loans, at June 30, 2026 compared to $41.5 million, or 1.16% of total loans, at December 31, 2025. The drivers of this change are discussed in the "Comparison of Results of Operations for the Six Months Ended June 30, 2026 and June 30, 2025 – Provision for Credit Losses" section above.

The following table summarizes the distribution of the ACL by loan category at the dates indicated.

(Dollars in thousands)	June 30, 2026			December 31, 2025		
	Allocated Allowance	% of Loan Portfolio	ACL to Loans	Allocated Allowance	% of Loan Portfolio	ACL to Loans
Commercial real estate						
Construction and land development	$ 4,520	9 %	0.12 %	$ 3,948	8 %	0.11 %
Commercial real estate – owner occupied	5,100	15	0.14	5,404	16	0.15
Commercial real estate – non-owner occupied	9,031	24	0.25	8,908	23	0.25
Multifamily	1,180	4	0.03	1,038	3	0.03
Total commercial real estate	19,831	52	0.54	19,298	50	0.54
Commercial						
Commercial and industrial	4,767	11	0.13	4,894	10	0.14
Equipment finance	6,020	7	0.17	8,110	9	0.22
Municipal leases	321	5	0.01	327	5	0.01
Total commercial	11,108	23	0.31	13,331	24	0.37
Residential real estate						
Construction and land development	292	1	0.01	307	1	0.01
One-to-four family	6,123	17	0.17	6,342	18	0.18
HELOCs	2,058	6	0.06	1,843	6	0.05
Total residential real estate	8,473	24	0.24	8,492	25	0.24
Consumer	377	1	0.01	358	1	0.01
Total loans	$ 39,789	100 %	1.10 %	$ 41,479	100 %	1.16 %

(Dollars in thousands)	June 30, 2026		December 31, 2025	
	Allocated Allowance	ACL to Loans	Allocated Allowance	ACL to Loans
ACL composition				
Quantitative allocation	$ 21,814	0.60 %	$ 22,832	0.64 %
Qualitative allocation	17,888	0.50	17,359	0.50
Individual allocation	87	—	1,288	0.02
Total ACL	$ 39,789	1.10 %	$ 41,479	1.16 %

Net loan charge-offs totaled $3.7 million for the six months ended June 30, 2026 compared to $3.3 million for the same period last year. Net charge-offs were concentrated within our equipment finance portfolio, primarily related to over-the-road truck loans, where we recognized net charge-offs of $2.4 million and $2.1 million for the same periods, respectively. Annualized net charge-offs as a percentage of average loans were 0.19% for the six months ended June 30, 2026 as compared to 0.18% for the six months ended June 30, 2025.

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

(Dollars in thousands)	June 30, 2026	December 31, 2025	$ Change	% Change
Core deposits				
Noninterest-bearing accounts	$ 739,787	$ 707,748	$ 32,039	5 %
NOW accounts	541,807	546,387	(4,580)	(1)
Money market accounts	1,421,600	1,374,635	46,965	3
Savings accounts	165,902	171,455	(5,553)	(3)
Total core deposits	2,869,096	2,800,225	68,871	2
Certificates of deposit	737,751	909,772	(172,021)	(19)
Total	$ 3,606,847	$ 3,709,997	$ (103,150)	(3)%

The decrease in deposits was the result of a $134.6 million reduction in brokered deposits, partially offset by an increase of $31.5 million in all other deposit categories.

Stockholders' Equity. Stockholders' equity decreased $90,000, to $600.6 million at June 30, 2026 as compared to December 31, 2025. Activity within stockholders' equity included $32.4 million in net income and $4.0 million in share-based compensation and stock option exercises, partially offset by $4.6 million in cash dividends declared and $30.2 million in stock repurchases. In addition, accumulated other comprehensive income declined by $1.0 million due to an increase in the unrealized loss on available for sale securities due to higher market interest rates between December 31, 2025 and June 30, 2026.

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 expected liquidity demands. The primary sources are increases in deposit accounts, wholesale borrowings and cash flows from payments on the loan and securities portfolios.

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 loans, indirect auto loans, and equipment and municipal leases are pledged as collateral to secure outstanding FRB advances. At June 30, 2026, the Company had the ability to borrow $373.4 million through additional FHLB advances and $30.6 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 four unaffiliated banks which totaled $135.0 million, all of which was unused.

We also 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, 2026, brokered deposits totaled $136.7 million, or 3.8% 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. 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, 2026, we (on an unconsolidated basis) had liquid assets of $6.6 million.

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, 2026, the total approved loan commitments and unused lines of credit outstanding amounted to $296.2 million and $793.6 million, respectively. Certificates of deposit scheduled to mature in one year or less at June 30, 2026 totaled $722.6 million. It is management's policy to manage deposit rates to be 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 11 – 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 additional 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, 2026, 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, 2026 under applicable regulatory requirements.

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

	Actual		Regulatory Requirements			
			Minimum for Capital Adequacy Purposes		Minimum to Be Well Capitalized	
(Dollars in thousands)	Amount	Ratio	Amount	Ratio	Amount	Ratio
HomeTrust Bancshares, Inc.						
June 30, 2026						
CET1 Capital (to risk-weighted assets)	$ 562,701	14.07 %	$ 179,923	4.50 %	$ 259,888	6.50 %
Tier I Capital (to total adjusted assets)	562,701	13.21	170,389	4.00	212,986	5.00
Tier I Capital (to risk-weighted assets)	562,701	14.07	239,897	6.00	319,863	8.00
Total Risk-based Capital (to risk-weighted assets)	606,435	15.17	319,863	8.00	399,828	10.00
December 31, 2025						
CET1 Capital (to risk-weighted assets)	$ 560,919	13.83 %	$ 182,491	4.50 %	$ 263,598	6.50 %
Tier I Capital (to total adjusted assets)	571,139	12.99	175,853	4.00	219,816	5.00
Tier I Capital (to risk-weighted assets)	571,139	14.08	243,321	6.00	324,429	8.00
Total Risk-based Capital (to risk-weighted assets)	617,238	15.22	324,429	8.00	405,536	10.00
HomeTrust Bank						
June 30, 2026						
CET1 Capital (to risk-weighted assets)	$ 549,253	13.74 %	$ 179,855	4.50 %	$ 259,791	6.50 %
Tier I Capital (to total adjusted assets)	549,253	12.91	170,187	4.00	212,734	5.00
Tier I Capital (to risk-weighted assets)	549,253	13.74	239,807	6.00	319,743	8.00
Total Risk-based Capital (to risk-weighted assets)	592,987	14.84	319,743	8.00	399,679	10.00
December 31, 2025						
CET1 Capital (to risk-weighted assets)	$ 555,807	13.71 %	$ 182,427	4.50 %	$ 263,506	6.50 %
Tier I Capital (to total adjusted assets)	555,807	12.65	175,795	4.00	219,743	5.00
Tier I Capital (to risk-weighted assets)	555,807	13.71	243,236	6.00	324,315	8.00
Total Risk-based Capital (to risk-weighted assets)	601,906	14.85	324,315	8.00	405,394	10.00

In addition to the minimum CET1, Tier 1 and total risk-based capital ratios, both HomeTrust Bancshares, Inc. and the Bank have to maintain a capital conservation buffer consisting of additional CET1 capital of more than 2.50% 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, 2026, the Company's and Bank's risk-based capital exceeded the required capital contribution buffer.

Dividends paid by HomeTrust Bank are limited, without prior 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 2025 Form 10-K.

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, 2026, 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, 2026, 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, 2026 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 11 – 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 2025 Form 10-K.

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, 2026:

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, 2026	5,952	$ 45.31	5,952	239,551
May 1 - May 31, 2026	79,876	45.58	79,876	159,675
June 1 - June 30, 2026	67,778	47.25	67,778	91,897
Total	153,606	$ 46.31	153,606	91,897

The Company's Board of Directors has, from time to time, authorized the repurchase of its common stock. The most recent time this was done, on December 16, 2025, 870,000 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, 2026, 778,103 of these shares had been purchased at an average price of $43.73 per share, 686,846 of which were repurchased during the six months ended June 30, 2026. 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, 2026, 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.	(w)
10.1	HomeTrust Bancshares, Inc. Senior Leadership Incentive Plan (formerly known as Operating Committee Incentive Program)	(n)
10.2	Amended and Restated Employment Agreement between HomeTrust Bancshares, Inc. and C. Hunter Westbrook	(g)
10.2A	Amendment No. 1 to Amended and Restated Employment Agreement between HomeTrust Bancshares, Inc. and C. Hunter Westbrook	(b)
10.2B	Amendment No. 2 to Amended and Restated Employment Agreement between HomeTrust Bancshares, Inc. and C. Hunter Westbrook	(h)
10.2C	Amendment No. 3 to Amended and Restated Employment Agreement between HomeTrust Bancshares, Inc. and C. Hunter Westbrook	(o)
10.2D	Amendment No. 4 to Amended and Restated Employment Agreement between HomeTrust Bancshares, Inc. and C. Hunter Westbrook	(e)
10.3	Amended and Restated Employment Agreement between HomeTrust Bancshares, Inc. and Tony J. VunCannon	(g)
10.3A	Amendment No. 1 to Amended and Restated Employment Agreement between HomeTrust Bancshares, Inc. and Tony VunCannon	(a)
10.4	HomeTrust Bank Executive Supplemental Retirement Income Master Agreement ("SERP")	(d)
10.5	Amendment No. 1 to SERP	(m)
10.6	Amendment No. 2 to SERP	(l)
10.6A	SERP Joinder Agreement for F. Edward Broadwell, Jr.	(d)
10.6B	SERP Joinder Agreement for Dana L. Stonestreet	(d)
10.6C	SERP Joinder Agreement for Tony J. VunCannon	(d)
10.6D	SERP Joinder Agreement for Howard L. Sellinger	(d)
10.6E	SERP Joinder Agreement for Stan Allen	(d)
10.6F	SERP Joinder Agreement for Sidney A. Biesecker	(d)
10.6G	SERP Joinder Agreement for Peggy C. Melville	(d)
10.6H	SERP Joinder Agreement for William T. Flynt	(d)
10.6I	Amended and Restated Supplemental Income Agreement between HomeTrust Bank, as successor to Industrial Federal Savings Bank, and Sidney Biesecker	(i)
10.7	HomeTrust Bank Director Emeritus Plan ("Director Emeritus Plan")	(d)
10.7A	Director Emeritus Plan Joinder Agreement for William T. Flynt	(d)
10.7B	Director Emeritus Plan Joinder Agreement for J. Steven Goforth	(d)
10.7C	Director Emeritus Plan Joinder Agreement for Craig C. Koontz	(d)
10.7D	Director Emeritus Plan Joinder Agreement for Larry S. McDevitt	(d)
10.7E	Director Emeritus Plan Joinder Agreement for F.K. McFarland, III	(d)
10.7F	Director Emeritus Plan Joinder Agreement for Peggy C. Melville	(d)
10.7G	Director Emeritus Plan Joinder Agreement for Robert E. Shepherd, Sr.	(d)
10.8	HomeTrust Bank Defined Contribution Executive Medical Care Plan	(d)
10.8A	Amendment No. 1 to HomeTrust Bank Defined Contribution Executive Medical Care Plan	(m)
10.8B	Form of Joinder Agreement Under the HomeTrust Bank Defined Contribution Executive Medical Care Plan	(m)
10.8C	Amendment No. 2 to HomeTrust Bank Defined Contribution Executive Medical Care Plan	(r)
10.8D	Amendment No. 3 to HomeTrust Bank Defined Contribution Executive Medical Care Plan	(t)
10.9	HomeTrust Bank 2005 Deferred Compensation Plan	(d)
10.9A	Amendment No. 1 to HomeTrust Bank 2005 Deferred Compensation Plan	(m)
10.10	HomeTrust Bank Pre-2005 Deferred Compensation Plan	(d)
10.10A	Amendment No. 1 to HomeTrust Bank Pre-2005 Deferred Compensation Plan	(m)
10.11	HomeTrust Bank 2025 Deferred Compensation Plan	(x)
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)

Regulation S-K Exhibit #	Document	Reference to Prior Filing or Exhibit # Attached Hereto
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)
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	Amended and Restated Change in Control Severance Agreement between HomeTrust Bancshares, Inc. and John Sprink	(s)
10.15	Change in Control Severance Agreement between HomeTrust Bancshares, Inc. and Kristin Powell	(r)
10.15A	Amendment No. 1 to Change in Control Severance Agreement between HomeTrust Bancshares, Inc. and Kristin Powell	(a)
10.16	Change in Control Severance Agreement between HomeTrust Bancshares, Inc. and Megan Pelletier	(a)
10.17	Change in Control Severance Agreement between HomeTrust Bancshares, Inc. and Lora Jex	(p)
10.18	Change in Control Severance Agreement between HomeTrust Bancshares, Inc. and Chuck Sivley	(v)
10.19	Change in Control Severance Agreement between HomeTrust Bancshares, Inc. and Kevin Nunley	(c)
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	(f)
101	The following materials from HomeTrust Bancshares’ Annual Report on Form 10-K for the year ended December 31, 2025, 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 September 30, 2024 (File No. 001-35593).
(d) Filed as an exhibit to HomeTrust Bancshares's Registration Statement on Form S-1 filed on December 29, 2011 (File No. 333-178817).
(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 filed on March 9, 2012 (File No. 333-178817).
(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 filed on February 13, 2013 (File No. 333-186666).
(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 December 31, 2025 (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 filed on February 6, 2023 (File No. 333-186666).
(v) Filed as an exhibit to HomeTrust Bancshares's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 (File No. 001-35593).
(w) Filed as an exhibit to HomeTrust Bancshares's Current Report on Form 8-K filed on February 11, 2025 (File No. 001-35593).
(x) Filed as an exhibit to HomeTrust Bancshares's Current Report on Form 8-K filed on April 1, 2025 (File No. 001-35593).

SIGNATURES

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

		HOMETRUST BANCSHARES, INC.
Date: August 6, 2026	By:	/s/ C. Hunter Westbrook
		C. Hunter Westbrook President and Chief Executive Officer *(Duly Authorized Officer)*
Date: August 6, 2026	By:	/s/ Tony J. VunCannon
		Tony J. VunCannon Executive Vice President, CFO, Corporate Secretary and Treasurer *(Principal Financial and Accounting Officer)*

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 6, 2026	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 6, 2026	By:	/s/ Tony J. VunCannon
		Tony J. VunCannon
		Executive Vice President, CFO, Corporate Secretary 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, 2026, 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 6, 2026	By:	/s/ C. Hunter Westbrook
		C. Hunter Westbrook President and Chief Executive Officer
August 6, 2026	By:	/s/ Tony J. VunCannon
		Tony J. VunCannon Executive Vice President, CFO, Corporate Secretary and Treasurer