UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

[**X**] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, 2015**

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

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)	(IRS 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)

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 [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes [X]No [ ]

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

Large accelerated filer [ ]		Accelerated filer [**X**]
Non-accelerated filer [ ]	(Do not check if a smaller reporting company)	Smaller reporting company [ ]

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

APPLICABLE ONLY TO CORPORATE ISSUERS

There were 20,234,574 shares of common stock, par value of $.01 per share, issued and outstanding as of May 6, 2015.

HOMETRUST BANCSHARES, INC. AND SUBSIDIARIES
10-Q
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	(Unaudited) March 31, 2015	June 30, 2014
Assets		
Cash	$ 40,988	$ 19,801
Interest-bearing deposits	253,671	26,029
Cash and cash equivalents	294,659	45,830
Certificates of deposit in other banks	204,596	163,780
Securities available for sale, at fair value	230,512	168,749
Other investments, at cost	19,142	3,697
Loans held for sale	2,225	2,537
Total loans, net of deferred loan fees and discount	1,641,057	1,496,528
Allowance for loan losses	(22,681)	(23,429)
Net loans	1,618,376	1,473,099
Premises and equipment, net	58,943	47,411
Accrued interest receivable	7,249	6,787
Real estate owned (REO)	8,558	15,725
Deferred income taxes	57,649	58,381
Bank owned life insurance	77,050	71,285
Goodwill	13,768	9,815
Core deposit intangibles	10,850	4,014
Other assets	5,060	3,344
Total Assets	$ 2,608,637	$ 2,074,454
Liabilities and Stockholders' Equity		
Liabilities		
Deposits	$ 1,913,773	$ 1,583,047
Other borrowings	250,000	50,000
Capital lease obligations	1,984	1,998
Other liabilities	60,945	62,258
Total liabilities	2,226,702	1,697,303
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, 20,335,781 shares issued and outstanding at March 31, 2015; 20,632,008 at June 30, 2014	203	207
Additional paid in capital	223,234	225,889
Retained earnings	165,799	160,332
Unearned Employee Stock Ownership Plan (ESOP) shares	(9,125)	(9,522)
Accumulated other comprehensive income	1,824	245
Total stockholders' equity	381,935	377,151
Total Liabilities and Stockholders' Equity	$ 2,608,637	$ 2,074,454

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)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2015	2014	2015	2014
Interest and Dividend Income				
Loans	$ 19,575	$ 13,557	$ 57,954	$ 42,010
Securities available for sale	919	376	2,608	1,097
Certificates of deposit and other interest-bearing deposits	781	439	1,846	1,346
Other investments	261	20	551	47
Total interest and dividend income	21,536	14,392	62,959	44,500
Interest Expense				
Deposits	1,220	1,247	3,710	4,172
Other borrowings	128	1	271	5
Total interest expense	1,348	1,248	3,981	4,177
Net Interest Income	20,188	13,144	58,978	40,323
Recovery of Loan Losses	—	(1,800)	(250)	(4,800)
Net Interest Income after Recovery for Loan Losses	20,188	14,944	59,228	45,123
Noninterest Income				
Service charges on deposit accounts	1,732	620	4,111	1,954
Mortgage banking income and fees	672	632	2,232	2,417
Gain from sales of securities available for sale	—	10	61	10
Other, net	909	763	2,497	2,161
Total noninterest income	3,313	2,025	8,901	6,542
Noninterest Expense				
Salaries and employee benefits	10,629	7,496	30,506	22,192
Net occupancy expense	2,381	1,284	6,266	3,746
Marketing and advertising	461	336	1,472	1,028
Telephone, postage, and supplies	912	403	2,348	1,269
Deposit insurance premiums	608	321	1,453	989
Computer services	1,763	828	4,366	2,652
Loss (gain) on sale and impairment of REO	(32)	468	(268)	673
REO expense	390	333	1,178	1,154
Core deposit intangible amortization	842	31	1,740	95
Merger-related expenses	1,686	449	5,417	711
Other	2,385	1,447	6,179	4,109
Total other expense	22,025	13,396	60,657	38,618
Income Before Income Taxes	1,476	3,573	7,472	13,047
Income Tax Expense	314	967	2,005	4,238
Net Income	$ 1,162	$ 2,606	$ 5,467	$ 8,809
Per Share Data:				
Net income per common share:				
Basic	$ 0.06	$ 0.14	$ 0.28	$ 0.46
Diluted	$ 0.06	$ 0.14	$ 0.28	$ 0.46
Average shares outstanding:				
Basic	19,113,387	18,302,672	19,146,025	18,724,242
Diluted	19,192,702	18,378,159	19,232,791	18,815,416

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)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2015	2014	2015	2014
Net Income	$ 1,162	$ 2,606	$ 5,467	$ 8,809
Other Comprehensive Income (Loss)				
Unrealized holding gains (losses) on securities available for sale				
Gains (losses) arising during the period	1,216	434	2,336	(47)
Deferred income tax (expense) benefit	(413)	(148)	(794)	16
Reclassification of securities gains recognized in net income	—	10	57	—
Deferred income tax expense	—	(3)	(20)	—
Total other comprehensive income (loss)	$ 803	$ 293	$ 1,579	$ (31)
Comprehensive Income	$ 1,965	$ 2,899	$ 7,046	$ 8,778

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)

	Common Stock	Additional Paid In Capital	Retained Earnings	Unearned ESOP Shares	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Balance at June 30, 2013	$ 208	$ 227,397	$ 149,990	$ (10,051)	$ (29)	$ 367,515
Net income	—	—	8,809	—	—	8,809
Stock repurchased	(12)	(20,483)	—	—	—	(20,495)
Stock option expense	—	971	—	—	—	971
Restricted stock expense	—	1,027	—	—	—	1,027
ESOP shares allocated	—	243	—	397	—	640
Other comprehensive loss	—	—	—	—	(31)	(31)
Balance at March 31, 2014	$ 196	$ 209,155	$ 158,799	$ (9,654)	$ (60)	$ 358,436
Balance at June 30, 2014	$ 207	$ 225,889	$ 160,332	$ (9,522)	$ 245	$ 377,151
Net income	—	—	5,467	—	—	5,467
Stock repurchased	(4)	(5,222)	—	—	—	(5,226)
Exercised stock options	—	259	—	—	—	259
Stock option expense	—	1,010	—	—	—	1,010
Restricted stock expense	—	1,078	—	—	—	1,078
ESOP shares allocated	—	220	—	397	—	617
Other comprehensive gain	—	—	—	—	1,579	1,579
Balance at March 31, 2015	$ 203	$ 223,234	$ 165,799	$ (9,125)	$ 1,824	$ 381,935

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

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

	Nine Months Ended March 31,	
	2015	2014
Operating Activities:		
Net income	$ 5,467	$ 8,809
Adjustments to reconcile net income to net cash provided by operating activities:		
Recovery of loan losses	(250)	(4,800)
Depreciation	2,707	1,675
Deferred income tax expense	1,841	4,226
Net amortization and accretion	(3,189)	(701)
Loss (gain) on sale and impairment of REO	(268)	673
Gain on sale of loans held for sale	(1,232)	(1,276)
Origination of loans held for sale	(47,381)	(55,788)
Proceeds from sales of loans held for sale	48,925	69,898
Gain on sale of securities available for sale	(61)	(10)
Decrease in deferred loan fees, net	(915)	(260)
Increase in accrued interest receivable and other assets	(2,754)	(1,699)
Amortization of core deposit intangibles	1,740	95
ESOP compensation expense	617	640
Restricted stock and stock option expense	2,088	1,998
Decrease in other liabilities	(6,800)	(2,474)
Net cash provided by operating activities	535	21,006
Investing Activities:		
Purchase of securities available for sale	(87,955)	(67,271)
Proceeds from maturities of securities available for sale	21,885	27,225
Proceeds from sale of securities available for sale	10,387	2,086
Purchase of certificates of deposit in other banks	(80,591)	(37,266)
Maturities of certificates of deposit in other banks	39,775	14,184
Principal repayments of mortgage-backed securities	20,017	7,015
Net redemptions (purchases) of other investments	(14,654)	764
Net decrease (increase) in loans	(54,796)	36,559
Purchase of premises and equipment	(5,111)	(1,174)
Capital improvements to REO	(93)	(126)
Proceeds from sale of REO	8,564	8,214
Acquisition of BankGreenville Financial Corporation, net of cash paid	—	1,475
Acquisition of Bank of Commerce, net of cash received	(7,759)	—
Acquisition of Bank of America branches, net of cash paid	310,868	—
Net cash provided by (used in) investing activities	160,537	(8,315)
Financing Activities:		
Net decrease in deposits	(92,090)	(31,954)
Net increase (decrease) in other borrowings	184,828	(2,527)
Common stock repurchased	(5,226)	(20,495)
Exercised stock options	259	—
Decrease in capital lease obligations	(14)	(13)
Net cash provided by (used in) financing activities	87,757	(54,989)
Net Increase (Decrease) in Cash and Cash Equivalents	248,829	(42,298)
Cash and Cash Equivalents at Beginning of Period	45,830	125,713
Cash and Cash Equivalents at End of Period	$ 294,659	$ 83,415

Supplemental Disclosures:	Nine Months Ended March 31,	
	2015	2014
Cash paid during the period for:		
Interest	$ 3,589	$ 4,047
Income taxes	222	113
Noncash transactions:		
Unrealized gain (loss) in value of securities available for sale, net of income taxes	1,579	(31)
Transfers of loans to REO	2,171	4,166
Transfers of loans to held for sale	—	4,340
Loans originated to finance the sale of REO	460	94
Business Combinations:		
Assets acquired	464,179	103,905
Liabilities assumed	444,374	94,352
Net assets acquired	19,805	9,553

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

1. Summary of Significant Accounting Policies

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

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("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 Securities and Exchange Commission ("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 June 30, 2014 ("2014 Form 10-K") filed with the SEC on September 15, 2014. The results of operations for the three and nine months ended March 31, 2015 are not necessarily indicative of results that may be expected for the entire fiscal year ending June 30, 2015. Certain prior year amounts have been reclassified to conform to current fiscal year presentation. The reclassifications had no impact on previously reported net income or equity.

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 several accounting policies that, due to the judgments, estimates and assumptions inherent in those policies, are critical to an understanding of the Company's financial statements. These policies relate to (i) the determination of the provision and the allowance for loan losses, (ii) business combinations, (iii) the valuation of REO, (iv) the calculation of post-retirement plan expenses and benefits, and (v) the valuation of or recognition of deferred tax assets and liabilities. These policies and judgments, estimates and assumptions are described in greater detail in subsequent notes to the Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations (Critical Accounting Policies) in our 2014 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 these critical accounting policies, 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.

2. Recent Accounting Pronouncements

In January 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-04, "Receivables—Troubled Debt Restructurings by Creditors (Subtopic 310-40): Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure". The objective of this guidance is to clarify when an in substance repossession or foreclosure occurs, that is, when a creditor should be considered to have received physical possession of residential real estate property collateralizing a consumer mortgage loan such that the loan receivable should be derecognized and the real estate property recognized. ASU No. 2014-04 states that an in substance repossession or foreclosure occurs, and a creditor is considered to have received physical possession of residential real estate property collateralizing a consumer mortgage loan, upon either (1) the creditor obtaining legal title to the residential real estate property upon completion of a foreclosure or (2) the borrower conveying all interest in the residential real estate property to the creditor to satisfy that loan through completion of a deed in lieu of foreclosure or through a similar legal agreement. Additionally, ASU No. 2014-04 requires interim and annual disclosure of both (1) the amount of foreclosed residential real estate property held by the creditor and (2) the recorded investment in consumer mortgage loans collateralized by residential real estate property that are in the process of foreclosure according to local requirements of the applicable jurisdiction. ASU No. 2014-04 is effective, for the Company, for interim and annual reporting periods beginning after June 30, 2015. The adoption of ASU No. 2014-04 is not expected to have a material impact on the Company's Consolidated Financial Statements.

In August 2014, the FASB issued ASU No. 2014-14, "Receivables-Troubled Debt Restructuring by Creditors (Subtopic 310-40): Classification of Certain Government-Guaranteed Mortgage Loans upon Foreclosure". The amendments in this ASU require that a mortgage loan be derecognized and that a separate other receivable be recognized upon foreclosure if the following conditions are met: (1) the loan has a government guarantee that is not separable from the loan before foreclosure; (2) at the time of foreclosure, the creditor has the intent to convey the real estate property to the guarantor and make a claim of the guarantee, and the creditor has the ability to recover under that claim; and (3) at the time of foreclosure, any amount of the claim that is determined on the basis of the fair value of the real estate is fixed. Upon foreclosure, the separate other receivable should be measured based on the amount of the loan balance (principal and interest) expected to be recovered from the guarantor. The amendments in this ASU are effective, for the Company, for annual periods, and interim periods within those annual periods, beginning after June 30, 2015. The adoption of ASU No. 2014-14 is not expected to have a material impact on the Company's Consolidated Financial Statements.

(Dollars in thousands, except per share data)

In January 2015, the FASB issued ASU No. 2015-01, "Income Statement-Extraordinary and Unusual Items (Subtopic 225-20)". The ASU eliminates the need to separately classify, present, and disclose extraordinary events. The disclosure of events or transactions that are unusual or infrequent in nature will be included in other guidance. The amendments in this ASU are effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015. The adoption of ASU No. 2015-1 is not expected to have a material impact on the Company's consolidated financial statements.

3. Business Combinations

On November 14, 2014, the Bank completed its acquisition of ten branch banking operations in Southwest Virginia and Eden, North Carolina from Bank of America Corporation (the "Branch Acquisition"). Under the terms of the agreement, the Bank paid a deposit premium of $9,805 equal to 2.86% of the average daily deposits for the 30 calendar day period prior to the acquisition date. In addition, the Bank acquired approximately $1,045 in loans and all related premises and equipment valued at $8,993.

The Branch Acquisition was accounted for as a business combination using the acquisition method of accounting and, accordingly, assets acquired, liabilities assumed and consideration exchanged were recorded at acquisition date fair values. Fair values are preliminary and subject to refinement for up to one year after the closing date of the acquisition as additional information regarding the closing date fair values becomes available.

The following table presents the consideration paid by the Bank in the acquisition of these Bank of America branches and the assets acquired and liabilities assumed as of November 14, 2014:

	As Recorded By Bank of America	Fair Value and Other Merger Related Adjustments	As Recorded by the Company
Consideration Paid			
Cash paid as deposit premium			$ 9,805
Total consideration			$ 9,805
Assets			
Cash and cash equivalents	$ 320,673	$ —	$ 320,673
Loans, net of allowance	1,045	—	1,045
Premises and equipment, net	6,303	2,690	8,993
Accrued interest receivable	3	—	3
Deferred income taxes	—	353	353
Core deposit intangibles	—	8,156	8,156
Total assets acquired	$ 328,024	$ 11,199	$ 339,223
Liabilities			
Deposits	$ 328,007	$ 1,394	$ 329,401
Other liabilities	17	—	17
Total liabilities assumed	$ 328,024	$ 1,394	$ 329,418
Net identifiable assets acquired over liabilities assumed	$ —	$ 9,805	$ 9,805
Goodwill			$ —

On July 31, 2014, the Bank completed its acquisition of Bank of Commerce in accordance with the terms of the Agreement and Plan of Share Exchange dated March 3, 2014. Under the terms of the agreement, Bank of Commerce shareholders received $6.25 per share in cash consideration, representing approximately $10,000 of aggregate deal consideration. In addition, all $3,200 of Bank of Commerce's preferred stock was redeemed.

Bank of Commerce was accounted for using the acquisition method of accounting and, accordingly, assets acquired, liabilities assumed and consideration exchanged were recorded at acquisition date fair values. Fair values are preliminary and subject to refinement for up to one year after the closing date of the acquisition as additional information regarding the closing date fair values becomes available. The excess of the merger consideration over the fair value of Bank of Commerce's net assets was allocated to goodwill. The book value as of July 31, 2014, of assets acquired was $122,530 and liabilities assumed was $114,672. The Company recorded $3,953 in goodwill related to the acquisition.

(Dollars in thousands, except per share data)

The following table presents the consideration paid by the Bank in the acquisition of Bank of Commerce and the assets acquired and liabilities assumed as of July 31, 2014:

	As Recorded By Bank of Commerce	Fair Value and Other Merger Related Adjustments	As Recorded by the Company
Consideration Paid			
Cash paid			$ 10,000
Total consideration			$ 10,000
Assets			
Cash and cash equivalents	$ 2,241	$ —	$ 2,241
Securities available for sale	24,228	—	24,228
Loans, net of allowance	89,339	(3,131)	86,208
Federal Home Loan Bank ("FHLB") Stock	791	—	791
REO	224	—	224
Premises and equipment, net	135	—	135
Accrued interest receivable	355	(100)	255
Deferred income taxes	286	1,064	1,350
Core deposit intangibles	—	640	640
Other assets	4,931	—	4,931
Total assets acquired	$ 122,530	$ (1,527)	$ 121,003
Liabilities			
Deposits	$ 93,303	$ 112	$ 93,415
Other borrowings	15,000	172	15,172
Other liabilities	6,369	—	6,369
Total liabilities assumed	$ 114,672	$ 284	$ 114,956
Net identifiable assets acquired over liabilities assumed	$ 7,858	$ (1,811)	$ 6,047
Goodwill			$ 3,953

The carrying amount of acquired loans from Bank of Commerce as of July 31, 2014 consisted of purchased performing loans and purchased credit-impaired ("PCI") loans as detailed in the following table:

	Purchased Performing	PCI	Total Loans
Retail Consumer Loans:			
One-to-four family	$ 2,717	$ 2,979	$ 5,696
Home equity lines of credit	8,823	317	9,140
Consumer	37	15	52
Commercial:			
Commercial real estate	28,772	30,047	58,819
Construction and development	202	3,020	3,222
Commercial and industrial	5,402	3,877	9,279
Total	$ 45,953	$ 40,255	$ 86,208

On May 31, 2014, the Company completed its acquisition of Jefferson Bancshares, Inc. ("Jefferson") in accordance with the terms of the Agreement and Plan of Merger dated January 22, 2014. Under the terms of the agreement, Jefferson shareholders received 0.2661 shares of HomeTrust common stock, and $4.00 in cash for each share of Jefferson common stock. This represents approximately $50,490 of aggregate deal consideration.

Jefferson was accounted for using the acquisition method of accounting and, accordingly, assets acquired, liabilities assumed and consideration exchanged were recorded at acquisition date fair values. Fair values are preliminary and subject to refinement for up to one year after the closing date of the acquisition as additional information regarding the closing date fair values becomes available. The excess of the merger consideration over the fair value of Jefferson's net assets was allocated to goodwill. The book value as of May 31, 2014, of assets acquired was $494,261 and liabilities assumed was $441,858. The Company recorded $7,013 in goodwill related to the acquisition.

(Dollars in thousands, except per share data)

The following table presents the consideration paid by the Company in the acquisition of Jefferson and the assets acquired and liabilities assumed as of May 31, 2014:

	As Recorded by Jefferson	Fair Value and Other Merger Related Adjustments	As Recorded by the Company
Consideration Paid			
Cash paid including cash in lieu of fractional shares			$ 25,251
Fair value of HomeTrust common stock at $15.03 per share			25,239
Total consideration			$ 50,490
Assets			
Cash and cash equivalents	$ 18,325	$ —	$ 18,325
Securities available for sale	85,744	(700)	85,044
Loans, net of allowance	338,616	(9,134)	329,482
FHLB Stock	4,635	—	4,635
REO	3,288	—	3,288
Premises and equipment, net	24,662	(1,311)	23,351
Accrued interest receivable	1,367	(90)	1,277
Deferred income taxes	9,606	3,395	13,001
Core deposit intangibles	847	2,683	3,530
Other assets	7,171	—	7,171
Total assets acquired	$ 494,261	$ (5,157)	$ 489,104
Liabilities			
Deposits	$ 376,985	$ 371	$ 377,356
Other borrowings	55,081	858	55,939
Subordinated debentures	7,460	2,540	10,000
Other liabilities	2,332	—	2,332
Total liabilities assumed	$ 441,858	$ 3,769	$ 445,627
Net identifiable assets acquired over liabilities assumed	$ 52,403	$ (8,926)	43,477
Goodwill			$ 7,013

The carrying amount of acquired loans from Jefferson as of May 31, 2014 consisted of purchased performing loans and PCI loans as detailed in the following table:

	Purchased Performing	PCI	Total Loans
Retail Consumer Loans:			
One-to-four family	$ 74,378	$ 6,066	$ 80,444
Home equity lines of credit	16,857	18	16,875
Construction and land/lots	7,810	924	8,734
Consumer	4,181	2	4,183
Commercial:			
Commercial real estate	118,714	15,649	134,363
Construction and development	24,658	1,012	25,670
Commercial and industrial	52,863	6,350	59,213
Total	$ 299,461	$ 30,021	$ 329,482

On July 31, 2013, the Company completed its acquisition of BankGreenville Financial Corporation ("BankGreenville") in accordance with the terms of the Agreement and Plan of Merger dated May 3, 2013. Under the terms of the agreement, BankGreenville shareholders received $6.63 per share in cash consideration. This represents approximately $7,823 of aggregate deal consideration. Additional contingent cash consideration of up to $0.75 per share (or approximately $883) may be realized at the expiration of 24 months based on the performance of a select pool of loans totaling approximately $8,000.

(Dollars in thousands, except per share data)

BankGreenville was accounted for using the acquisition method of accounting and, accordingly, assets acquired, liabilities assumed and consideration exchanged were recorded at acquisition date fair values. The excess of the merger consideration over the fair value of BankGreenville's net assets was allocated to goodwill. The book value as of July 31, 2013, of assets acquired was $102,180 and liabilities assumed was $94,117. The Company recorded $2,802 in goodwill related to the acquisition.

The following table presents the consideration paid by the Company in the acquisition of BankGreenville and the assets acquired and liabilities assumed as of July 31, 2013:

	As Recorded by BankGreenville	Fair Value and Other Merger Related Adjustments	As Recorded by the Company
Consideration Paid			
Cash			$ 7,823
Repayment of BankGreenville preferred stock			1,050
Contingent cash consideration (1)			680
Total consideration			$ 9,553
Assets			
Cash and cash equivalents	$ 10,348	$ —	$ 10,348
Investment securities	34,345	—	34,345
Loans, net of allowance	51,622	(3,792)	47,830
FHLB Stock	447	—	447
REO	2,317	(168)	2,149
Premises and equipment, net	2,458	(117)	2,341
Accrued interest receivable	429	—	429
Deferred tax asset	—	2,470	2,470
Other assets	214	—	214
Core deposit intangibles	—	530	530
Total assets acquired	$ 102,180	$ (1,077)	$ 101,103
Liabilities			
Deposits	$ 88,906	$ 201	$ 89,107
Other borrowings	4,700	34	4,734
Other liabilities	511	—	511
Total liabilities assumed	$ 94,117	$ 235	$ 94,352
Net identifiable assets acquired over liabilities assumed	$ 8,063	$ (1,312)	6,751
Goodwill			$ 2,802

(1) Estimate of additional amount to be paid to shareholders on or about July 31, 2015 based on performance of a select pool of loans totaling approximately $8,000.

The carrying amount of acquired loans from BankGreenville as of July 31, 2013 consisted of purchased performing loans and PCI loans as detailed in the following table:

	Purchased Performing	PCI	Total Loans
Retail Consumer Loans:			
One-to-four family	$ 8,274	$ 1,392	$ 9,666
Home equity lines of credit	3,987	134	4,121
Consumer	522	—	522
Commercial:			
Commercial real estate	23,073	4,552	27,625
Construction and development	2,367	3,529	5,896
Total	$ 38,223	$ 9,607	$ 47,830

(Dollars in thousands, except per share data)

The following table discloses the impact of the acquisition of Bank of Commerce since the effective date of July 31, 2014 through March 31, 2015 and the Branch Acquisition since the effective date of November 14, 2014 through March 31, 2015. In addition, the table presents certain pro forma information as if the Branch Acquisition, Bank of Commerce, Jefferson, and BankGreenville had been acquired on July 1, 2014 and July 1, 2013. Although, this pro forma information combines the historical results from each company, it is not indicative of what would have occurred had the acquisition taken place on July 1, 2014 and July 1, 2013. Adjustments were made for the estimated impact of certain fair value adjustments and other acquisition-related activity while significant one-time merger-related expenses are not included. Furthermore, expenses related to systems conversions and other costs of integration have been recorded throughout fiscal year 2014 and are expected to be recorded throughout fiscal year 2015. Additionally, the Company expects to achieve further operating cost savings as a result of the acquisitions which are not reflected in the pro forma amounts below:

	Actual Nine Months Ended March 31, 2015	Pro Forma Nine Months Ended March 31, 2015	Pro Forma Nine Months Ended March 31, 2014
Total revenues*	$ 67,879	$ 72,183	$ 71,341
Net income	5,467	8,194	12,542

** Net interest income plus other income*

4. Securities Available for Sale

Securities available for sale consist of the following at the dates indicated:

	March 31, 2015			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. Government Agencies	$ 87,263	$ 854	$ —	$ 88,117
Residential Mortgage-backed Securities of U.S. Government				
Agencies and Government-Sponsored Enterprises	120,101	1,313	(130)	121,284
Municipal Bonds	16,426	608	(32)	17,002
Corporate Bonds	3,895	151	—	4,046
Equity Securities	63	—	—	63
Total	$ 227,748	$ 2,926	$ (162)	$ 230,512

	June 30, 2014			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. Government Agencies	$ 38,085	$ 45	$ (37)	$ 38,093
Residential Mortgage-backed Securities of U.S. Government				
Agencies and Government-Sponsored Enterprises	111,430	393	(412)	111,411
Municipal Bonds	15,951	282	(13)	16,220
Corporate Bonds	2,912	113	—	3,025
Total	$ 168,378	$ 833	$ (462)	$ 168,749

(Dollars in thousands, except per share data)

Debt securities available for sale by contractual maturity at the dates indicated are shown below. Mortgage-backed securities are not included in the maturity categories because the borrowers in the underlying pools may prepay without penalty; therefore, it is unlikely that the securities will pay at their stated maturity schedule.

	March 31, 2015	
	Amortized Cost	Estimated Fair Value
Due within one year	$ 1,001	$ 1,001
Due after one year through five years	69,225	69,502
Due after five years through ten years	33,579	34,706
Due after ten years	3,779	3,956
Mortgage-backed securities	120,101	121,284
Total	$ 227,685	$ 230,449

The Company did not sell any securities available for sale in the three months ended March 31, 2015. Proceeds from sales of securities available for sale were $10,387 in the nine months ended March 31, 2015. Gross realized gains were $74 and gross realized losses were $13 for the nine months ended March 31, 2015. Proceeds from sales of securities available for sale were $2,086 in the three and nine months ended March 31, 2014. Gross realized gains were $42 and gross realized losses were $32 for the three and nine months ended March 31, 2014.

Securities available for sale with costs totaling $153,590 and $51,036 with market values of $155,285 and $51,297 at March 31, 2015 and June 30, 2014, respectively, were pledged as collateral to secure various public deposits.

The gross unrealized losses and the fair value for securities available for sale aggregated by the length of time that individual securities have been in a continuous unrealized loss position as of March 31, 2015 and June 30, 2014 were as follows:

	March 31, 2015					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Government Agencies	$ —	$ —	$ —	$ —	$ —	$ —
Residential Mortgage-backed						
Securities of U.S. Government						
Agencies and Government-						
Sponsored Enterprises	12,404	(43)	5,263	(87)	17,667	(130)
Municipal Bonds	2,594	(32)	—	—	2,594	(32)
Total	$ 14,998	$ (75)	$ 5,263	$ (87)	$ 20,261	$ (162)

	June 30, 2014					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Government Agencies	$ 19,475	$ (37)	$ —	$ —	$ 19,475	$ (37)
Residential Mortgage-backed						
Securities of U.S. Government						
Agencies and Government-						
Sponsored Enterprises	75,761	(399)	162	(13)	75,923	(412)
Municipal Bonds	6,668	(13)	—	—	6,668	(13)
Total	$ 101,904	$ (449)	$ 162	$ (13)	$ 102,066	$ (462)

The total number of securities with unrealized losses at March 31, 2015, and June 30, 2014 were 48 and 159, respectively. Unrealized losses on securities have not been recognized in income because management has the intent and ability to hold the securities for the foreseeable future, and has determined that it is not more likely than not that the Company will be required to sell the securities prior to a recovery in value. The decline in fair value was largely due to increases in market interest rates. The Company had no other than temporary impairment losses during the three and nine months ended March 31, 2015 or the year ended June 30, 2014.

(Dollars in thousands, except per share data)

As a requirement for membership, the Bank invests in stock of the FHLB of Atlanta and the Federal Reserve Bank of Richmond ("Federal Reserve Bank"). No ready market exists for this stock and the carrying value approximates its fair value based on the redemption provisions of the FHLB of Atlanta and the Federal Reserve Bank.

5. Loans

Loans consist of the following at the dates indicated:

	March 31, 2015	June 30, 2014
Retail consumer loans:		
One-to-four family	$ 651,588	$ 660,200
Home equity lines of credit	198,717	148,379
Construction and land/lots	48,248	59,249
Indirect auto finance	32,230	8,833
Consumer	4,135	6,331
Total retail consumer loans	934,918	882,992
Commercial loans:		
Commercial real estate	452,431	377,769
Construction and development	58,989	56,457
Commercial and industrial	88,451	74,435
Municipal leases	106,693	106,215
Total commercial loans	706,564	614,876
Total loans	1,641,482	1,497,868
Deferred loan fees, net	(425)	(1,340)
Total loans, net of deferred loan fees and discount	1,641,057	1,496,528
Allowance for loan and lease losses	(22,681)	(23,429)
Loans, net	$ 1,618,376	$ 1,473,099

All the qualifying first mortgage loans, home equity lines of credit, and FHLB Stock are pledged as collateral by a blanket pledge to secure any outstanding FHLB advances.

The Company's total non-purchased and purchased performing loans by segment, class, and risk grade at the dates indicated follow:

	Pass	Special Mention	Substandard	Doubtful	Loss	Total
March 31, 2015						
Retail consumer loans:						
One-to-four family	$ 593,246	$ 13,794	$ 31,940	$ 3,111	$ 4	$ 642,095
Home equity lines of credit	192,665	635	4,542	407	100	198,349
Construction and land/lots	44,642	517	2,060	163	—	47,382
Indirect auto finance	32,185	45	—	—	—	32,230
Consumer	3,927	78	97	9	11	4,122
Commercial loans:						
Commercial real estate	379,567	14,363	18,261	311	—	412,502
Construction and development	45,076	2,047	5,928	—	—	53,051
Commercial and industrial	79,329	565	2,217	—	1	82,112
Municipal leases	104,355	1,757	581	—	—	106,693
Total loans	$ 1,474,992	$ 33,801	$ 65,626	$ 4,001	$ 116	$ 1,578,536

(Dollars in thousands, except per share data)

	Pass	Special Mention	Substandard	Doubtful	Loss	Total
June 30, 2014						
Retail consumer loans:						
One-to-four family	$ 602,409	$ 17,639	$ 28,974	$ 2,907	$ 10	$ 651,939
Home equity lines of credit	141,008	1,605	4,967	420	2	148,002
Construction and land/lots	55,374	1,878	807	113	—	58,172
Indirect auto finance	8,801	32	—	—	—	8,833
Consumer	6,115	62	97	13	3	6,290
Commercial loans:						
Commercial real estate	313,437	16,931	19,746	1,944	—	352,058
Construction and development	41,336	2,927	5,972	570	—	50,805
Commercial and industrial	66,481	873	1,723	—	3	69,080
Municipal leases	104,404	1,811	—	—	—	106,215
Total loans	$ 1,339,365	$ 43,758	$ 62,286	$ 5,967	$ 18	$ 1,451,394

The Company's total PCI loans by segment, class, and risk grade at the dates indicated follow:

	Pass	Special Mention	Substandard	Doubtful	Loss	Total
March 31, 2015						
Retail consumer loans:						
One-to-four family	$ 5,643	$ 1,222	$ 2,571	$ 57	$ —	$ 9,493
Home equity lines of credit	260	—	108	—	—	368
Construction and land/lots	599	—	267	—	—	866
Indirect auto finance	—	—	—	—	—	—
Consumer	13	—	—	—	—	13
Commercial loans:						
Commercial real estate	28,725	5,166	6,038	—	—	39,929
Construction and development	2,433	156	3,349	—	—	5,938
Commercial and industrial	4,891	677	771	—	—	6,339
Municipal leases	—	—	—	—	—	—
Total loans	$ 42,564	$ 7,221	$ 13,104	$ 57	$ —	$ 62,946

	Pass	Special Mention	Substandard	Doubtful	Loss	Total
June 30, 2014						
Retail consumer loans:						
One-to-four family	$ 4,904	$ —	$ 3,357	$ —	$ —	$ 8,261
Home equity lines of credit	7	—	370	—	—	377
Construction and land/lots	791	—	286	—	—	1,077
Indirect auto finance	—	—	—	—	—	—
Consumer	41	—	—	—	—	41
Commercial loans:						
Commercial real estate	20,853	—	4,858	—	—	25,711
Construction and development	2,443	2,169	1,040	—	—	5,652
Commercial and industrial	4,647	—	708	—	—	5,355
Municipal leases	—	—	—	—	—	—
Total loans	$ 33,686	$ 2,169	$ 10,619	$ —	$ —	$ 46,474

(Dollars in thousands, except per share data)

The Company's total loans by segment, class, and delinquency status at the dates indicated follows:

	Past Due				Total
	30-89 Days	90 Days+	Total	Current	Loans
March 31, 2015					
Retail consumer loans:					
One-to-four family	$ 6,861	$ 7,289	$ 14,150	$ 637,438	$ 651,588
Home equity lines of credit	931	490	1,421	197,296	198,717
Construction and land/lots	48	639	687	47,561	48,248
Indirect auto finance	—	—	—	32,230	32,230
Consumer	8	5	13	4,122	4,135
Commercial loans:					
Commercial real estate	2,466	6,431	8,897	443,534	452,431
Construction and development	1,597	4,213	5,810	53,179	58,989
Commercial and industrial	1,102	1,185	2,287	86,164	88,451
Municipal leases	1,037	—	1,037	105,656	106,693
Total loans	$ 14,050	$ 20,252	$ 34,302	$ 1,607,180	$ 1,641,482

The table above includes PCI loans of $2,912 30-89 days past due and $6,372 90 days or more past due as of March 31, 2015.

	Past Due				Total
	30-89 Days	90 Days+	Total	Current	Loans
June 30, 2014					
Retail consumer loans:					
One-to-four family	$ 4,929	$ 8,208	$ 13,137	$ 647,063	$ 660,200
Home equity lines of credit	400	939	1,339	147,040	148,379
Construction and land/lots	508	122	630	58,619	59,249
Indirect auto finance	—	—	—	8,833	8,833
Consumer	34	16	50	6,281	6,331
Commercial loans:					
Commercial real estate	306	6,729	7,035	370,734	377,769
Construction and development	1,165	3,789	4,954	51,503	56,457
Commercial and industrial	183	576	759	73,676	74,435
Municipal leases	—	—	—	106,215	106,215
Total loans	$ 7,525	$ 20,379	$ 27,904	$ 1,469,964	$ 1,497,868

The table above includes PCI loans of $1,817 30-89 days past due and $4,189 90 days or more past due as of June 30, 2014.

(Dollars in thousands, except per share data)

The Company's recorded investment in loans, by segment and class, that are not accruing interest or are 90 days or more past due and still accruing interest at the dates indicated follow:

	March 31, 2015		June 30, 2014	
	Nonaccruing	90 Days + & still accruing	Nonaccruing	90 Days + & still accruing
Retail consumer loans:				
One-to-four family	$ 13,189	$ —	$ 14,917	$ —
Home equity lines of credit	2,204	—	2,749	—
Construction and land/lots	633	—	443	—
Indirect auto finance	—	—	—	—
Consumer	21	—	27	—
Commercial loans:				
Commercial real estate	9,581	—	12,953	—
Construction and development	4,046	—	5,697	—
Commercial and industrial	903	—	1,134	—
Municipal leases	316	—	—	—
Total loans	$ 30,893	$ —	$ 37,920	$ —

PCI loans totaling $10,354 at March 31, 2015 and $9,220 at June 30, 2014 are excluded from nonaccruing loans due to the accretion of discounts established in accordance with the acquisition method of accounting for business combinations.

Troubled debt restructurings ("TDRs") are loans which have renegotiated loan terms to assist borrowers who are unable to meet the original terms of their loans. Such modifications to loan terms may include a lower interest rate, a reduction in principal, or a longer term to maturity. Additionally, all TDRs are considered impaired.

The Company's loans that were performing under the payment terms of TDRs that were excluded from nonaccruing loans above at the dates indicated follow:

	March 31, 2015	June 30, 2014
Performing TDRs included in impaired loans	$ 21,189	$ 22,179

An analysis of the allowance for loan losses by segment for the periods shown was as follows:

	Three Months Ended March 31, 2015			Three Months Ended March 31, 2014		
	Retail Consumer	Commercial	Total	Retail Consumer	Commercial	Total
Balance at beginning of period	$ 14,603	$ 8,753	$ 23,356	$ 18,217	$ 8,908	$ 27,125
Provision for (recovery of) loan losses	184	(184)	—	(611)	(1,189)	(1,800)
Charge-offs	(1,313)	(354)	(1,667)	(402)	(253)	(655)
Recoveries	101	891	992	113	486	599
Balance at end of period	$ 13,575	$ 9,106	$ 22,681	$ 17,317	$ 7,952	$ 25,269

	Nine Months Ended March 31, 2015			Nine Months Ended March 31, 2014		
	Retail Consumer	Commercial	Total	Retail Consumer	Commercial	Total
Balance at beginning of period	$ 15,731	$ 7,698	$ 23,429	$ 21,952	$ 10,121	$ 32,073
Provision for (recovery of) loan losses	(745)	495	(250)	(1,887)	(2,913)	(4,800)
Charge-offs	(2,369)	(682)	(3,051)	(3,768)	(550)	(4,318)
Recoveries	958	1,595	2,553	1,020	1,294	2,314
Balance at end of period	$ 13,575	$ 9,106	$ 22,681	$ 17,317	$ 7,952	$ 25,269

(Dollars in thousands, except per share data)

The Company's ending balances of loans and the related allowance, by segment and class, at the dates indicated follows:

	Allowance for Loan Losses				Total Loans Receivable			
	PCI	Loans individually evaluated for impairment	Loans Collectively Evaluated	Total	PCI	Loans individually evaluated for impairment	Loans Collectively Evaluated	Total
March 31, 2015								
Retail consumer loans:								
One-to-four family	$ —	$ 480	$ 8,042	$ 8,522	$ 9,493	$ 24,438	$ 617,657	$ 651,588
Home equity	—	407	1,897	2,304	368	2,724	195,625	198,717
Construction and land/lots	—	573	1,636	2,209	866	2,129	45,253	48,248
Indirect auto finance	—	—	438	438	—	—	32,230	32,230
Consumer	—	11	91	102	13	17	4,105	4,135
Commercial loans:								
Commercial real estate	—	60	5,736	5,796	39,929	15,650	396,852	452,431
Construction and development	—	412	1,475	1,887	5,938	6,022	47,029	58,989
Commercial and industrial	—	1	751	752	6,339	2,173	79,939	88,451
Municipal leases	—	—	671	671	—	316	106,377	106,693
Total	$ —	$ 1,944	$ 20,737	$ 22,681	$ 62,946	$ 53,469	$ 1,525,067	$ 1,641,482
June 30, 2014								
Retail consumer loans:								
One-to-four family	$ —	$ 493	$ 10,034	$ 10,527	$ 8,261	$ 23,929	$ 628,010	$ 660,200
Home equity	—	134	2,353	2,487	377	3,014	144,988	148,379
Construction and land/lots	—	379	2,041	2,420	1,077	1,735	56,437	59,249
Indirect auto finance	—	—	113	113	—	—	8,833	8,833
Consumer	—	3	181	184	41	10	6,280	6,331
Commercial loans:								
Commercial real estate	—	26	5,413	5,439	25,711	13,784	338,274	377,769
Construction and development	—	26	1,215	1,241	5,652	5,571	45,234	56,457
Commercial and industrial	—	3	246	249	5,355	2,378	66,702	74,435
Municipal leases	—	—	769	769	—	—	106,215	106,215
Total	$ —	$ 1,064	$ 22,365	$ 23,429	$ 46,474	$ 50,421	$ 1,400,973	$ 1,497,868

In December 2014, the Company purchased $40,914 of home equity lines of credit from a third party. The credit risk characteristics are different for these loans since they were not originated by the Company and the collateral is located outside the Company's market area, primarily in several western states. These loans were originated in 2014, have an average FICO score of 757 and loan to values of less than 90%. The Company established an allowance for loan losses based on the historical losses in the states where these loans were originated. The Company will monitor the performance of these loans and adjust the allowance for loan losses as necessary.

Loans acquired from BankGreenville, Jefferson, and Bank of Commerce were initially excluded from the allowance for loan losses in accordance with the acquisition method of accounting for business combinations. The Company recorded these loans at fair value, which includes a credit discount, therefore, no allowance for loan losses was established for these acquired loans at acquisition. A provision for loan losses is recorded for any further deterioration in these acquired loans subsequent to the acquisition.

(Dollars in thousands, except per share data)

The Company's impaired loans and the related allowance, by segment and class, at the dates indicated follows:

	Total Impaired Loans				
	Unpaid Principal Balance	Recorded Investment With a Recorded Allowance	Recorded Investment With No Recorded Allowance	Total	Related Recorded Allowance
March 31, 2015					
Retail consumer loans:					
One-to-four family	$ 35,707	$ 12,373	$ 19,036	$ 31,409	$ 578
Home equity lines of credit	6,391	3,110	1,380	4,490	429
Construction and land/lots	3,670	1,466	816	2,282	579
Indirect auto finance	31	—	—	—	—
Consumer	1,617	10	19	29	11
Commercial loans:					
Commercial real estate	22,047	2,651	14,626	17,277	88
Construction and development	8,631	3,344	3,476	6,820	436
Commercial and industrial	3,439	171	2,202	2,373	3
Municipal leases	316	—	316	316	—
Total impaired loans	$ 81,849	$ 23,125	$ 41,871	$ 64,996	$ 2,124
June 30, 2014					
Retail consumer loans:					
One-to-four family	$ 34,243	$ 12,946	$ 18,047	$ 30,993	$ 618
Home equity lines of credit	6,161	2,110	2,299	4,409	160
Construction and land/lots	3,287	1,053	793	1,846	383
Indirect auto finance	—	—	—	—	—
Consumer	364	16	11	27	3
Commercial loans:					
Commercial real estate	18,558	1,714	13,082	14,796	59
Construction and development	9,091	928	4,930	5,858	48
Commercial and industrial	2,987	313	2,030	2,343	7
Municipal leases	—	—	—	—	—
Total impaired loans	$ 74,691	$ 19,080	$ 41,192	$ 60,272	$ 1,278

Impaired loans above excludes $10,354 at March 31, 2015 and $9,220 at June 30, 2014 in PCI loans due to the accretion of discounts established in accordance with the acquisition method of accounting for business combinations.

The table above includes $11,527 and $12,406, of impaired loans that were not individually evaluated at March 31, 2015 and June 30, 2014, respectively, because these loans did not meet the Company's threshold for individual impairment evaluation. The recorded allowance above includes $180 and $427 related to these loans that were not individually evaluated at March 31, 2015 and June 30, 2014, respectively.

(Dollars in thousands, except per share data)

The Company's average recorded investment in loans individually evaluated for impairment and interest income recognized on impaired loans for the three and nine months ended March 31, 2015 and 2014 was as follows:

	Three Months Ended			
	March 31, 2015		March 31, 2014	
	Average Recorded Investment	Interest Income Recognized	Average Recorded Investment	Interest Income Recognized
Retail consumer loans:				
One-to-four family	$ 30,155	$ 395	$ 37,320	$ 355
Home equity lines of credit	4,316	66	5,722	57
Construction and land/lots	2,152	38	2,101	46
Indirect auto finance	—	—	—	—
Consumer	55	5	32	3
Commercial loans:				
Commercial real estate	15,551	147	22,930	140
Construction and development	6,019	55	6,789	45
Commercial and industrial	2,270	18	2,791	37
Municipal leases	447	12	—	—
Total loans	$ 60,965	$ 736	$ 77,685	$ 683

	Nine Months Ended			
	March 31, 2015		March 31, 2014	
	Average Recorded Investment	Interest Income Recognized	Average Recorded Investment	Interest Income Recognized
Retail consumer loans:				
One-to-four family	$ 31,914	$ 1,283	$ 41,601	$ 1,247
Home equity lines of credit	4,730	195	5,855	213
Construction and land/lots	2,153	125	2,205	155
Indirect auto finance	—	1	—	—
Consumer	37	16	40	6
Commercial loans:				
Commercial real estate	17,281	406	24,434	499
Construction and development	6,104	133	8,888	132
Commercial and industrial	2,622	74	2,775	131
Municipal leases	239	17	—	—
Total loans	$ 65,080	$ 2,250	$ 85,798	$ 2,383

A summary of changes in the accretable yield for PCI loans for the three and nine months ended March 31, 2015 and 2014 was as follows:

	Three Months Ended	
	March 31, 2015	March 31, 2014
Accretable yield, beginning of period	$ 10,335	$ 1,610
Interest income	(1,616)	(155)
Accretable yield, end of period	$ 8,719	$ 1,455

(Dollars in thousands, except per share data)

	Nine Months Ended	
	March 31, 2015	March 31, 2014
Accretable yield, beginning of period	$ 6,151	$ —
Addition from the BankGreenville acquisition	—	1,835
Addition from the Bank of Commerce acquisition	7,315	—
Interest income	(4,747)	(380)
Accretable yield, end of period	$ 8,719	$ 1,455

The following table presents the purchased performing loans receivable for Bank of Commerce at July 31, 2014 (the acquisition date):

	July 31, 2014
Contractually required principal payments receivable	$ 47,112
Adjustment for credit, interest rate, and liquidity	1,159
Balance of purchased loans receivable	$ 45,953

The following table presents the PCI loans for Bank of Commerce at July 31, 2014 (the acquisition date):

	July 31, 2014
Contractually required principal and interest payments receivable	$ 49,870
Amounts not expected to be collected – nonaccretable difference	2,300
Estimated payments expected to be received	47,570
Accretable yield	7,315
Fair value of PCI loans	$ 40,255

For the three and nine months ended March 31, 2015 and 2014, the following table presents a breakdown of the types of concessions made on TDRs by loan class:

	Three Months Ended March 31, 2015			Three Months Ended March 31, 2014		
	Number of Loans	Pre Modification Outstanding Recorded Investment	Post Modification Outstanding Recorded Investment	Number of Loans	Pre Modification Outstanding Recorded Investment	Post Modification Outstanding Recorded Investment
Below market interest rate:						
Retail consumer:						
One-to-four family	3	$ 388	$ 386	—	$ —	$ —
Total	3	$ 388	$ 386	—	$ —	$ —
Extended term:						
Retail consumer:						
One-to-four family	—	$ —	$ —	1	$ 42	$ 41
Total	—	$ —	$ —	1	$ 42	$ 41
Other TDRs:						
Retail consumer:						
One-to-four family	6	$ 3,091	$ 3,006	7	$ 777	$ 787
Home equity lines of credit	2	41	9	—	—	—
Construction and land/lots	—	$ —	$ —	1	652	642
Total	8	$ 3,132	$ 3,015	8	$ 1,429	$ 1,429
Total	11	$ 3,520	$ 3,401	9	$ 1,471	$ 1,470

(Dollars in thousands, except per share data)

	Nine Months Ended March 31, 2015			Nine Months Ended March 31, 2014		
	Number of Loans	Pre Modification Outstanding Recorded Investment	Post Modification Outstanding Recorded Investment	Number of Loans	Pre Modification Outstanding Recorded Investment	Post Modification Outstanding Recorded Investment
Below market interest rate:						
Retail consumer:						
One-to-four family	4	$ 449	$ 473	3	$ 146	$ 142
Home equity lines of credit	—	—	—	2	347	343
Construction and land/lots	1	110	103	—	—	—
Total	5	$ 559	$ 576	5	$ 493	$ 485
Extended term:						
Retail consumer:						
One-to-four family	—	$ —	$ —	2	$ 44	$ 41
Home equity lines of credit	3	91	87	—	—	—
Consumer	2	10	9	—	—	—
Commercial:						
Commercial real estate	2	$ 426	471	—	$ —	$ —
Total	7	$ 527	$ 567	2	$ 44	$ 41
Other TDRs:						
Retail consumer:						
One-to-four family	16	$ 3,684	$ 3,568	13	$ 1,169	$ 1,178
Home equity lines of credit	4	155	121	2	42	4
Construction and land/lots	1	106	103	2	787	773
Commercial:						
Construction and land development	2	173	172	—	—	—
Total	23	$ 4,118	$ 3,964	17	$ 1,998	$ 1,955
Total	35	$ 5,204	$ 5,107	24	$ 2,535	$ 2,481

The following table presents loans that were modified as TDRs within the previous 12 months and for which there was a payment default during the three and nine months ended March 31, 2015 and 2014:

	Three Months Ended March 31, 2015		Three Months Ended March 31, 2014	
	Number of Loans	Recorded Investment	Number of Loans	Recorded Investment
Below market interest rate:				
Retail consumer:				
One-to-four family	2	$ 380	—	$ —
Total	2	$ 380	—	$ —
Extended payment terms:	—	$ —	—	$ —
Total	—	$ —	—	$ —
Other TDRs:				
Retail consumer:				
One-to-four family	2	$ 716	2	$ 166
Home equity lines of credit	2	9	—	—
Total	4	$ 725	2	$ 166
Total	6	$ 1,105	2	$ 166

(Dollars in thousands, except per share data)

	Nine Months Ended March 31, 2015		Nine Months Ended March 31, 2014	
	Number of Loans	Recorded Investment	Number of Loans	Recorded Investment
Below market interest rate:				
Retail consumer:				
One-to-four family	2	$ 380	—	$ —
Total	2	$ 380	—	$ —
Extended payment terms:				
Home equity lines of credit	—	$ —	1	$ 250
Total	—	$ —	1	$ 250
Other TDRs:				
Retail consumer:				
One-to-four family	10	$ 1,116	4	$ 422
Home equity lines of credit	2	9	1	120
Construction and land/lots	1	172	—	—
Total	13	$ 1,297	5	$ 542
Total	15	$ 1,677	6	$ 792

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

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

6. Net income per Share

Per the provisions of FASB ASC 260, Earnings Per Share, nonvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents are participating securities and are included in the computation of earnings per share pursuant to the two-class method. The two-class method is an earnings allocation formula that determines earnings per share for each class of common stock and participating security according to dividends declared (or accumulated) and participation rights in undistributed earnings. ESOP shares are considered outstanding for basic and diluted earnings per share when the shares are committed to be released.

Net income is allocated between the common stock and participating securities pursuant to the two-class method, based on their rights to receive dividends, participate in earnings, or absorb losses. Basic earnings per common shares is computed by dividing net earnings available to common shareholders by the weighted average number of common shares outstanding during the period, excluding participating nonvested restricted shares.

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2015	2014	2015	2014
Numerator:				
Net income available to common stockholders	$ 1,162	$ 2,606	$ 5,467	$ 8,809
Denominator:				
Weighted-average common shares outstanding - basic	19,113,387	18,302,672	19,146,025	18,724,242
Effect of dilutive shares	79,315	75,487	86,766	91,174
Weighted-average common shares outstanding - diluted	19,192,702	18,378,159	19,232,791	18,815,416
Net income per share - basic	$ 0.06	$ 0.14	$ 0.28	$ 0.46
Net income per share - diluted	$ 0.06	$ 0.14	$ 0.28	$ 0.46

There were 1,450,100 and 1,585,500 outstanding stock options that were anti-dilutive for the three and nine months ended March 31, 2015 and 2014, respectively.

(Dollars in thousands, except per share data)

7. Equity Incentive Plan

On January 17, 2013, the Company's stockholders approved the 2013 Omnibus Incentive Plan, which provides for awards of restricted stock, restricted stock units, stock options, stock appreciation rights and cash awards to directors, emeritus directors, officers, employees and advisory directors. The cost of equity-based awards under the 2013 Omnibus Incentive Plan generally is based on the fair value of the awards on their grant date. The maximum number of shares that may be utilized for awards under the plan is 2,962,400, including 2,116,000 for stock options and stock appreciation rights and 846,400 for awards of restricted stock and restricted stock units.

Shares of common stock issued under the 2013 Omnibus Incentive Plan may be authorized but unissued shares or repurchased shares. During fiscal 2013, the Company had repurchased the 846,400 shares available for awards of restricted stock and restricted stock units under the 2013 Omnibus Incentive Plan on the open market, for $13,297, at an average cost of $15.71 per share.

Share based compensation expense related to stock options and restricted stock recognized for the three months ended March 31, 2015 and 2014 was $662 and $662, respectively, before the tax related benefit of $245 and $245, respectively. Share based compensation expense related to stock options and restricted stock recognized for the nine months ended March 31, 2015 and 2014 was $2,088 and $1,999, respectively, before the tax related benefit of $773 and $740, respectively.

The table below presents stock option activity for the nine months ended March 31, 2015 and 2014:

	Options	Weighted-average exercise price	Remaining contractual life (years)	Aggregate Intrinsic Value
Options outstanding at June 30, 2013	1,557,000	$ 14.37	9.6	$ 4,033
Granted	30,000	15.83	10.0	—
Exercised	—	—	—	—
Forfeited	1,500	14.37	—	—
Expired	—	—	—	—
Options outstanding at March 31, 2014	1,585,500	$ 14.40	8.9	$ 2,193
Exercisable at March 31, 2014	290,175	$ 14.37		
Options outstanding at June 30, 2014	1,513,500	$ 14.40	8.6	$ 2,077
Granted	10,000	16.08	10.0	—
Exercised	18,000	14.37	—	—
Forfeited	5,400	14.37	—	—
Expired	—	—	—	—
Options outstanding at March 31, 2015	$ 1,500,100	$ 14.4	7.9	$ 2,340
Exercisable at March 31, 2015	549,150	$ 14.39		

The fair value of each option is estimated on the date of grant using the Black-Scholes-Merton option pricing model. The weighted average fair value of each option granted in 2015, 2014 and 2013 was $3.59, $4.49 and $4.50, respectively. 10,000 options were granted in fiscal year 2015. Assumptions used for grants were as follows:

Assumptions in Estimating Option Values

	2015	2014	2013
Weighted-average volatility	18.90%	28.19%	28.19%
Expected dividend yield	—%	—%	—%
Risk-free interest rate	1.56%	2.04%	1.28%
Expected life (years)	6.0	6.5	6.6

At March 31, 2015, the Company had $3,851 of unrecognized compensation expense related to 1,500,100 stock options scheduled to vest over five- and seven-year vesting periods. The weighted average period over which compensation cost related to non-vested awards expected to be recognized was 2.0 years at March 31, 2015. At March 31, 2014, the Company had $5,650 of unrecognized compensation expense related to 1,585,500 stock options scheduled to vest over five- and seven-year vesting periods. The weighted average period over which compensation cost related to non-vested awards expected to be recognized was 3.9 years at March 31, 2014.

(Dollars in thousands, except per share data)

The table below presents restricted stock award activity for the nine months ended March 31, 2015 and 2014:

	Restricted stock awards	Weighted-average grant date fair value	Aggregate Intrinsic Value
Non-vested at June 30, 2013	511,300	$ 14.37	$ 8,672
Granted	7,050	15.80	—
Vested	95,485	14.37	—
Forfeited	—	—	—
Non-vested at March 31, 2014	422,865	$ 14.39	$ 6,673
Non-vested at June 30, 2014	403,965	$ 14.39	$ 6,371
Granted	—	—	—
Vested	91,895	14.39	—
Forfeited	1,600	14.37	—
Non-vested at March 31, 2015	310,470	$ 14.40	$ 4,958

At March 31, 2015, unrecognized compensation expense was $4,163 related to 310,470 shares of restricted stock scheduled to vest over five- and seven-year vesting periods. The weighted average period over which compensation cost related to non-vested awards is expected to be recognized was 2.0 years at March 31, 2015. At March 31, 2014, unrecognized compensation expense was $5,859 related to 422,865 shares of restricted stock scheduled to vest over five- and seven-year vesting periods. The weighted average period over which compensation cost related to non-vested awards is expected to be recognized was 3.9 years at March 31, 2014.

8. Commitments and Contingencies

Loan Commitments – Legally binding commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. In the normal course of business, there are various outstanding commitments to extend credit that are not reflected in the consolidated financial statements. At March 31, 2015 and June 30, 2014, respectively, loan commitments (excluding $46,151 and $27,086 of undisbursed portions of construction loans) totaled $28,013 and $28,360 of which $9,995 and $3,620 were variable rate commitments and $18,018 and $24,740 were fixed rate commitments. The fixed rate loans had interest rates ranging from 1.99% to 6.25% at March 31, 2015 and 1.85% to 10.51% at June 30, 2014, and terms ranging from 3 to 30 years. Pre-approved but unused lines of credit (principally second mortgage home equity loans and overdraft protection loans) totaled $223,181 and $167,630 at March 31, 2015 and June 30, 2014, respectively. These amounts represent the Company's exposure to credit risk, and in the opinion of management have no more than the normal lending risk that the Company commits to its borrowers. The Company has freestanding derivative instruments consisting of commitments to originate fixed rate conforming loans and commitments to sell fixed rate conforming loans. The fair value of these commitments was not material at March 31, 2015 or June 30, 2014.

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

Restrictions on Cash – The Bank is required by regulation to maintain a varying cash reserve balance with the Federal Reserve System. The daily average calculated cash reserve required as of March 31, 2015 and June 30, 2014 was $1,873, and $8,087, respectively, which was satisfied by vault cash and balances held at the Federal Reserve Bank.

Guarantees – Standby letters of credit obligate the Company to meet certain financial obligations of its customers, if, under the contractual terms of the agreement, the customers are unable to do so. The financial standby letters of credit issued by the Company are irrevocable and payment is only guaranteed upon the borrower's failure to perform its obligations to the beneficiary. Total commitments under standby letters of credit as of March 31, 2015 and June 30, 2014 were $2,768 and $483. There was no liability recorded for these letters of credit at March 31, 2015 or June 30, 2014, respectively.

Litigation – The Company is involved in several litigation matters in the ordinary course of business. One matter, originally filed in March 2012, involves claims of $12.5 million in compensatory damages and a request for additional punitive treble damages resulting from the purported failure of the Company and a third party brokerage firm to discover a Ponzi scheme conducted by a customer holding accounts at each entity. The Company received a favorable summary judgment ruling on February 20, 2015, however the plaintiffs filed an appeal. The Company continues to believe that the lawsuit is without merit and intends to defend itself vigorously. Management, after review with its legal counsel, is of the opinion that this litigation should not have a material effect on the Company's financial position or results of operations, although new developments could result in management modifying its assessment. There can be no assurance that the Company will successfully defend or resolve this litigation matter.

The Company is also subject to a variety of other legal matters that have arisen in the ordinary course of our business. In the current economic environment, litigation has increased significantly, primarily as a result of defaulted borrowers asserting claims to defeat or delay foreclosure proceedings. There can be no assurance that loan workouts and other activities will not expose the Company to additional legal actions, including lender liability or environmental claims. Therefore, the Company may be exposed to substantial liabilities, which could adversely affect its results of operations and financial condition. Moreover, the expenses of legal proceedings will adversely affect its results of operations until they are resolved.

9. Fair Value of Financial Instruments

The Company utilizes fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Securities available for sale are recorded at fair value on a recurring basis. Additionally, from time to time, the Company may be required to record at fair value other assets on a nonrecurring basis, such as impaired loans. These nonrecurring fair value adjustments typically involve application of lower of cost or market accounting or write-downs of individual assets.

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

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

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

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

Following is a description of valuation methodologies used for assets recorded at fair value. The Company does not have any liabilities recorded at fair value.

Investment Securities Available for Sale
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 mortgage-backed securities and debentures issued by government sponsored enterprises, municipal bonds, and corporate debt securities.

Loans
The Company does not record loans at fair value on a recurring basis. From time to time, however, a loan is considered impaired and an allowance for loan losses is established. Loans for which it is probable that payment of interest and principal will not be made in accordance with the contractual terms of the loan agreement are considered impaired. Once a loan is identified as individually impaired, the fair value is estimated using one of several methods, including collateral value, market value of similar debt, enterprise value, liquidation value and discounted cash flows. The Company reviews all impaired loans each quarter to determine if an allowance is necessary. Those impaired loans not requiring an allowance represent loans for which the fair value of the expected repayments or collateral exceed the recorded investments in such loans.

At March 31, 2015 and June 30, 2014, most of the total impaired loans were evaluated based on the fair value of the collateral. For these collateral dependent impaired loans, the Company obtains updated appraisals at least annually. These appraisals are reviewed for appropriateness and then discounted for estimated closing costs to determine if an allowance is necessary. As part of the quarterly review of impaired loans, the Company reviews these appraisals to determine if any additional discounts to the fair value are necessary. If a current appraisal is not obtained, the Company determines whether a discount is needed to the value from the original appraisal based on the decline in value of similar properties with recent appraisals. Impaired loans where a charge-off has occurred or an allowance is established during the period being reported require classification in the fair value hierarchy. The Company records all impaired loans with an allowance as nonrecurring Level 3.

Loans Held for Sale
Loans held for sale are adjusted to lower of cost or fair value. Fair value is based upon investor pricing. The Company considers all loans held for sale carried at fair value as nonrecurring Level 3.

Real Estate Owned
REO is considered held for sale and is adjusted to fair value less estimated selling costs upon transfer of the loan to foreclosed assets. Fair value is based upon independent market prices, appraised value of the collateral or management's estimation of the value of the collateral. The Company considers all REO carried at fair value as nonrecurring Level 3.

(Dollars in thousands, except per share data)

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

Description	March 31, 2015 Total	Level 1	Level 2	Level 3
U.S Government Agencies	$ 88,117	$ —	$ 88,117	$ —
Residential Mortgage-backed Securities of U.S. Government Agencies and Government Sponsored Enterprises	121,284	—	121,284	—
Municipal Bonds	17,002	—	17,002	—
Corporate Bonds	4,046	—	3,046	1,000
Equity Securities	63	—	63	—
Total	$ 230,512	$ —	$ 229,512	$ 1,000

Description	June 30, 2014 Total	Level 1	Level 2	Level 3
U.S Government Agencies	$ 38,093	$ —	$ 38,093	$ —
Residential Mortgage-backed Securities of U.S. Government Agencies and Government Sponsored Enterprises	111,411	—	111,411	—
Municipal Bonds	16,220	—	16,220	—
Corporate Bonds	3,025	—	3,025	—
Total	$ 168,749	$ —	$ 168,749	$ —

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

Description	Nine Months Ended March 31, 2015 Total	Level 1	Level 2	Level 3
Impaired loans	$ 5,319	$ —	$ —	$ 5,319
REO	1,185	—	—	1,185
Total	$ 6,504	$ —	$ —	$ 6,504

Description	Year Ended June 30, 2014 Total	Level 1	Level 2	Level 3
Impaired loans	$ 3,686	$ —	$ —	$ 3,686
REO	9,185	—	—	9,185
Total	$ 12,871	$ —	$ —	$ 12,871

Quantitative information about Level 3 fair value measurements during the period ended March 31, 2015 is shown in the table below:

	Fair Value at March 31, 2015	Valuation Techniques	Unobservable Input	Range	Weighted Average
Nonrecurring measurements:					
Impaired loans, net	$ 5,319	Discounted appraisals	Collateral discounts	3% - 60%	15%
REO	$ 1,185	Discounted appraisals	Collateral discounts	10% - 15%	14%

(Dollars in thousands, except per share data)

The stated carrying value and estimated fair value amounts of financial instruments as of March 31, 2015 and June 30, 2014, are summarized below:

	March 31, 2015				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Cash and interest-bearing deposits	$ 294,659	$ 294,659	$ 294,659	$ —	$ —
Certificates of deposit in other banks	204,596	204,596	—	204,596	—
Securities available for sale	230,512	230,512	—	229,512	1,000
Other investments	19,142	19,142	19,142	—	—
Loans held for sale	2,225	2,261	—	—	2,261
Loans, net	1,618,376	1,524,874	—	—	1,524,874
Accrued interest receivable	7,249	7,249	—	1,095	6,154
Non-interest-bearing and NOW deposits	592,338	592,338	—	592,338	—
Money market accounts	489,606	489,606	—	489,606	—
Savings accounts	223,748	223,748	—	223,748	—
Certificates of deposit	608,081	607,650	—	607,650	—
Other borrowings	250,000	250,000	—	250,000	—
Accrued interest payable	146	146	—	146	—

	June 30, 2014				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Cash and interest-bearing deposits	$ 45,830	$ 45,830	$ 45,830	$ —	$ —
Certificates of deposit in other banks	163,780	163,780	—	163,780	—
Securities available for sale	168,749	168,749	—	168,749	—
Other investments	3,697	3,697	3,697	—	—
Loans held for sale	2,537	2,578	—	—	2,578
Loans, net	1,473,099	1,381,438	—	—	1,381,438
Accrued interest receivable	6,787	6,787	—	736	6,051
Non-interest-bearing and NOW deposits	418,671	418,671	—	418,671	—
Money market accounts	354,247	354,247	—	354,247	—
Savings accounts	175,974	175,974	—	175,974	—
Certificates of deposit	634,154	620,196	—	620,196	—
Other borrowings	50,000	50,000	—	50,000	—
Accrued interest payable	244	244	—	244	—

The Company had off-balance sheet financial commitments, which include approximately $297,345 and $223,076 of commitments to originate loans, undisbursed portions of interim construction loans, and unused lines of credit at March 31, 2015 and June 30, 2014, respectively (see Note 8). Since these commitments are based on current rates, the carrying amount approximates the fair value.

Estimated fair values were determined using the following methods and assumptions:

Cash and interest-bearing deposits – The stated amounts approximate fair values as maturities are less than 90 days.

Certificates of deposit in other banks – The stated amounts approximate fair values.

Securities available for sale and investment securities – Fair values are based on quoted market prices where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments.

Loans held for sale – The fair value of loans held for sale is determined by outstanding commitments from investors on a "best efforts" basis or current investor yield requirements, calculated on the aggregate loan basis.

Loans, net – Fair values for loans are estimated by segregating the portfolio by type of loan and discounting scheduled cash flows using current market interest rates for loans with similar terms and credit quality. A prepayment assumption is used as an estimate of the portion of loans that will be repaid prior to their scheduled maturity. Both the carrying value and estimated fair value amounts are shown net of the allowance for loan losses.

Other investments – This represents stock in the FHLB of Atlanta and the Federal Reserve Bank with no existing market and no quoted market value. However, redemption of this stock has historically been at par value. Accordingly, cost is deemed to be a reasonable estimate of fair value.

Deposits **–** Fair values for demand deposits, money market accounts, and savings accounts are the amounts payable on demand as of March 31, 2015 and June 30, 2014. The fair value of certificates of deposit is estimated by discounting the contractual cash flows using current market interest rates for accounts with similar maturities.

Other borrowings – The fair value of advances from the FHLB is estimated based on current rates for borrowings with similar terms.

Accrued interest receivable and payable – The stated amounts of accrued interest receivable and payable approximate the fair value.

Limitations – Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates do not reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument. Because no market exists for a significant portion of the Company's financial instruments, fair value estimates are based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Fair value estimates are based on existing on-and-off balance sheet financial instruments without attempting to estimate the value of anticipated future business and the value of assets and liabilities that are not considered financial instruments. For example, a significant asset not considered a financial asset is premises and equipment. In addition, tax ramifications related to the realization of the unrealized gains and losses can have a significant effect on fair value estimates and have not been considered in any of the estimates.

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, 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, including, but not limited to: expected cost savings, synergies and other financial benefits from our recent acquisitions might not be realized within the expected time frames or at all, and costs or difficulties relating to integration matters might be greater than expected; the credit risks of lending activities, including changes in the level and trend of loan delinquencies and write offs and changes in our allowance for loan losses and provision for loan losses that may be impacted by deterioration in the housing and commercial real estate markets; changes in general economic conditions, either nationally or in our market areas; changes in the levels of general interest rates, and the relative differences between short and long term interest rates, deposit interest rates, our net interest margin and funding sources; fluctuations in the demand for loans, the number of unsold homes, land and other properties and fluctuations in real estate values in our market areas; decreases in the secondary market for the sale of loans that we originate; results of examinations of us by the Office of the Comptroller of the Currency ("OCC") or other regulatory authorities, including the possibility that any such regulatory authority may, among other things, require us to increase our allowance for loan losses, write-down assets, change our regulatory capital position or affect our ability to borrow funds or maintain or increase deposits, which could adversely affect our liquidity and earnings; legislative or regulatory changes that adversely affect our business including the effect of Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), changes in regulatory policies and principles, or the interpretation of regulatory capital or other rules, including as a result of Basel III; our ability to attract and retain deposits; increases in premiums for deposit insurance; management's assumptions in determining the adequacy of the allowance for loan losses; our ability to control operating costs and expenses, especially costs associated with our operation as a public company; the use of estimates in determining fair value of certain of our assets, which estimates may prove to be incorrect and result in significant declines in valuation; difficulties in reducing risks associated with the loans on our balance sheet; staffing fluctuations in response to product demand or the implementation of corporate strategies that affect our workforce and potential associated charges; computer systems on which we depend could fail or experience a security breach; our ability to retain key members of our senior management team; costs and effects of litigation, including settlements and judgments; our ability to successfully integrate any assets, liabilities, customers, systems, and management personnel we may in the future acquire into our operations and our ability to realize related revenue synergies and cost savings within expected time frames and any goodwill charges related thereto; increased competitive pressures among financial services companies; changes in consumer spending, borrowing and savings habits; the availability of resources to address changes in laws, rules, or regulations or to respond to regulatory actions; adverse changes in the securities markets; inability of key third-party providers to perform their obligations to us; statements with respect to our intentions regarding disclosure and other changes resulting from the Jumpstart Our Business Startups Act of 2012 ("JOBS Act"); changes in accounting policies and practices, as may be adopted by the financial institution regulatory agencies, the Public Company Accounting Oversight Board or the Financial Accounting Standards Board; and other economic, competitive, governmental, regulatory, and technological factors affecting our operations, pricing, products and services; and the other risks detailed from time to time in our filings with the Securities and Exchange Commission ("SEC"), including our 2014 Form 10-K.

Any of the forward-looking statements are based upon management's beliefs and assumptions at the time they are made. We undertake no obligation to publicly update or revise any forward-looking statements included in this report or to update the reasons why actual results could differ from those contained in such statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking statements discussed in this report might not occur and you should not put undue reliance on any forward-looking statements.

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

Overview

HomeTrust Bancshares, Inc., a Maryland corporation, was organized in July 2012 for the purpose of becoming the holding company of HomeTrust Bank, upon the Bank's conversion from a federal mutual to a federal stock savings bank ("Conversion"). The Conversion was completed on July 10, 2012. On August 25, 2014, the Bank converted from a federal savings bank charter to a national bank charter and the Company is now a bank holding company. HomeTrust Bancshares, Inc. is regulated by the Federal Reserve Board ("FRB"). The Company has not engaged in any significant activity other than holding the stock of the Bank. Accordingly, the information set forth in this report, including financial statements and related data, relates primarily to the Bank and its subsidiary.

The Bank, founded in 1926, is a national bank headquartered in Asheville, North Carolina. The Bank is regulated by the OCC, its primary federal regulator, and the Federal Deposit Insurance Corporation ("FDIC"), the insurer of its deposits. The Bank's deposits are federally insured up to applicable limits by the FDIC.

Our principal business consists of attracting deposits from the general public and investing those funds, along with borrowed funds in loans secured primarily by first and second mortgages on one- to four-family residences, including home equity loans and construction and land/lot loans, commercial real estate loans, commercial and industrial loans, and municipal leases. Municipal leases are secured primarily by a ground lease for a firehouse or an equipment lease for fire trucks and firefighting equipment to fire departments located throughout North and South Carolina. We also purchase investment securities consisting primarily of mortgage-backed securities issued by United States Government agencies and government-sponsored enterprises, as well as, certificates of deposit insured by the FDIC.

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

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

Our primary source of pre-tax income is net interest income. Net interest income is the difference between interest income, which is the income that we earn on our loans and investments, and interest expense, which is the interest that we pay on our deposits and borrowings. Changes in levels of interest rates affect our net interest income. A secondary source of income is noninterest income, which includes revenue we receive from providing products and services, including service charges on deposit accounts, mortgage banking income and gains and losses from sales of securities.

An offset to net interest income is the provision for loan losses which is required to establish the allowance for loan losses at a level that adequately provides for probable losses inherent in our loan portfolio. As a loan's risk rating improves, property values increase, or recoveries of amounts previously charged off are received, a recapture of previously recognized provision for loan losses may be added to net interest income.

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

We intend to expand through organic growth and through the acquisition of other community financial institutions and/or bank branches. Our goal is to continue to enhance our franchise value and earnings through strategic, planned growth in our banking operations, while maintaining the community-focused, relationship style of exceptional customer service that has differentiated our brand and characterized our success to date. As part of this strategy, on July 31, 2013, we completed our first acquisition as a public company, by acquiring BankGreenville Financial Corporation ("BankGreenville") with one office in Greenville, South Carolina. BankGreenville reported total assets of $105.1 million, total deposits of $90.0 million, and stockholders' equity of $9.6 million at June 30, 2013. On May 31, 2014, we completed our acquisition of Jefferson Bancshares, Inc. ("Jefferson"), the holding company for Jefferson Federal Bank. Jefferson had 12 offices located across East Tennessee and reported total assets of $506.8 million, total deposits of $384.0 million, and stockholders' equity of $54.4 million at March 31, 2014. On July 31, 2014, we completed our acquisition of Bank of Commerce with one office in midtown Charlotte, North Carolina. As of June 30, 2014, Bank of Commerce had total assets of $123.0 million, total deposits of $92.8 million, and stockholders' equity of $12.5 million. On July 21, 2014, the Bank opened a commercial loan production office in downtown Roanoke, Virginia. Additionally, on November 12, 2014, the Bank opened a commercial loan production office in Raleigh, North Carolina. On November 14, 2014, we completed our acquisition of ten branch banking operations in Virginia and North Carolina from Bank of America Corporation (the "Branch Acquisition") with six of the branches located in Roanoke Valley, two in Danville, one in Martinsville, Virginia, and one in Eden, North Carolina. We purchased total loans of $1.0 million, premises and equipment of $9.0 million, and total deposits of $329.4 million in the Branch Acquisition.

At March 31, 2015, we had 45 locations in North Carolina (including the Asheville metropolitan area, the "Piedmont" region, Charlotte, and a loan production office in Raleigh), Upstate South Carolina (Greenville), East Tennessee (including Kingsport/Johnson City, Knoxville, and Morristown) and Southwest Virginia (including the Roanoke Valley).

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. Facts and circumstances which could affect these judgments 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. These policies relate to (i) the determination of the provision and the allowance for loan losses, (ii) business combinations, (iii) the valuation of REO, (iv) the calculation of post retirement plan expenses and benefits, and (v) the valuation of or recognition of deferred tax assets and liabilities. These policies and estimates are described in further detail in Part II, Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations and Note 1, Summary of Significant Accounting Policies with the 2014 Form 10-K. There have not been any material changes in the Company's critical accounting policies and estimates as compared to the disclosure contained in the Company's 2014 Form 10-K.

On April 5, 2012, the JOBS Act was signed into law. The JOBS Act contains provisions that, among other things, reduce certain reporting requirements for qualifying public companies. As an "emerging growth company" we may delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. We intend to take advantage of the benefits of this extended transition period, although we have not done so to date. Accordingly, our financial statements may not be comparable to companies that comply with such new or revised accounting standards or disclosures.

Recent Accounting Pronouncements. Refer to Note 2 of our consolidated financial statements for a description of recent accounting pronouncements including the respective dates of adoption and effects on results of operations and financial condition.

Non-GAAP Financial Measures

In addition to results presented in accordance with generally accepted accounting principles utilized in the United States ("GAAP"), this report contains certain non-GAAP financial measures, which include net interest income and net interest margin as adjusted to exclude additional Federal Home Loan Bank ("FHLB") borrowings and proceeds from such borrowings, net income excluding merger-related expenses and recovery of loan losses, and earnings per share excluding merger expenses and recovery of loan losses. Management elected to obtain additional FHLB borrowings beginning November 2014 as part of a plan to increase net interest income. The Company believes that showing the effects of the additional borrowings on net interest income and net interest margins is useful to both management and investors as these measures are commonly used to measure financial institutions performance and against peers.

Management has presented the non-GAAP financial measures in this discussion and analysis excluding merger-related expenses and recovery of loan losses because it believes excluding these items is more indicative of and provides useful and comparative information to assess trends in our core operations while facilitating comparison of the quality and composition of the Company’s earnings over time and in comparison to its competitors. However, these non-GAAP financial measures are supplemental, are not audited and are not a substitute for operating results or any analysis determined in accordance with GAAP. Where applicable, we have also presented comparable earnings information using GAAP financial measures. Because not all companies use the same calculations, our presentation may not be comparable to other similarly titled measures as calculated by other companies. See “Comparison of Results of Operations for the Three Months Ended March 31, 2015 and 2014” and “Comparison of Results of Operations for the Nine Months Ended March 31, 2015 and 2014” for more detailed information about our financial performance.

The following tables set forth reconciliations of non-GAAP financial measures discussed in this report:

	Three Months Ended March 31, 2015		
	Average Balance Outstanding	Interest Earned / Paid	Yield/ Rate
Interest-earning assets	$ 2,369,957	$ 22,232	3.75 %
Less: Interest-earning assets funded by additional FHLB borrowings [1]	250,000	367	0.59 %
Interest-earning assets - adjusted	$ 2,119,957	$ 21,865	4.13 %
Interest-bearing liabilities	1,981,930	1,348	0.27 %
Additional FHLB borrowings [2]	250,000	128	0.20 %
Interest-bearing liabilities - adjusted	$ 1,731,930	$ 1,220	0.28 %
Net interest income and net interest margin		20,884	3.52 %
Net interest income and net interest margin - adjusted		20,645	3.90 %
Difference		$ 239	(0.38)%

	Nine Months Ended March 31, 2015		
	Average Balance Outstanding	Interest Earned / Paid	Yield/ Rate
Interest-earning assets	$ 2,178,954	$ 65,011	3.98 %
Less: Interest-earning assets funded by additional FHLB borrowings [1]	137,005	494	1.44 %
Interest-earning assets - adjusted	$ 2,041,949	$ 64,517	4.21 %
Interest-bearing liabilities	1,793,972	3,981	0.30 %
Additional FHLB borrowings [2]	137,005	216	0.21 %
Interest-bearing liabilities - adjusted	$ 1,656,967	$ 3,765	0.30 %
Net interest income and net interest margin		61,030	3.73 %
Net interest income and net interest margin - adjusted		60,752	3.97 %
Difference		$ 278	(0.24)%

(1) Proceeds from the additional borrowings were invested in various interest-earning assets including: deposits with the Federal Reserve Bank, FHLB stock, and commercial paper.
(2) Additional borrowings were obtained in November 2014.

Set forth below is a reconciliation to GAAP net income and earnings per share (EPS) as adjusted to exclude merger-related expenses and the recovery of loan losses:

(Dollars in thousands, except per share data)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2015	2014	2015	2014
Merger-related expenses	$ 1,686	$ 449	$ 5,417	$ 711
Recovery of loan losses	—	(1,800)	(250)	(4,800)
Total adjustments	1,686	(1,351)	5,167	(4,089)
Tax effect [(1)]	(624)	500	(1,897)	1,650
Total adjustments, net of tax	1,062	(851)	3,270	(2,439)
Net income (GAAP)	1,162	2,606	5,467	8,809
Net income (non-GAAP)	$ 2,224	$ 1,755	$ 8,737	$ 6,370
Per Share Data				
Average shares outstanding - basic	19,113,387	18,302,672	19,146,025	18,724,242
Average shares outstanding - diluted	19,192,702	18,378,159	19,232,791	18,815,416
Basic EPS				
EPS (GAAP)	$ 0.06	$ 0.14	$ 0.28	$ 0.46
Non-GAAP adjustment	0.06	(0.04)	0.18	(0.12)
EPS (non-GAAP)	$ 0.12	$ 0.10	$ 0.46	$ 0.34
Diluted EPS				
EPS (GAAP)	$ 0.06	$ 0.14	$ 0.28	$ 0.46
Non-GAAP adjustment	0.06	(0.04)	0.17	(0.12)
EPS (non-GAAP)	$ 0.12	$ 0.10	$ 0.45	$ 0.34

(1) Tax amounts have been adjusted for certain nondeductible merger-related expenses.

Comparison of Financial Condition at March 31, 2015 and June 30, 2014

Assets. Total assets increased $534.2 million, or 25.8%, to $2.6 billion at March 31, 2015 from $2.1 billion at June 30, 2014. This increase was largely due to the Branch Acquisition, the Bank of Commerce acquisition, and proceeds from additional FHLB borrowings this fiscal year. The Company recorded $4.0 million of goodwill and $640,000 of core deposit intangibles in connection with the Bank of Commerce acquisition and $8.1 million of core deposit intangibles in connection with the Branch Acquisition. The increase in FHLB borrowings was part of management's strategic plan to leverage low cost borrowings to generate additional interest income from investments as well as dividend income from the required purchase of additional FHLB stock.

Cash and cash equivalents. Total cash and cash equivalents increased $248.8 million, or 542.9%, to $294.7 million at March 31, 2015 from $45.8 million at June 30, 2014. The increase was primarily due to funds received from the Branch Acquisition. At March 31, 2015, certificates of deposits in other banks totaled $204.6 million compared to $163.8 million at June 30, 2014. All of the certificates of deposit in other banks are fully insured under the FDIC.

Investments. The increase in securities available for sale of $61.8 million, or 36.6%, to $230.5 million at March 31, 2015 from $168.7 million at June 30, 2014 primarily as a result of the acquisition of Bank of Commerce and investing proceeds from the Branch Acquisition. During the nine months ended March 31, 2015, $88.0 million of securities available for sale were purchased, $21.9 million matured, $10.4 million in proceeds from sales were received, and $20.0 million of principal payments were made. The securities purchased and acquired during the period were primarily short- to intermediate-term U.S. government agency notes and mortgage-backed securities and, to a lesser extent, intermediate-term taxable municipal securities. Other investments increased $15.4 million primarily due to the purchase of $6.2 million of Federal Reserve Bank stock in conjunction with the Bank's conversion to a national bank and $8.5 million in additional FHLB stock. We evaluate individual investment securities quarterly for other-than-temporary declines in market value. We do not believe that there are any other-than-temporary impairments at March 31, 2015; therefore, no impairment losses have been recorded during the first nine months of fiscal 2015.

Loans. Net loans receivable increased $145.3 million, or 9.9%, at March 31, 2015 to $1.6 billion from $1.5 billion at June 30, 2014 primarily due to $86.2 million in loans acquired from Bank of Commerce, $40.9 million in home equity lines of credit purchased in December 2014, and $315.2 million portfolio loan originations, that were partially offset by unusually high payoffs occurring during the period relating to the assimilation and transition of loans recently acquired.

Since June 30, 2014, retail consumer and commercial loans have increased $51.9 million, or 5.9% to $934.9 million; and $91.7 million, or 14.9%, to $706.6 million, respectively. The composition of the Company's loan portfolio at March 31, 2015 was 39.7% in one-to-four family, 12.1%

in home equity lines of credit, 2.9% in retail construction and land, 2.0% in indirect auto finance, 0.3% in consumer loans, 27.5% in commercial real estate, 3.6% in commercial construction and development, 5.4% in commercial and industrial, and 6.5% in municipal leases. The composition of the Company's loan portfolio at June 30, 2014 was 44.1% in one-to-four family, 9.9% in home equity lines of credit, 4.0% in retail construction and land, 0.6% in indirect auto finance, 0.4% in consumer loans, 25.1% in commercial real estate, 3.8% in commercial construction and development, 5.0% in commercial and industrial, and 7.1% in municipal leases.

Asset Quality. Nonperforming assets decreased 26.5% to $39.5 million, or 1.51% of total assets, at March 31, 2015, compared to $53.6 million, or 2.59% of total assets, at June 30, 2014. Nonperforming assets included $30.9 million in nonaccruing loans and $8.6 million in REO at March 31, 2015, compared to $37.9 million and $15.7 million, in nonaccruing loans and REO respectively, at June 30, 2014. Included in nonperforming loans are $10.4 million of loans restructured from their original terms of which $6.2 million were current with respect to their modified payment terms. The decrease in nonaccruing loans was primarily due to loans returning to performing status as payment history and the borrower's financial status improved. At March 31, 2015, $14.9 million, or 48.1%, of nonaccruing loans were current on their required loan payments. Purchased impaired loans aggregating $10.4 million acquired from BankGreenville, Jefferson, and Bank of Commerce are excluded from nonaccruing loans due to the accretion of discounts established in accordance with the acquisition method of accounting for business combinations.

The ratio of classified assets to total assets decreased to 3.51% at March 31, 2015 from 4.56% at June 30, 2014. Classified assets decreased 3.2% to $91.7 million at March 31, 2015 compared to $94.7 million at June 30, 2014. Delinquent loans (loans delinquent 30 days or more) increased to $34.3 million at March 31, 2015, from $27.9 million at June 30, 2014.

As of March 31, 2015, we had identified $65.0 million of impaired loans. Our impaired loans are comprised of loans on non-accrual status and all TDRs, whether performing or on non-accrual status under their restructured terms. Impaired loans may be evaluated for reserve purposes using either a specific impairment analysis or on a collective basis as part of homogeneous pools. For more information on these impaired loans, see Note 5 of the Notes to Consolidated Financial Statements under Item 1 of this report.

Allowance for loan losses. We establish an allowance for loan losses by charging amounts to the loan provision at a level required to reflect estimated credit losses in the loan portfolio. In evaluating the level of the allowance for loan losses, management considers, among other factors, historical loss experience, the types of loans and the amount of loans in the loan portfolio, adverse situations that may affect borrowers' ability to repay, estimated value of any underlying collateral, prevailing economic conditions and current risk factors specifically related to each loan type.

The allowance for loan losses was $22.7 million, or 1.38% of total loans, at March 31, 2015 compared to $23.4 million, or 1.56% of total loans, at June 30, 2014. The allowance for loan losses was 1.72% of total loans at March 31, 2015, excluding loans acquired from BankGreenville, Jefferson, and Bank of Commerce as the loans acquired from these acquisitions are excluded from the allowance for loan losses in accordance with the acquisition method of accounting for business combinations. The Company recorded these loans at fair value, which includes a credit discount, therefore, no allowance for loan losses is established for these acquired loans unless the credit quality deteriorates further subsequent to the acquisition.

The recovery for loan losses was $250,000 for the nine months ended March 31, 2015 compared to a $4.8 million recovery for loan losses for the same period in 2014. Net loan charge-offs decreased to $498,000 for the nine months ended March 31, 2015 from a $2.0 million for the same period during the prior fiscal year. Net charge-offs as a percentage of average loans decreased to 0.04% for the nine months ended March 31, 2015 from 0.22% for the same period last fiscal year.

The allowance as a percentage of nonaccruing loans increased from 61.79% at June 30, 2014 to 73.42% at March 31, 2015.

We believe that the allowance for loan losses as of March 31, 2015 was adequate to absorb the known and inherent risks of loss in the loan portfolio at that date. While we believe the estimates and assumptions used in our determination of the adequacy of the allowance are reasonable, there can be no assurance that such estimates and assumptions will not be proven incorrect in the future, or that the actual amount of future provisions will not exceed the amount of past provisions or that any increased provisions that may be required will not adversely impact our financial condition and results of operations. In addition, the determination of the amount of the allowance for loan losses is subject to review by bank regulators as part of the routine examination process, which may result in the establishment of additional reserves based upon their judgment of information available to them at the time of their examination.

Real estate owned. REO decreased $7.2 million, to $8.6 million at March 31, 2015 primarily due to the sale of $8.6 million in REO during the period partially offset by $210,000 in REO acquired in the Bank of Commerce acquisition and $2.2 million in other foreclosures. The total balance of REO at March 31, 2015 included $4.7 million in land, construction and development projects (both residential and commercial), $1.2 million in commercial real estate and $2.7 million in single-family homes.

Deposits. Deposits increased $330.7 million, or 20.9%, from $1.6 billion at June 30, 2014 to $1.9 billion at March 31, 2015. This increase was primarily due to the Branch Acquisition and Bank of Commerce acquisition which increased total deposits in the aggregate by $422.8 million partially offset by a $92.1 million decrease in deposits due to a managed reduction in certificates of deposits and expected runoff from the acquisitions.

Borrowings. Other borrowings increased to $250.0 million at March 31, 2015 from $50.0 million at June 30, 2014 as a result of a $200.0 million increase in FHLB advances as part of management's short-term leveraging strategy. All FHLB advances have maturities of less than 90 days with a weighted average interest rate of 0.21% at March 31, 2015.

Equity. Stockholders' equity at March 31, 2015 increased to $381.9 million from $377.2 million at June 30, 2014. The increase in stockholders' equity primarily reflected a $5.5 million increase in retained earnings as a result of the net income from the nine months ended March 31, 2015 partially offset by the repurchase of 302,195 shares of common stock at an average cost of $15.64 per share, or approximately $4.7 million in total.

Average Balances, Interest and Average Yields/Cost

The following table sets forth for the periods indicated, information regarding average balances of assets and liabilities as well as the total dollar amounts of interest income from average interest-earning assets and interest expense on average interest-bearing liabilities, resultant yields, interest rate spread, net interest margin (otherwise known as net yield on interest-earning assets), and the ratio of average interest-earning assets to 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.

	For the Three Months Ended March 31,					
	2015			2014		
	Average Balance Outstanding	Interest Earned/ Paid[2]	Yield/ Rate[2]	Average Balance Outstanding	Interest Earned/ Paid[2]	Yield/ Rate[2]
	(Dollars in thousands)					
Interest-earning assets:						
Loans receivable[1]	$ 1,645,993	$ 20,271	4.93%	$ 1,173,290	$ 14,356	4.89%
Deposits in other financial institutions	387,264	661	0.68%	223,476	437	0.78%
Investment securities	205,447	919	1.79%	74,463	262	1.41%
Other	131,254	381	1.16%	16,404	136	3.32%
Total interest-earning assets	2,369,958	22,232	3.75%	1,487,633	15,191	4.08%
Interest-bearing liabilities:						
Interest-bearing checking accounts	386,652	136	0.14%	215,292	55	0.10%
Money market accounts	491,221	260	0.21%	306,083	187	0.24%
Savings accounts	222,697	75	0.13%	86,036	33	0.15%
Certificate accounts	631,361	749	0.47%	529,923	972	0.73%
Borrowings	250,000	128	0.20%	2,214	1	0.18%
Total interest-bearing liabilities	1,981,931	1,348	0.27%	1,139,548	1,248	0.43%
Net earning assets	$ 388,027			$ 348,085		
Average interest-earning assets to average interest-bearing liabilities	119.58%			130.55%		
Tax-equivalent:						
Net interest income		$ 20,884			$ 13,943	
Interest rate spread			3.48%			3.65%
Net interest margin[3]			3.52%			3.75%
Non-tax-equivalent:						
Net interest income		$ 20,188			$ 13,144	
Interest rate spread			3.36%			3.43%
Net interest margin[3]			3.41%			3.53%

(1) The average loans receivable, net balances include loans held for sale and nonaccruing loans.
(2) Interest income used in the average interest/earned and yield calculation includes the tax equivalent adjustment of $696,000 and $799,000 for the three months ended March 31, 2015 and 2014, respectively, calculated based on a federal tax rate of 34%.
(3) Net interest income divided by average interest-earning assets.

	For the Nine Months Ended March 31,					
	2015			2014		
	Average Balance Outstanding	Interest Earned/ Paid[2]	Yield/ Rate[2]	Average Balance Outstanding	Interest Earned/ Paid[2]	Yield/ Rate[2]
	(Dollars in thousands)					
Interest-earning assets:						
Loans receivable[1]	$ 1,609,285	$ 60,006	4.97%	$ 1,187,679	$ 44,353	4.98%
Deposits in other financial institutions	320,574	1,690	0.70%	215,383	1,306	0.81%
Investment securities	185,844	2,608	1.87%	68,254	768	1.50%
Other	63,251	707	1.49%	28,416	416	1.95%
Total interest-earning assets	2,178,954	65,011	3.98%	1,499,732	46,843	4.16%
Interest-bearing liabilities:						
Interest-bearing checking accounts	339,138	323	0.13%	213,265	218	0.14%
Money market accounts	442,514	785	0.24%	302,156	593	0.26%
Savings accounts	205,579	230	0.15%	84,251	106	0.17%
Certificate accounts	632,016	2,372	0.50%	546,253	3,255	0.79%
Borrowings	174,724	271	0.21%	2,269	5	0.29%
Total interest-bearing liabilities	1,793,971	3,981	0.30%	1,148,194	4,177	0.48%
Net earning assets	$ 384,983			$ 351,538		
Average interest-earning assets to average interest-bearing liabilities	121.46%			130.62%		
Tax-equivalent:						
Net interest income		$ 61,030			$ 42,666	
Interest rate spread			3.68%			3.68%
Net interest margin[3]			3.73%			3.79%
Non-tax-equivalent:						
Net interest income		$ 58,977			$ 40,323	
Interest rate spread			3.56%			3.47%
Net interest margin[3]			3.61%			3.58%

(1) The average loans receivable, net balances include loans held for sale and nonaccruing loans.
(2) Interest income used in the average interest/earned and yield calculation includes the tax equivalent adjustment of $2.1 million and $2.3 million for the nine months ended March 31, 2015 and 2014, respectively, calculated based on a federal tax rate of 34%.
(3) Net interest income divided by average interest-earning assets.

Rate/Volume Analysis

The following table presents the dollar amount of changes in interest income and interest expense for major components of interest-earning assets and interest-bearing liabilities. It distinguishes between the changes related to outstanding balances and that due to the changes in interest rates. For each category of interest-earning assets and interest-bearing liabilities, information is provided on changes attributable to (i) changes in volume (i.e., changes in volume multiplied by old rate) and (ii) changes in rate (i.e., changes in rate multiplied by old volume). For purposes of this table, changes attributable to both rate and volume, which cannot be segregated, have been allocated proportionately to the change due to volume and the change due to rate.

	Three Months Ended March 31, 2015 Compared to Three Months Ended March 31, 2014		
	Increase/ (decrease) due to		
(Dollars in thousands)	Volume	Rate	Total increase/(decrease)
Interest-earning assets:			
Loans receivable	$ 5,783	$ 132	$ 5,915
Deposits in other financial institutions	320	(96)	224
Investment securities	461	196	657
Other	952	(707)	245
Total interest-earning assets	$ 7,516	$ (475)	$ 7,041
Interest-bearing liabilities:			
Interest-bearing checking accounts	$ 44	$ 37	$ 81
Money market accounts	113	(40)	73
Savings accounts	52	(10)	42
Certificate accounts	186	(409)	(223)
Borrowings	112	15	127
Total interest-bearing liabilities	$ 507	$ (407)	$ 100
Net increase in tax equivalent interest income	$ 7,009	$ (68)	$ 6,941

	Nine Months Ended March 31, 2015 Compared to Nine Months Ended March 31, 2014		
	Increase/ (decrease) due to		
(Dollars in thousands)	Volume	Rate	Total increase/(decrease)
Interest-earning assets:			
Loans receivable	$ 15,744	$ (91)	$ 15,653
Deposits in other financial institutions	637	(253)	384
Investment securities	1,323	517	1,840
Other	510	(219)	291
Total interest-earning assets	$ 18,214	$ (46)	$ 18,168
Interest-bearing liabilities:			
Interest-bearing checking accounts	$ 129	$ (24)	$ 105
Money market accounts	275	(83)	192
Savings accounts	153	(29)	124
Certificate accounts	511	(1,394)	(883)
Borrowings	380	(114)	266
Total interest-bearing liabilities	$ 1,448	$ (1,644)	$ (196)
Net increase in tax equivalent interest income	$ 16,766	$ 1,598	$ 18,364

Comparison of Results of Operation for the Three Months Ended March 31, 2015 and 2014

General. During the three months ended March 31, 2015, we had net income of $1.2 million compared to $2.6 million for the three months ended March 31, 2014. The decrease in net income for the third quarter of fiscal 2015 was driven by an increase in merger-related expenses of $1.2 million related to recent acquisitions and the recovery of loan losses for $1.8 million that occurred in the same period last year as compared to no recovery in the current quarter. On a basic and diluted per share basis, the Company earned $0.06 per share in the third quarter of fiscal 2015, compared to $0.14 per share in the third quarter of fiscal 2014. Excluding merger-related expenses and recovery of loan losses, the Company's net income was $2.2 million in the current quarter compared to $1.8 million in the comparative quarter in 2014. Using the same exclusions, the Company's earnings per share increased 20.0% to $0.12 from $0.10 per share for the three months ended March 31, 2015 from the comparative period in 2014.

Net Interest Income. Net interest income was $20.2 million for the three months ended March 31, 2015 compared to $13.1 million for the three months ended March 31, 2014. The $7.1 million, or 53.6%, increase was a primarily driven by a $7.1 million increase in interest income as average interest-earning assets increased $882.3 million mainly through recent acquisitions to $2.4 billion for the quarter ended March 31, 2015 compared to the same quarter in the prior year.

Net interest margin (on a fully taxable-equivalent basis) for the three months ended March 31, 2015 contracted 23 basis points over the same period last year to 3.52% as a result of increasing average short-term FHLB borrowings by $247.8 million. Management made a strategic decision to leverage FHLB borrowings beginning in November 2014 to generate additional net interest income with the proceeds, as well as dividend income from the required purchase of additional FHLB stock. The borrowings with an average cost of 0.21% were invested in various short-term assets (including the additional FHLB stock) with an average yield of 0.59%, which generated approximately $239,000 in net interest income during the quarter. Excluding the effect of these additional borrowings, net interest margin was 3.90%.

Average loans increased $472.7 million, or 40.3% to $1.6 billion, which increased gross tax equivalent interest income by $5.9 million or 41.2% from the comparative quarter in 2014. The corresponding yield increased marginally by four basis points to 4.93% as the $1.4 million in accretion of loan discounts on purchased loans more than offset new loans originated at lower rates and payoffs of higher yielding loans. Net interest margin is enhanced by the amortization of purchase accounting discounts on purchased loans and certificates of deposit received in the acquisitions of Jefferson, Bank of Commerce and BankGreenville, which is accreted into net interest income. This additional income stems from the discount established at the time these loan portfolios were acquired and the related impact of prepayments on purchased loans. Each quarter, the Company analyzes the cash flow assumptions on loan pools purchased and, at least semi-annually, the Company updates loss estimates, prepayment speeds and other variables when analyzing cash flows. In addition to this accretion income, which is recognized over the estimated life of the loans pools, if a loan is removed from a pool due to payoff or foreclosure, the unaccreted discount in excess of losses is recognized as an accretion gain in interest income. As a result, income from loan pools can be volatile from quarter to quarter. The amortization of purchase accounting discounts on loans and certificates of deposit of $1.7 million increased the net interest margin (on a fully taxable-equivalent basis) 28 basis points for the quarter ended March 31, 2015.

Due to a significant number of adjustable-rate loans in the loan portfolio with interest rate floors below which the loans' contractual interest rate may not adjust, net interest income will be negatively impacted in a rising interest rate environment until such time as the current rate exceeds these interest rate floors. As of March 31, 2015, our loans with interest rate floors totaled approximately $574.1 million and had a weighted average floor rate of 4.36% of which $271.3 million, or 47.3%, had yields that would begin floating again once prime rates increase at least 200 basis points.

The combined average balance of investment securities, deposits in other financial institutions, and other interest-earning assets increased by $409.6 million, or 130.3%, to $724.0 million for the three months ended March 31, 2015, while the interest and dividend income from those investments increased by $1.1 million compared to the prior fiscal year. The increase in average balances was primarily due to the acquisition of investment securities from the Jefferson and Bank of Commerce acquisitions, invested funds acquired from the Branch Acquisition, and proceeds from the additional FHLB borrowings.

Interest expense increased slightly by $100,000, or 8.0% to $1.3 million for the three months ended March 31, 2015 in comparison to 2014. The average cost of interest-bearing liabilities decreased 16 basis points to 0.27% for the three months ended March 31, 2015, from 0.43% for the same period one year earlier while average interest-bearing liabilities increased $842.4 million over the same time period as a result of our recent acquisitions and additional FHLB borrowings.

Deposit interest expense remained flat at $1.2 million for the three months ended March 31, 2015 compared to $1.3 million for the same period in 2014 primarily as a result of average cost of certificates of deposit decreasing by 26 basis points to 0.47% primarily the result of our strategy to utilize our excess liquidity, mainly cash, to reduce higher-cost deposits by competing less aggressively on certain deposit interest rates.

Provision for Loan Losses. We establish an allowance for loan losses by charging amounts to the loan provision at a level required to reflect estimated credit losses in the loan portfolio. In evaluating the level of the allowance for loan losses, management considers, among other factors, historical loss experience, the types of loans and the amount of loans in the loan portfolio, adverse situations that may affect borrowers' ability to repay, estimated value of any underlying collateral, prevailing economic conditions and current risk factors specifically related to each loan type.

During the three months ended March 31, 2015, there was no provision for loan losses compared to a recovery of $1.8 million for the three months ended March 31, 2014. The provision for loan losses reflects the amount required to maintain the allowance for losses at an appropriate level based upon management's evaluation of the adequacy of general and specific loss reserves, trends in delinquencies and net charge-offs and current economic conditions. Net loan charge-offs increased to $675,000 for the three months ended March 31, 2015 compared to $56,000 for the same period last year, however, our overall credit quality continues to improve. Net charge-offs as a percentage of average loans increased to 0.16% for the quarter ended March 31, 2015 from 0.11% for the same period last fiscal year.

See Comparison of Financial Condition - Asset Quality for additional details.

Noninterest Income. Noninterest income increased $1.3 million, or 63.6%, to $3.3 million for the third quarter of fiscal 2015 from $2.0 million for the third quarter of fiscal 2014, primarily due to a $1.1 million, or 179.4%, increase in service charges on deposit accounts related to the increase in the number of deposit accounts as a result of our recent acquisitions.

Noninterest Expense. Noninterest expense for the quarter ended March 31, 2015 increased $8.6 million, or 64.4%, to $22.0 million compared to $13.4 million for the quarter ended March 31, 2014. This increase was primarily related to a $3.1 million increase in salaries and employee benefits, a $1.2 million increase in merger-related expenses, a $1.1 million increase in net occupancy expense, $935,000 increase in computer services, and an $811,000 increase in amortization of core deposit intangibles, all of which were primarily related to our recent acquisitions. These increases in noninterest expense were partially offset by a $443,000 decrease in REO related expenses for the quarter ended March 31, 2015 compared to the same period last year reflecting the reduction in the number of REO properties held by us and improvement in the real estate markets.

Income Taxes. The Company's income tax expense was $314,000 for the three months ended March 31, 2015, a decrease of $653,000 compared to $967,000 income tax expense for the three months ended March 31, 2014. The decrease was primarily due to lower taxable income. The Company's effective income tax rate for the quarter ended March 31, 2015 was 21.3%.

Comparison of Results of Operation for the Nine Months Ended March 31, 2015 and 2014

General. During the nine months ended March 31, 2015, we had net income of $5.5 million compared to $8.8 million for the nine months ended March 31, 2014. The decrease in net income for the first nine months of fiscal 2015 was driven by an increase in merger expenses of $4.7 million to $5.4 million related to recent acquisitions and the additional $4.6 million recovery of loan losses that occurred in the same period last year. On a basic and diluted per share basis, the Company earned $0.28 per share for the first nine months fiscal year 2015, compared to $0.46 per share in 2014. Excluding merger-related expenses and recovery of loan losses, the Company's net income was $8.7 million for the nine months ended March 31, 2015 compared to $6.4 million in the comparative period in 2014. Based on the same exclusions, the Company's diluted earnings per share increased 32.4% to $0.45 from $0.34 per share for the nine months ended March 31, 2015 from the comparative period in 2014.

Net Interest Income. Net interest income was $59.0 million for the nine months ended March 31, 2015 compared to $40.3 million for the nine months ended March 31, 2014. The $18.7 million, or 46.3%, increase was primarily driven by an $18.5 million increase in interest income as average interest-earning assets increased $679.2 million mainly through recent acquisitions to $2.2 billion for the nine months ended March 31, 2015 compared to the same period last year. Net interest margin (on a fully taxable-equivalent basis) for the nine months ended March 31, 2015 decreased six basis points over the same period last year to 3.73%. Excluding the effect of the additional $172.5 million in average FHLB borrowings, which generated $278,000 in net interest income, net interest margin was 3.97%. The amortization of purchase accounting discounts on loans and certificates of deposit of $4.4 million increased the net interest margin (on a fully taxable-equivalent basis) 27 basis points for the nine months ended March 31, 2015.

Average loans increased $421.6 million, or 35.5% to $1.6 billion, which increased gross tax equivalent interest income by $15.7 million or 35.3% from the comparative period in 2014. The corresponding yield decreased by one basis point to 4.97% as new loans originated at lower market rates, payoffs of higher yielding loans, and downward repricing of adjustable rate loans contracted the yield, but was partially offset by $3.7 million in accretion of loan discounts on purchased loans.

The combined average balance of investment securities, deposits in other financial institutions, and other interest-earning assets increased by $257.6 million, or 82.6%, to $570.0 million for the nine months ended March 31, 2015, while the interest and dividend income from those investments increased by $2.5 million compared to the prior fiscal year. The increase in average balance was primarily due to the acquisition of investment securities from the Jefferson and Bank of Commerce mergers, invested funds acquired from the Branch Acquisition, and proceeds from the additional FHLB borrowings.

Interest expense decreased by $196,000, or 4.7% to $4.0 million for the nine months ended March 31, 2015 in comparison to 2014. The average cost of interest-bearing liabilities decreased 18 basis points to 0.30% for the nine months ended March 31, 2015, from 0.48% for the same period one year earlier while average interest-bearing liabilities increased $645.8 million over the same time period as a result of our recent acquisitions and additional FHLB borrowings.

Deposit interest expense decreased $462,000, or 11.1% to $3.7 million for the nine months ended March 31, 2015 compared to $4.2 million for the same period in 2014 primarily as a result of average cost of certificates of deposit decreasing by 29 basis points to 0.50%.

Provision for Loan Losses. During the nine months ended March 31, 2015 and 2014, there was a recovery of loan losses of $250,000 and $4.8 million, respectively. Net charge offs for the nine months ended March 31, 2015 decreased to $498,000 from $2.0 million for the comparable period in 2014. Net charge-offs as a percentage of average loans decreased to 0.04% for the nine months ended March 31, 2015 from 0.22% for the same period last fiscal year.

See Comparison of Financial Condition - Asset Quality for additional details.

Noninterest Income. Noninterest income increased $2.4 million, or 36.1%, to $8.9 million for the nine months ended March 31, 2015 from $6.5 million for the nine months ended March 31, 2014, primarily due to a $2.2 million, or 110.4%, increase in service charges on deposit accounts related to the increase in the number of deposit accounts as a result of our recent acquisitions.

Noninterest Expense. Noninterest expense for the nine months ended March 31, 2015 increased $22.0 million, or 57.1%, to $60.7 million compared to $38.6 million for the nine months ended March 31, 2014. This increase was primarily related to a $8.3 million increase in salaries and employee benefits, a $4.7 million increase in merger-related expenses, a $2.5 million increase in net occupancy expense, a $1.7 million increase in computer services, and a $1.6 million increase in amortization of core deposit intangibles, all of which were primarily related to our recent acquisitions. These increases in other expenses were partially offset by a $917,000 decrease in REO related expenses for the nine months ended March 31, 2015 compared to the same period last year.

Income Taxes. For the nine months ended March 31, 2015, the Company's income tax expense was $2.0 million, compared to an expense of $4.2 million for the nine months ended March 31, 2014. This decrease was due to lower income before taxes, as well as a nonrecurring $962,000 charge incurred in the first quarter of fiscal 2014 related to the decline in value of our deferred tax assets based on decreases in North Carolina's state corporate tax rates. Beginning January 1, 2014, North Carolina's corporate tax rate was reduced from 6.9% to 6.0% and to 5.0% in 2015 with additional reductions to 3.0% in 2017 possible in the event certain state revenue triggers are achieved. The Company's effective income tax rate for the nine months ended March 31, 2015 was 26.8%.

Liquidity

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

In addition to these primary sources of funds, management has several secondary sources available to meet potential funding requirements. As of March 31, 2015, the Bank had an additional borrowing capacity of $152.7 million with the FHLB of Atlanta, a $114.4 million line of credit with the Federal Reserve Bank and a $20.0 million line of credit with another unaffiliated bank. At March 31, 2015, we had $250.0 million in FHLB advances outstanding and nothing outstanding under our other lines of credit. Additionally, the Company classifies its securities portfolio as available for sale, providing an additional source of liquidity. Management believes that our security portfolio is of high quality and the securities would therefore be marketable. In addition, we have historically sold longer term fixed-rate mortgage loans in the secondary market to reduce interest rate risk and to create still another source of liquidity. From time to time we also utilize brokered time deposits to supplement our other sources of funds. Brokered time deposits are obtained by utilizing an outside broker that is paid a fee. This funding requires advance notification to structure the type of deposit desired by us. Brokered deposits can vary in term from one month to several years and have the benefit of being a source of longer-term funding. We also utilize brokered deposits to help manage interest rate risk by extending the term to repricing of our liabilities, enhance our liquidity and fund asset growth. Brokered deposits are typically from outside our primary market areas, and our brokered deposit levels may vary from time to time depending on competitive interest rate conditions and other factors. At March 31, 2015 brokered deposits totaled $14.5 million, or 0.8% 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 investment securities, including mortgage-backed securities. HomeTrust Bancshares on a stand-alone level is a separate legal entity from the Bank and must provide for its own liquidity and pay its own operating expenses. The Company's primary source of funds consists of the net proceeds retained from the Conversion. The Company also has the ability to receive dividends or capital distributions from the Bank, although there are regulatory restrictions on the ability of the Bank to pay dividends. At March 31, 2015, the Company (on an unconsolidated basis) had liquid assets of $39.1 million.

We use our sources of funds primarily to meet our ongoing commitments, pay maturing deposits and fund withdrawals, and to fund loan commitments. At March 31, 2015, the total approved loan commitments and unused lines of credit outstanding amounted to $74.2 million and $223.2 million, respectively, as compared to $55.4 million and $167.6 million, respectively, as of June 30, 2014. Certificates of deposit scheduled to mature in one year or less at March 31, 2015, totaled $438.3 million. It is management's policy to manage deposit rates that are competitive with other local financial institutions. Based on this management strategy, we believe that a majority of maturing deposits will remain with us.

During the first nine months of fiscal 2015, cash and cash equivalents increased $248.8 million, or 542.9%, from $45.8 million as of June 30, 2014 to $294.7 million as of March 31, 2015. The increase was primarily attributable to the $310.9 million in cash provided by the Branch Acquisition, net of deposit premium that occurred in the second quarter of fiscal 2015. Cash provided by operating, investing and financing activities was $535,000, $160.5 million and $87.8 million, respectively. Primary sources of cash for the nine months ended March 31, 2015 included $310.9 million from the Branch Acquisition, an increase in other borrowings of $184.8 million and proceeds from the sale and maturities of securities available for sale of $32.2 million. Primary uses of cash during the period included a $92.1 million decrease in deposits (excluding the $422.6 million in deposits acquired from Bank of Commerce and the Branch Acquisition), an increase in loans of $54.8 million, the purchase of certificates of deposit in other banks, net of maturities, of $40.8 million and the purchases of $88.0 million of securities available for sale.

Off-Balance Sheet Activities

In the normal course of operations, we engage in a variety of financial transactions that are not recorded in our financial statements. These transactions involve varying degrees of off-balance sheet credit, interest rate and liquidity risks. These transactions are used primarily to manage customers' requests for funding and take the form of loan commitments and lines of credit. For the three or nine months ended March 31, 2015, we engaged in no off-balance sheet transactions likely to have a material effect on our financial condition, results of operations or cash flows.

A summary of our off-balance sheet commitments to extend credit at March 31, 2015, is as follows (in thousands):

Commitments to make loans	$	74,200
Unused lines of credit		223,200
Total loan commitments	$	297,400

Capital Resources

At March 31, 2015, stockholder's equity totaled $381.9 million. HomeTrust Bancshares, Inc. is a bank holding company registered with the FRB. Bank holding companies are subject to capital adequacy requirements of the FRB under the Bank Holding Company Act of 1956, as amended and the regulations of the FRB. The Bank, as a national bank is subject to the capital requirements established by the OCC.

The capital adequacy requirements are quantitative measures established by regulation that require HomeTrust Bancshares, Inc. and the Bank to maintain minimum amounts and ratios of capital. The FRB requires HomeTrust Bancshares, Inc. to maintain capital adequacy that generally parallels the OCC requirements. 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.

New Capital Rules. Effective January 1, 2015 (with some changes transitioned into full effectiveness over two to four years), HomeTrust Bank is now subject to new capital requirements adopted by the OCC, which create a new required ratio for common equity Tier 1 (“CET1”) capital, increases the leverage and Tier 1 capital ratios, changes the risk-weightings of certain assets for purposes of the risk-based capital ratios, creates an additional capital conservation buffer over the required capital ratios and changes what qualifies as capital for purposes of meeting these various capital requirements. HomeTrust Bancshares, Inc. and the Bank are required to maintain additional levels of Tier 1 common equity over the minimum risk-based capital levels before they may pay dividends, repurchase shares or pay discretionary bonuses.

The new minimum requirements are a ratio of common equity Tier 1 capital (CET1 capital) to total risk-weighted assets the (“CET1 risk-based ratio”) of 4.5%, a Tier 1 capital ratio of 6.0%, a total capital ratio of 8.0%, and a leverage ratio of 4.0%.

In addition to the capital requirements, there are a number of changes in what constitutes regulatory capital, subject to a certain transition period. These changes include the phasing-out of certain instruments as qualifying capital. HomeTrust Bancshares, Inc. and the Bank do not have any of these instruments. Mortgage servicing and deferred tax assets over designated percentages of CET1 are deducted from capital, subject to a transition period ending December 31, 2017. CET1 consists of Tier 1 capital less all capital components that are not considered common equity. In addition, Tier 1 capital includes accumulated other comprehensive income, which includes all unrealized gains and losses on available for sale debt and equity securities, subject to a transition period ending December 31, 2017**.** Because of our asset size, we are not considered an advanced approaches banking organization and have elected to permanently opt-out of the inclusion of unrealized gains and losses on available for sale debt and equity securities in our capital calculations.

The new requirements also include changes in the risk-weighting of assets to better reflect credit risk and other risk exposure. These include a 150% risk weight (up from 100%) for certain high volatility commercial real estate acquisition, development and construction loans and for non-residential mortgage loans that are 90 days past due or otherwise in nonaccrual status; a 20% (up from 0%) credit conversion factor for the unused portion of a commitment with an original maturity of one year or less that is not unconditionally cancellable; and a 250% risk weight (up from 100%) for mortgage servicing and deferred tax assets that are not deducted from capital.

In addition to the minimum CET1, Tier 1 and total capital ratios, HomeTrust Bancshares, Inc. and the Bank will have to maintain a capital conservation buffer consisting of additional CET1 capital equal to 2.5% of risk-weighted assets 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. This new capital conservation buffer requirement is to be phased in beginning in January 2016 at 0.625% of risk-weighted assets and increasing each year until fully implemented in January 2019.

Under the new standards, in order to be considered well-capitalized, HomeTrust Bank must maintain a CET1 risk-based ratio of 6.5% (new), a Tier 1 risk-based ratio of 8% (increased from 6%), a total risk-based capital ratio of 10% (unchanged) and a leverage ratio of 5% (unchanged).

Capital Ratios. At March 31, 2015, HomeTrust Bancshares, Inc. and the Bank each exceeded all regulatory capital requirements. The Bank was categorized as "well-capitalized" at March 31, 2015 under the regulations of the OCC.

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

	Actual		Regulatory Requirements			
			Minimum for Capital Adequacy Purposes		Minimum to Be Well Capitalized	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
HomeTrust Bancshares, Inc.						
As of March 31, 2015						
Common Equity Tier I Capital [1]	$ 337,817	18.12%	$ 83,911	4.50%	$ 121,205	6.50%
Tier I Capital (to Total Adjusted Assets)	$ 337,817	13.08%	$ 103,269	4.00%	$ 129,086	5.00%
Tier I Capital (to Risk-weighted Assets)	$ 337,817	18.12%	$ 111,882	6.00%	$ 149,176	8.00%
Total Risk-based Capital (to Risk-weighted Assets)	$ 360,498	19.33%	$ 149,176	8.00%	$ 186,470	10.00%
As of June 30, 2014						
Tier I Capital (to Total Adjusted Assets)[2]	$ 303,631	18.03%	$ 67,378	4.00%	n/a	n/a
Tier I Capital (to Risk-weighted Assets)[2]	$ 303,631	20.87%	$ 58,208	4.00%	n/a	n/a
Total Risk-based Capital (to Risk-weighted Assets)[2]	$ 321,886	22.12%	$ 116,415	8.00%	n/a	n/a
HomeTrust Bank:						
As of March 31, 2015						
Common Equity Tier I Capital [1]	$ 268,394	14.56%	$ 82,950	4.50%	$ 119,817	6.50%
Tier I Capital (to Total Adjusted Assets)	$ 268,394	10.52%	$ 102,021	4.00%	$ 127,527	5.00%
Tier I Capital (to Risk-weighted Assets)	$ 268,394	14.56%	$ 110,600	6.00%	$ 147,467	8.00%
Total Risk-based Capital (to Risk-weighted Assets)	$ 290,983	15.79%	$ 147,467	8.00%	$ 184,334	10.00%
As of June 30, 2014						
Tier I Capital (to Total Adjusted Assets)	$ 264,041	13.37%	$ 78,985	4.00%	$ 98,719	5.00%
Tier I Capital (to Risk-weighted Assets)	$ 264,041	18.29%	$ 57,750	4.00%	$ 86,625	6.00%
Total Risk-based Capital (to Risk-weighted Assets)	$ 282,160	19.54%	$ 115,501	8.00%	$ 144,376	10.00%

(1) New capital ratio effective January 1, 2015, not applicable for earlier periods.
(2) Certain ratios were not applicable as of June 30, 2014 as the conversion to a national bank charter did not occur until August 25, 2014.

Impact of Inflation

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

Item 3. Quantitative and Qualitative Disclosure About Market Risk

There has not been any material change in the market risk disclosures contained in our 2014 Form 10-K.

Item 4. Controls and Procedures

An evaluation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934 (the "Act") as of March 31, 2015, was carried out under the supervision and with the participation of the Company's Chief Executive Officer, Chief Financial Officer and several other members of the Company's senior management. The Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures in effect as of March 31, 2015, 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. In addition, there have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Act) that occurred during the quarter ended March 31, 2015, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The "Litigation" section of Note 8 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 Company's 2014 Form 10-K.

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

(a) Not applicable

(b) Not applicable

(c) The table below sets forth information regarding HomeTrust Bancshares' common stock repurchases during the three months ended March 31, 2015.

Period	Total Number Of Shares Purchased	Average Price Paid per Share	Total Number Of Shares Purchased as Part of Publicly Announced Plans	Maximum Number of Shares that May Yet Be Purchased Under the Plans
January 1 – January 31, 2015	53,184	$ 15.72	53,184	956,263
February 1 – February 28, 2015	30,628	15.87	30,628	925,635
March 1 – March 31, 2015	19,880	15.99	19,880	905,755
Total	103,692	$ 15.82	103,692	905,755

On November 19, 2014 the Company announced that its Board of Directors had authorized the repurchase of up to 1,023,266 shares of the Company's common stock, representing 5% of the Company's outstanding shares. 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. As of March 31, 2015, 117,511 shares were purchased.

Item 3. Defaults Upon Senior Securities

Nothing to report.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Nothing to report.

Item 6. Exhibits

See Exhibit Index.

SIGNATURES

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

HomeTrust Bancshares, Inc.

Date: May 8, 2015	By:	/s/ Dana L. Stonestreet
		Dana L. Stonestreet
		Chairman, President and CEO
		(Duly Authorized Officer)
Date: May 8, 2015	By:	/s/ Tony J. VunCannon
		Tony J. VunCannon
		Executive Vice President, CFO, and Treasurer
		(Principal Financial and Accounting Officer)

EXHIBIT INDEX

Regulation S-K Exhibit Number	Document	Reference to Prior Filing or Exhibit Number Attached Hereto
2.1	Purchase and Assumption Agreement, dated as of June 9, 2014, between Bank of America, National Association and HomeTrust Bank	(a)
2.2	Agreement and Plan of Merger, dated as of January 22, 2014, by and between HomeTrust Bancshares, Inc. and Jefferson Bancshares, Inc.	(b)
3.1	Charter of HomeTrust Bancshares, Inc.	(c)
3.2	Articles Supplementary to the Charter of HomeTrust Bancshares, Inc. for HomeTrust Bancshares, Inc.'s Junior Participating Preferred Stock, Series A	(d)
3.3	Bylaws of HomeTrust Bancshares, Inc.	(e)
4.1	Tax Benefits Preservation Plan, dated as of September 25, 2012, between HomeTrust Bancshares, Inc. and Registrar and Transfer Company, as Rights Agent	(d)
10.1	Employment Agreement entered into between HomeTrust Bancshares, Inc. and F. Edward Broadwell, Jr.	(c)
10.2	Amended and Restated Employment Agreement entered into between HomeTrust Bancshares, Inc. and Dana L. Stonestreet	(f)
10.3	Employment Agreement entered into between HomeTrust Bancshares, Inc. and each of Tony J. VunCannon and Howard L. Sellinger	(c)
10.4	Employment Agreement entered into between HomeTrust Bancshares, Inc. and C. Hunter Westbrook	(g)
10.5	Employment Agreement between HomeTrust Bank and Sidney A. Biesecker	(c)
10.6	Employment Agreement between HomeTrust Bank and Stan Allen	(c)
10.7	HomeTrust Bank Executive Supplemental Retirement Income Master Agreement ("SERP")	(c)
10.7A	SERP Joinder Agreement for F. Edward Broadwell, Jr.	(c)
10.7B	SERP Joinder Agreement for Dana L. Stonestreet	(c)
10.7C	SERP Joinder Agreement for Tony J. VunCannon	(c)
10.7D	SERP Joinder Agreement for Howard L. Sellinger	(c)
10.7E	SERP Joinder Agreement for Stan Allen	(c)
10.7F	SERP Joinder Agreement for Sidney A. Biesecker	(c)
10.7G	SERP Joinder Agreement for Peggy C. Melville	(c)
10.7H	SERP Joinder Agreement for William T. Flynt	(c)
10.7I	Amended and Restated Supplemental Income Agreement between HomeTrust Bank, as successor to Industrial Federal Savings Bank, and Sidney Biesecker	(h)
10.8	HomeTrust Bank Director Emeritus Plan ("Director Emeritus Plan")	(c)
10.8A	Director Emeritus Plan Joinder Agreement for William T. Flynt	(c)
10.8B	Director Emeritus Plan Joinder Agreement for J. Steven Goforth	(c)
10.8C	Director Emeritus Plan Joinder Agreement for Craig C. Koontz	(c)
10.8D	Director Emeritus Plan Joinder Agreement for Larry S. McDevitt	(c)
10.8E	Director Emeritus Plan Joinder Agreement for F.K. McFarland, III	(c)
10.8F	Director Emeritus Plan Joinder Agreement for Peggy C. Melville	(c)
10.8G	Director Emeritus Plan Joinder Agreement for Robert E. Shepherd, Sr.	(c)
10.9	HomeTrust Bank Defined Contribution Executive Medical Care Plan	(c)
10.10	HomeTrust Bank 2005 Deferred Compensation Plan	(c)
10.11	HomeTrust Bank Pre-2005 Deferred Compensation Plan	(c)
10.12	HomeTrust Bancshares, Inc. Strategic Operating Committee Incentive Plan	(n)
10.13	HomeTrust Bancshares, Inc. 2013 Omnibus Incentive Plan ("Omnibus Incentive Plan")	(i)
10.14	Form of Incentive Stock Option Award Agreement under Omnibus Incentive Plan	(j)
10.15	Form of Non-Qualified Stock Option Award Agreement under Omnibus Incentive Plan	(j)

10.16	Form of Stock Appreciation Right Award Agreement under Omnibus Incentive Plan	(j)
10.17	Form of Restricted Stock Award Agreement under Omnibus Incentive Plan	(j)
10.18	Form of Restricted Stock Unit Award Agreement under Omnibus Incentive Plan	(j)
10.19	Fully Restated Employment Agreement between HomeTrust Bank and Anderson L. Smith	(k)
10.20	Amended and Restated Jefferson Federal Bank Supplemental Executive Retirement Plan	(l)
10.21	Money Purchase Deferred Compensation Agreement, dated as of September 1, 1987, between HomeTrust Bank and F. Edward Broadwell, Jr.	(m)
10.22	Retirement Payment Agreement, dated as of September 1, 1987, between HomeTrust Bank and F. Edward Broadwell, Jr., as amended	(m)
10.23	Retirement Payment Agreement, dated as of September 1, 1987, between HomeTrust Bank and Larry S. McDevitt, as amended	(m)
10.24	Retirement Payment Agreement, dated as of September 1, 1987, between HomeTrust Bank and Peggy C. Melville, as amended	(m)
10.25	Retirement Payment Agreement, dated as of August 1, 1988, between HomeTrust Bank and Robert E. Shepherd, Sr., as amended	(m)
10.26	Retirement Payment Agreement, dated as of May 1, 1991, between HomeTrust Bank and William T. Flynt, as amended	(m)
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	Certificate of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	32.0
101*	The following materials from HomeTrust Bancshares' Quarterly Report on Form 10-Q for the quarter ended March 31, 2015, 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

* Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

____

(a) Filed as an exhibit to HomeTrust Bancshares's Current Report on Form 8-K filed on June 10, 2014 (File No. 001-35593).
(b) Attached as Appendix A to the joint proxy statement/prospectus filed by HomeTrust Bancshares on April 28, 2014 pursuant to Rule 424(b) of the Securities Act of 1933.
(c) Filed as an exhibit to HomeTrust Bancshares's Registration Statement on Form S-1 (File No. 333-178817) filed on December 29, 2011.
(d) Filed as an exhibit to HomeTrust Bancshares's Current Report on Form 8-K filed on September 25, 2012 (File No. 001-35593).
(e) Filed as an exhibit to HomeTrust Bancshares's Current Report on Form 8-K filed on January 29, 2014 (File No. 001-35593).
(f) Filed as an exhibit to HomeTrust Bancshares's Current Report on Form 8-K filed on November 27, 2013 (File No. 001-35593).
(g) Filed as an exhibit to HomeTrust Bancshares's Annual Report on Form 10-K for the fiscal year ended June 30, 2012 (File No. 001-35593).
(h) Filed as an exhibit to Amendment No. One to HomeTrust Bancshares's Registration Statement on Form S-1 (File No. 333-178817) filed on March 9, 2012.
(i) Attached as Appendix A to HomeTrust Bancshares's definitive proxy statement filed on December 5, 2012 (File No. 001-35593).
(j) Filed as an exhibit to HomeTrust Bancshares's Registration Statement on Form S-8 (File No. 333-186666) filed on February 13, 2013.
(k) Filed as an exhibit to HomeTrust Bancshares's Current Report on Form 8-K filed on June 3, 2014 (File No. 001-35593).
(l) Filed as an exhibit to Jefferson Bancshares, Inc.'s Quarterly Report on Form 10-Q for the quarter ended December 31, 2008 (File No. 000-50347).
(m) Filed as an exhibit to HomeTrust Bancshares's Annual Report on Form 10-K for the fiscal year ended June 30, 2014 (File No. 001-35593).
(n) Filed as an exhibit to HomeTrust Bancshares's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014 (File No. 001-35593).

Exhibit 31.1

RULE 13a-14(a) CERTIFICATION

I, Dana L. Stonestreet, certify that:

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

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

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

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

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

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

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

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

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

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

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

May 8, 2015	By:	/s/ Dana L. Stonestreet
		Dana L. Stonestreet
		Chairman, President, and CEO

Exhibit 31.2

RULE 13a-14(a) CERTIFICATION

I, Tony J. VunCannon, certify that:

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

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

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

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

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

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

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

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

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

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

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

May 8, 2015	By:	/s/ Tony J. VunCannon
		Tony J. VunCannon
		Executive Vice President, CFO, and Treasurer

Exhibit 32

SECTION 1350 CERTIFICATION

Each of the undersigned hereby certifies in his capacity as an officer of HomeTrust Bancshares, Inc. (the "Company") that the Quarterly Report of the Company on Form 10-Q for the period ended March 31, 2015, fully complies with the requirements of Section 13(a) of the Securities and Exchange Act of 1934, as amended, and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and periods presented in the financial statements included in such report.

May 8, 2015	By:	/s/ Dana L. Stonestreet
		Dana L. Stonestreet
		Chairman, President, and CEO
May 8, 2015	By:	/s/ Tony J. VunCannon
		Tony J. VunCannon
		Executive Vice President, CFO, and Treasurer