

# FIG Partners' 11<sup>th</sup> Annual Bank CEO Forum

September 28 - 29, 2015



**HomeTrust  
Bancshares, Inc.**

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# Forward-Looking Statements



This presentation includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements often include words such as “believe,” “expect,” “anticipate,” “estimate,” and “intend” or future or conditional verbs such as “will,” “would,” “should,” “could,” or “may.” Forward-looking statements are not historical facts but instead represent management’s current expectations and forecasts regarding future events many of which are inherently uncertain and outside of our control. Actual results may differ, possibly materially from those currently expected or projected in these forward-looking statements. Factors that could cause our actual results to differ materially from those described in the forward-looking statements, include 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; increased competitive pressures; changes in the interest rate environment; changes in general economic conditions and conditions within the securities markets; legislative and regulatory changes; and other factors described in HomeTrust’s latest annual Report on Form 10-K and Quarterly Reports on Form 10-Q and other filings with the Securities and Exchange Commission-which are available on our website at [www.hometrustedbanking.com](http://www.hometrustedbanking.com) and on the SEC’s website at [www.sec.gov](http://www.sec.gov). Any of the forward-looking statements that we make in this presentation or our SEC filings are based upon management’s beliefs and assumptions at the time they are made and may turn out to be wrong because of inaccurate assumptions we might make, because of the factors illustrated above or because of other factors that we cannot foresee. We do not undertake and specifically disclaim any obligation to revise any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements. These risks could cause our actual results for fiscal 2016 and beyond to differ materially from those expressed in any forward-looking statements by, or on behalf of, us and could negatively affect our operating and stock performance.

# HomeTrust Bancshares, Inc. Overview



<b>Headquarters:</b>	Asheville, NC	<b>Exchange/Ticker:</b>	NASDAQ: HTBI
<b>Founded:</b>	1926	<b>Number of Employees:</b>	475
<b>Locations:</b>	45 (NC,SC,VA,TN) <sup>(1)</sup>	<b>Stock Price:</b>	\$18.44 <sup>(3)</sup>
<b>Total Assets:</b>	\$2.8 billion	<b>Price to TBV:</b>	102%
<b>Total Loans:</b>	\$1.7 billion	<b>Market Cap:</b>	\$352 million <sup>(3)</sup>
<b>Total Deposits:</b>	\$1.9 billion	<b>Average Daily Volume:</b>	72,100 <sup>(3)</sup>
<b>Outstanding Shares:</b>	19,154,577 <sup>(2)</sup>	<b>Shares Repurchased <sup>(2)</sup></b> <i>(since conversion on July 11, 2012)</i>	4,173,893 or approx. 20%

Financial data as of 6/30/15

(1) 39 locations after the branch consolidation announced on July 22, 2015.

(2) Shares outstanding as of 9/8/15; authorized for repurchase at 9/8/15: 697,472

(3) Market data as of 9/21/15

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# Strategic Operating Committee



Leader	Role	Age	Yrs in Banking	Yrs w/HTBI
Dana Stonestreet	Chairman, President & Chief Executive Officer	61	37	26
Tony VunCannon	Executive Vice President & Chief Financial Officer	50	27	23
Hunter Westbrook	Executive Vice President & Chief Banking Officer	52	28	4
Howard Sellinger	Executive Vice President & Chief Information Officer	62	40	40
Keith Houghton	Executive Vice President & Chief Credit Officer	53	26	2
Teresa White	Executive Vice President & Chief Administration Officer	58	10 (29 in HR)	5
Parrish Little	Executive Vice President & Chief Risk Officer	47	25	1
Kathy Redmond	Senior Vice President & Director of Retail Banking	60	42	5

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# Foundation For Growth

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- Converted to stock in July 2012 and raised \$211.6 million
- Added 5 larger growing markets in NC, SC, VA and East TN
- Added 25 new locations, \$1 billion in assets, and 200 new team members
- Converted to national bank charter in August 2014
- United 7 names to one brand – HomeTrust Bank in October 2014
- Enhanced Commercial Credit Department to support growth in commercial lending
- Acquired/Hired 25 Commercial Relationship Managers
- Grew core deposits by over \$700 million
- Moved loan/deposit ratio from 104% to 90%
- Added indirect auto lending as a line of business
- Positioned to expand the mortgage line of business in our new markets
- Grown to the 5<sup>th</sup> largest community bank headquartered in NC

# Focus Today – Execute with a Sense of Urgency



- Sound and Profitable Organic Growth
  - Loan portfolio - Goal of 8-10% annualized growth
  - Core deposits (*Checking accounts increased \$173.8 million or 42% in the past 12 months*)
  - Non-interest income (*Up \$3.8 million or 43% in the past 12 months*)
  - Revenue growth to outpace expense growth
  - Increase ROA, ROE, and EPS through organic growth
  - Increase tangible book value per share (TBV/share)
- Lower our efficiency ratio
  - Announced consolidation of six branch offices
- Continue buying back undervalued shares
- Create value for shareholders

# New Markets to Drive Organic Growth



Date Closed	Description	Assets (millions)	Locations	Purchase Price (million)	Price to TBV	Cash / Stock
July 31, 2013	BankGreenville	\$101	2 - Greenville, SC	\$8.7	92%	Cash
May 31, 2014	Jefferson Bancshares, Inc.	\$489	12 - East Tennessee	\$51.2	99%	Cash-50% Stock-50%
July 21, 2014	Roanoke Loan Production Office	N/A	1 location - Roanoke, VA	N/A	N/A	N/A
July 31, 2014	Bank of Commerce	\$123	1 location - Midtown Charlotte, NC	\$10.0	112%	Cash
Nov. 12, 2014	Raleigh Loan Production	N/A	1 location - Raleigh, NC	N/A	N/A	N/A
Nov. 14, 2014	Bank of America - 10 Branches	\$328	5 - Roanoke, VA 3 - Southwest VA	2.86% Premium = \$8.8	N/A	Cash
<b>Total Assets</b>		<b>\$1,041</b>	<b>Total Purchase Price</b>		<b>\$78.7</b>	
			Cash (67%)		<b>\$53.1</b>	
			Stock (33%)		<b>\$26.5</b>	

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# Growth Since Conversion



	Mutual/Stock Conversion 09/30/2012		Actual 06/30/2015		Change Since Conversion \$ %	
<b>Total Assets</b>	\$	1,603	\$	2,783	\$	1,180 74%
<b>Total Loan Portfolio</b>	\$	1,203	\$	1,686	\$	483 40%
1-4 Family		611		651		40 7%
HELOC's & Other Consumer		195		335		140 72%
Commercial Real Estate		232		442		210 91%
Commercial Constr. & Development		38		65		27 71%
Other Commercial		127		193		66 52%
						-
<b>Total Deposit Portfolio</b>	\$	1,160	\$	1,872		712 61%
Checking Accounts		239		591		352 147%
Money Market/Savings		337		704		367 109%
Time Deposits		584		577		(7) -1%
<b>Loan/Deposits</b>		104%		90%		- (14%)
<b>Locations <sup>(1)</sup></b>		20		45		25 125%
<b>Employees</b>		315		475		160 51%

(1) 39 locations after the branch consolidation announced on July 22, 2015

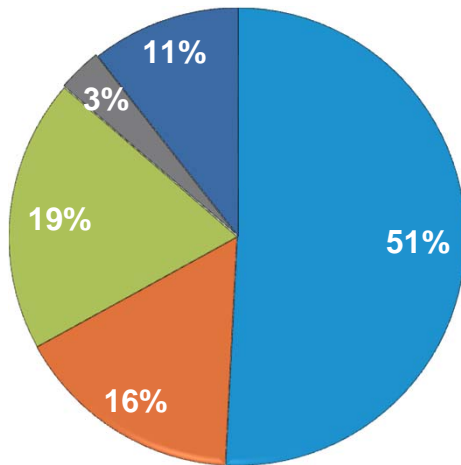


# Loan Portfolio Composition



Loans: At Time of Conversion <sup>(1)</sup>

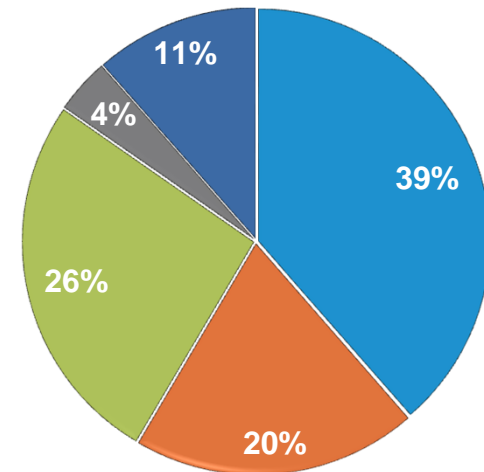
- 1-4 Family (\$611MM)
- HELOCs & Other Consumer (\$195MM)
- Commercial Real Estate (\$232MM)
- Commercial Construction & Development (\$38MM)
- Other Commercial (\$127MM)



Commercial 33%

Loans: 6/30/15  
With Recent Acquisitions

- 1-4 Family (\$651MM)
- HELOCs & Other Consumer (\$335MM)
- Commercial Real Estate (\$442MM)
- Commercial Construction & Development (\$65MM)



Commercial 41%

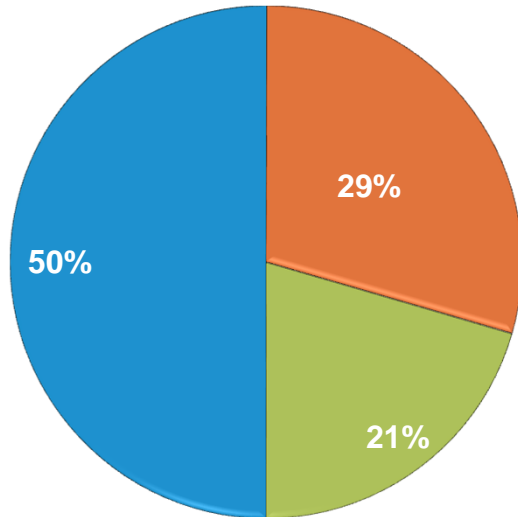
(1) Financial data as of 9/30/12

# Deposit Portfolio Composition



Deposits: At Time of Conversion <sup>(1)</sup>

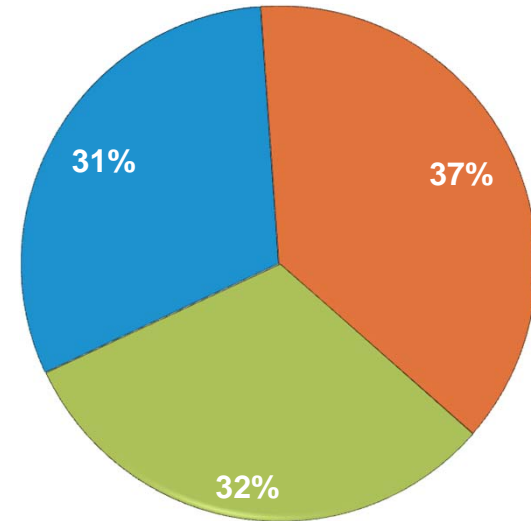
- Time Deposits (\$584MM)
- MMDA / Savings (\$337MM)
- Transaction Accounts (239MM)



Core Deposits 50%

Deposits: 6/30/15  
With Recent Acquisitions

- Time Deposits (\$577MM)
- MMDA / Savings (\$704MM)
- Transaction Accounts (\$591MM)

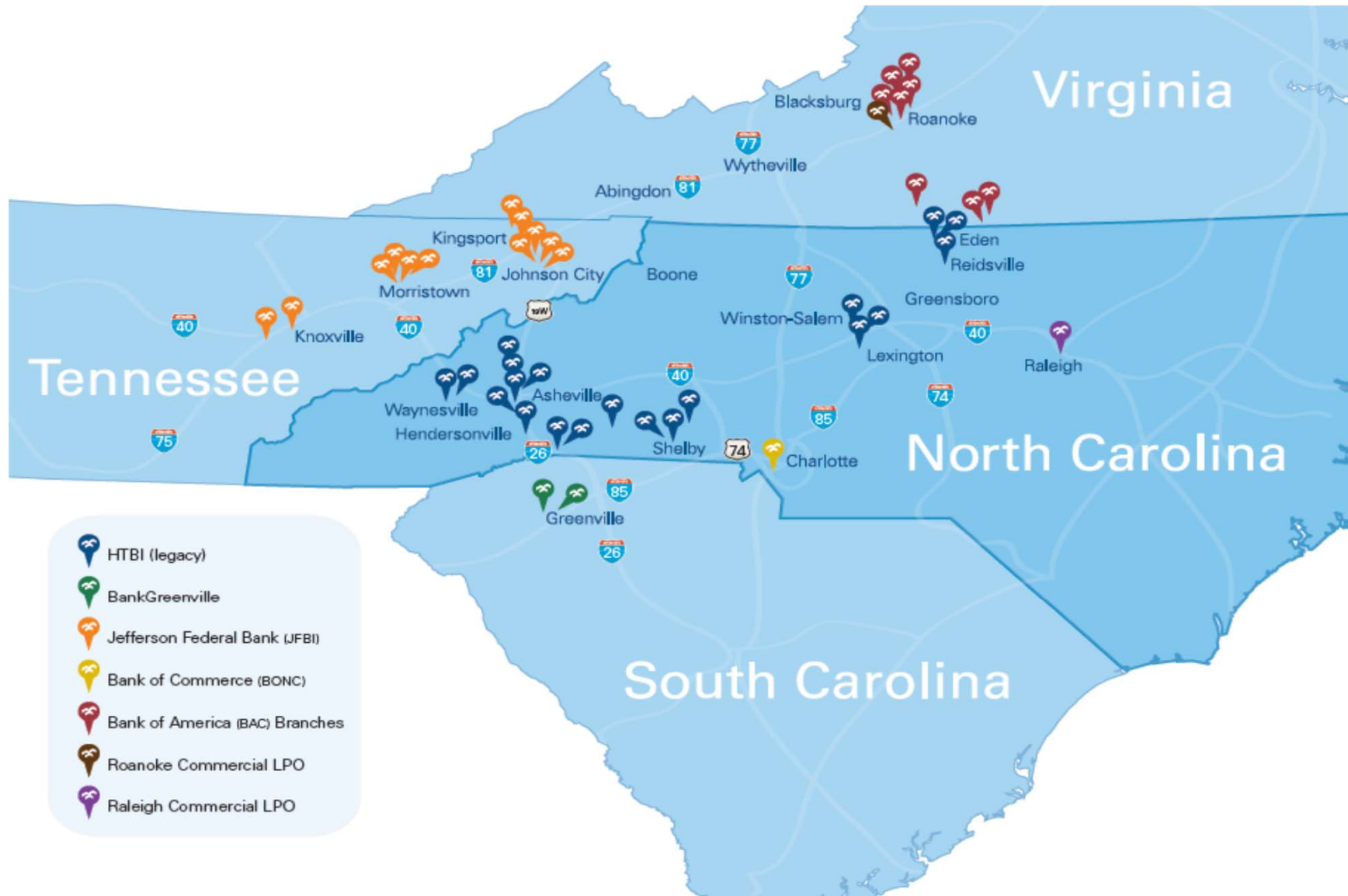


Core Deposits 69%

Core Deposits Growth 36%

(1) Financial data as of 9/30/12

# Expanded Footprint For Growth



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# Market Demographics



Markets	Population	
<u>6 Original NC Markets at Conversion</u>	890,851	
<u>New Markets Since Conversion</u>		
Charlotte, NC/Mecklenburg County	990,104	
Raleigh, NC/Wake County	978,065	
Greenville, SC/MSA	855,961	
Knoxville, TN/MSA	855,322	
Tri-Cities, TN/MSA	511,491	
Roanoke, VA/MSA	313,033	
Other	231,072	
<b>9</b>	<b>Total New Markets</b>	<b>4,735,048</b>
<b>15</b>	<b>Grand Total</b>	<b>5,625,899</b>
<b>150%</b>	<b>% Increase</b>	<b>532%</b>

# HomeTrust Growth Markets



## Asheville, NC MSA

- 2015 unemployment at 4.6% down from 4.9% in 2014
- No. 12 on Top 100 Best Places to Live 2015, Livability.com, September 2014
- No. 34 for Best Places for Business & Careers, Forbes, November 2014

## Charlotte, NC MSA

- 2015 unemployment at 5.6% down from 6.2% in 2014
- No. 9 Fastest-Growing Cities, Jan. 2015 Forbes
- No. 3 States with Top Business Climate, May 2015 Chief Executive Magazine

## Raleigh, NC MSA

- 2015 unemployment at 4.8% down from 5.0% in 2014
- #3 Among Best Cities to Work - Economic Environment, WalletHub, May 2015
- #1 Among The U.S. Cities Attracting The Most Families, Forbes, September 2014

## Greenville, SC MSA

- 2015 unemployment at 6.1% up from 5.4% in 2014
- No. 6 list of America's Engineering Capitals, Forbes, 2014
- No. 7 Best State for Business, Chief Executive Magazine, 2014
- Best Cities for Jobs Fall 2013, Manpower Survey as reported in Forbes Magazine

## Knoxville, Kingsport, Bristol, Johnson City, TN MSA Areas

- Knoxville: 2015 unemployment at 5.4% down from 6.1% in 2014
- Kingsport/Bristol: 2015 unemployment at 5.8% down from 6.5% in 2014
- Johnson City: 2015 unemployment at 6.2% down from 6.8% in 2014
- Tennessee: named the Forth Best State in the Country for Business, Chief Executive Magazine, 2015 Best & Worst States for Business list
- Tennessee: named 2014 State of the Year for economic development, Business Facilities, 2014

## Roanoke, VA MSA

- 2015 unemployment at 4.9% down from 5.3% in 2014
- Virginia ranked No. 3 for Business Friendliness, CNBC 2015
- Virginia ranked No. 4 for Best State for Doing Business, Forbes, 2014

Source: U.S. Bureau of Labor Statistics, Chamber of Commerce of named cities, Tennessee Department of Economic & Community Development, Virginia Economic Development Partnership

# Bank of America Branch Purchase Impact

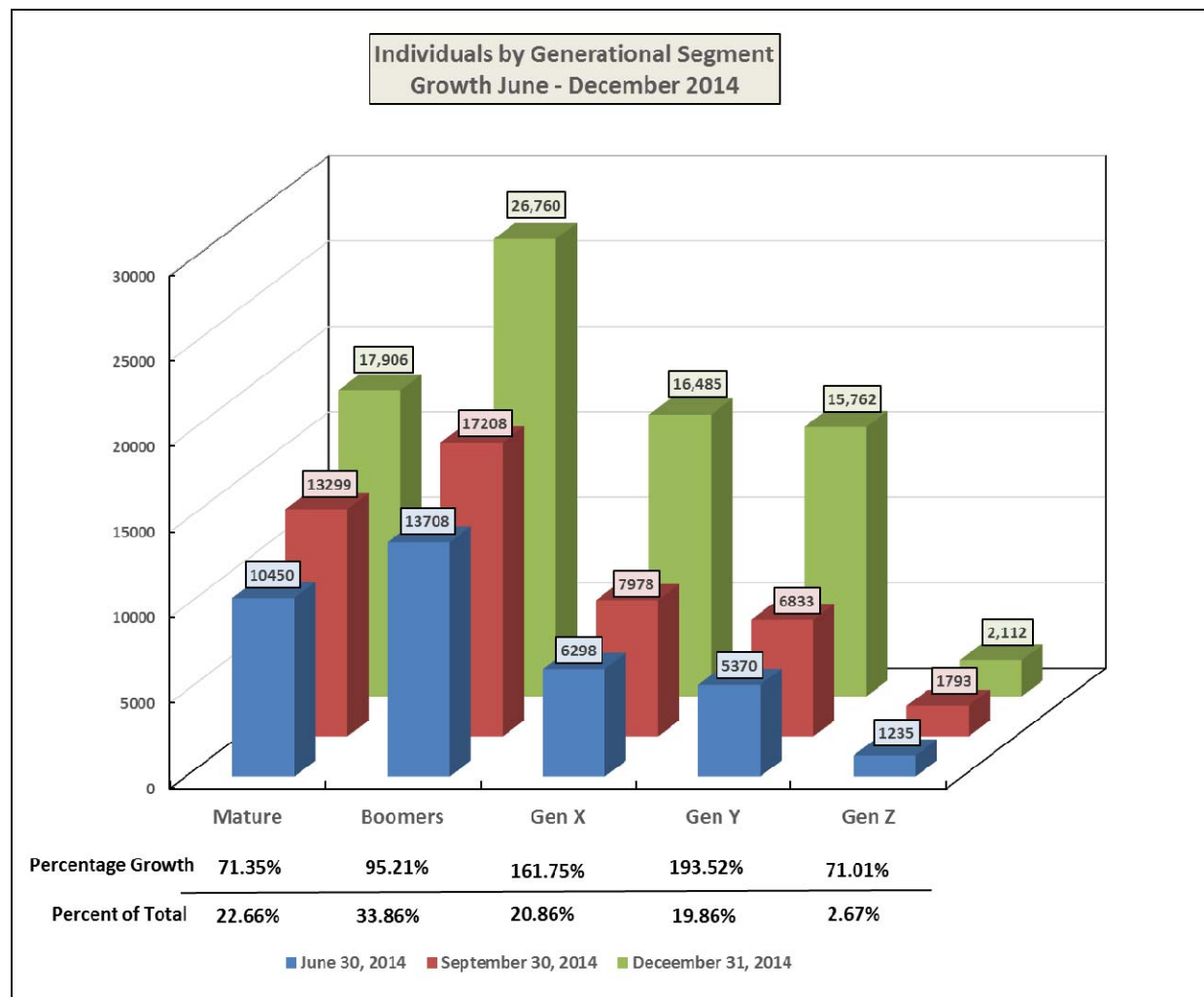


- Younger Customer Demographics
- Growth in deposit accounts of 60%
- Growth in low cost core deposits
- Debit card growth of 170%
- Internet banking growth of 110%
- 5 Branch locations in Roanoke, VA to complement new Commercial LPO

# Household Mix Shifting Toward Younger Segments



- HomeTrust Bank's recent acquisitions have shifted the consumer customer mix, with significant increases in Gen X and Gen Y (Millennials) households.
- Baby Boomers continue to comprise the largest segment of consumer households at the Bank – 33.86%.
- Younger consumers use mobile/online channels more often than traditional retail branches.



# Talent Added For Growth



## Roanoke Loan Production Team

Market President	Jul 2014
Commercial Relationship Manager	Jul 2014
Sr. Commercial Credit Manager	Jul 2014
Treasury Management Sales Officer	Jul 2014

## Raleigh Loan Production Team

Market President	Nov 2014
Customer Relationship Managers (3)	Nov 2014

## Charlotte

Market President	Jan 2015
Customer Relationship Managers (2)	Mar 2015

## Others

Senior Commercial Credit Manager	Feb 2014
Chief Credit Officer	Mar 2014
Auto Finance Portfolio Manager	Nov 2014
Chief Risk Officer	Mar 2015
Asheville Business Development Officer	May 2015
Director of Treasury Management	Jun 2015
Consumer Lending Executive	Jun 2015

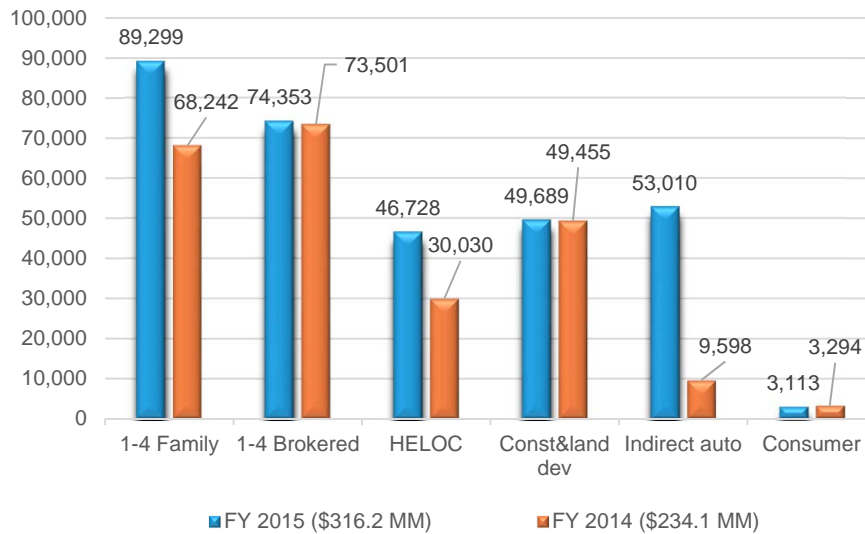


# Loan Production

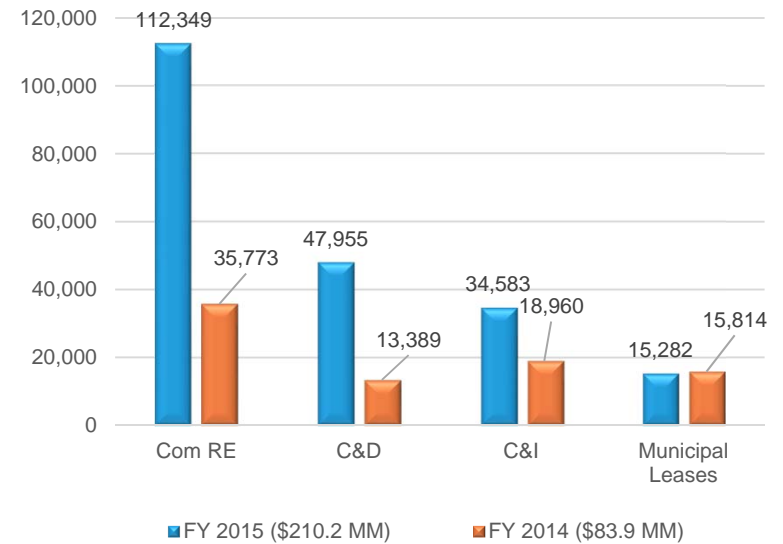


(Dollars in thousands)

### Retail Loan Originations



### Commercial Loan Originations



		Retail	Commercial	Total
Total Loans FY 2015	\$	\$ 316,192	\$ 210,169	\$ 526,361
Total Loans FY 2014	\$	\$ 234,120	\$ 83,936	\$ 318,056
\$ Change	\$	\$ 82,072	\$ 126,233	\$ 208,305
% Change		35.1%	150.4%	65.5%

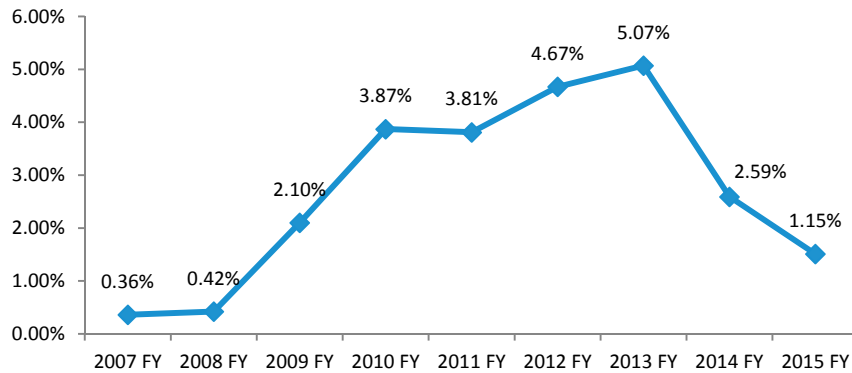
Source: July 27, 2015 earnings release and other internal Company documents

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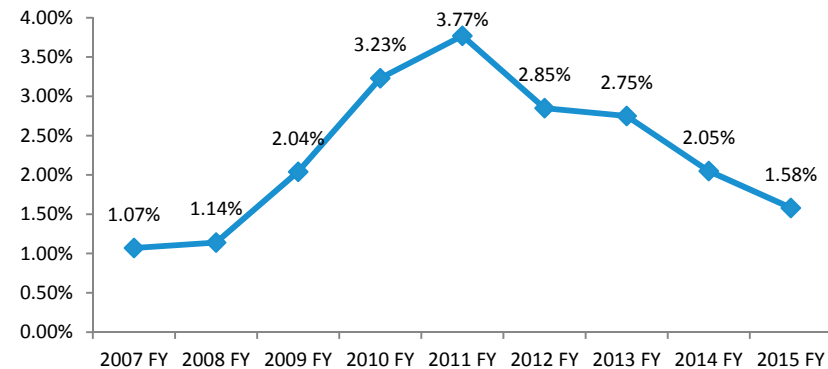
# Improving Asset Quality



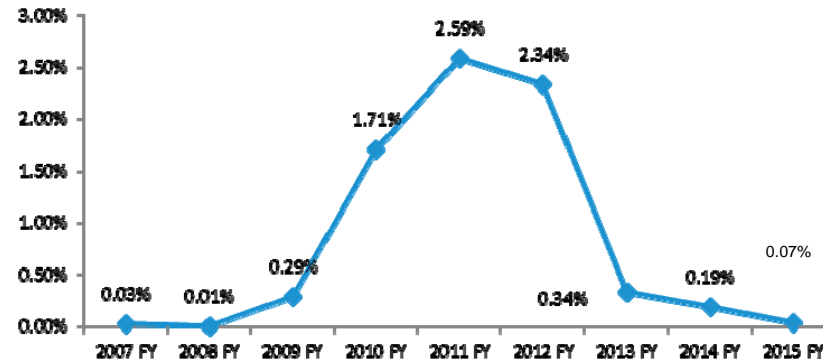
Nonperforming Assets / Total Assets



Allowance for Loan Losses / Total Loans



Net Charge-Offs / Average Loans



Source: SNL Financial; company documents previously filed with the SEC, and the July 27, 2015 earnings release.

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# Current FHLB Leveraging Strategy



- Borrowed \$475 million <sup>(1)</sup> of short-term advances from the FHLB
- Borrowings increased FHLB stock requirements by \$20 million to take advantage of high dividend rate (4.26% for 1st quarter 2015)
- Invested remaining \$455 million in short-term interest earning deposits (CD's in other banks, commercial paper, and deposits with the Federal Reserve Bank)
- Increase net interest income by \$1.2 - \$1.7 million annually
- Negative impact on net interest margin (67 basis point decrease for the quarter ended June 30, 2015 compared to adjusted net interest margin excluding leveraging strategy)
- Will continue to impact net interest margin and ROA in fiscal 2016

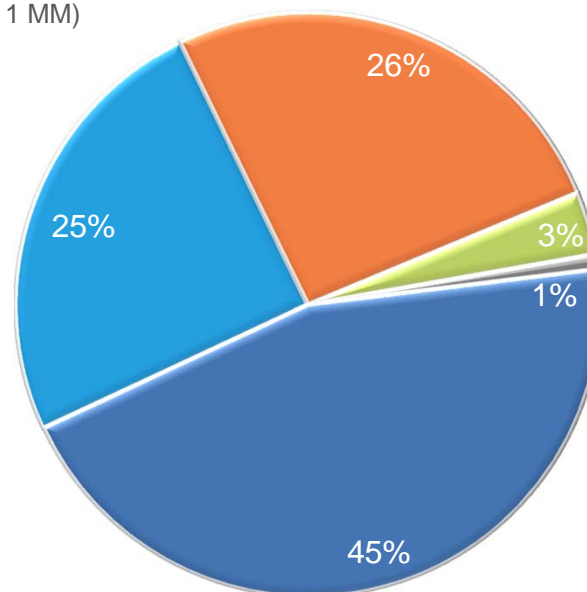
(1) As of June 30, 2015



# Investment Portfolio Composition

Investments: 6/30/15  
With Recent Acquisitions (\$469 MM)

- US Gov't Agency (\$116 MM)
- MBS-Gov't Agcy/GSE (\$122 MM)
- Munis (\$16 MM)
- Corporate Bonds (\$4 MM)
- FDIC Insured CDs in Other Banks(\$211 MM)



Yield: 1.39%

Avg Repricing Term: 1.94 years

Investments exclude \$338 MM in short-term interest-earning deposits

# Earnings Release – 6/30/15 (QTD)



(Dollars in thousands, except per share amounts)

As Reported	Quarter Ended		Change	
	06/30/2015	06/30/2014	Amount	Percent
Net income	\$ 2,558	\$ 1,533	\$ 1,025	67%
ROA	0.37%	0.35%	0.02%	6%
EPS	\$ 0.14	\$ 0.08	\$ 0.06	75%
Net Interest Margin (tax equivalent)	3.39%	3.80%	(0.41%)	(11%)
Organic Loan Growth:				
\$ Growth	\$ 19,965	\$ 927	\$ 19,038	N/M
% Growth	4.90%	0.30%	4.60%	N/M
<b>Core Bank Earnings <sup>(1)</sup></b>				
Net income	\$ 3,046	\$ 1,981	\$ 1,065	54%
ROA	0.44%	0.45%	(0.01%)	(2%)
EPS	\$ 0.16	\$ 0.11	\$ 0.05	45%
Net Interest Margin (tax equivalent)	4.06%	3.80%	0.26%	7%

Q4 nonrecurring event: Announced the closure of six secondary branches on July 22, 2015. One-time impairment charge was \$375,000 and annual savings are expected to be \$1.2 million.

(1) Core Bank Earnings factors in merger-related expenses, provision for/(recovery) of loan losses and nonrecurring impairment charges. Merger-related expenses totaled \$0 and \$2.0 million for the three months ended June 30, 2015 and 2014, respectively. Provision for/(recovery) of loan losses totaled \$400,000 and (\$1.5 million) for the three months ended June 30, 2015 and 2014, respectively. Impairment charge related to branch consolidation was \$375,000 for the three months ended June 30, 2015. Net interest margin is adjusted for FHLB leveraging strategy.

Source: July 27, 2015 earnings release.

# Earnings Release – 6/30/15 (YTD)



(Dollars in thousands, except per share amounts)

As Reported	Year Ended		Change	
	06/30/2015	06/30/2014	Amount	Percent
Net income	\$ 8,025	\$ 10,342	\$ (2,317)	(22%)
ROA	0.32%	0.62%	(0.30%)	(48%)
EPS	\$ 0.42	\$ 0.54	\$ (0.12)	(22%)
Net Interest Margin (tax equivalent)	3.64%	3.79%	(0.15%)	(4%)
Organic Loan Growth:				
\$ Growth	\$ 37,354	\$ (36,627)	\$ 73,981	(202%)
% Growth	2.50%	(3.10%)	5.60%	180.6%
<b>Core Bank Earnings <sup>(1)</sup></b>				
Net income	\$ 11,784	\$ 8,256	\$ 3,528	43%
ROA	0.47%	0.49%	(0.02%)	(4%)
EPS	\$ 0.62	\$ 0.44	\$ 0.18	41%
Net Interest Margin (tax equivalent)	3.98%	3.79%	0.19%	5.01%

Q4 nonrecurring event: Announced the closure of six secondary branches on July 22, 2015. One-time impairment charge was \$375,000 and annual savings are expected to be \$1.2 million.

(1) Core Bank Earnings factors in merger-related expenses, provision for/(recovery) of loan losses and nonrecurring impairment charges. Merger-related expenses totaled \$5.4 million and \$2.7 million for the years ended June 30, 2015 and 2014, respectively. Provision for/(recovery) of loan losses totaled \$150,000 and (\$6.3 million) for the years ended June 30, 2015 and 2014, respectively. Impairment charge related to branch consolidation was \$375,000 for the year ended June 30, 2015. Net interest margin is adjusted for FHLB leveraging strategy.

Source: July 27, 2015 earnings release.

# Balance Sheet Highlights



(Dollars in thousands, except per share amounts)

	At		Change	
	06/30/2015	06/30/2014	Amount	Percent
<b>Total assets</b>	\$ 2,783,114	\$ 2,074,454	\$ 708,660	34%
<b>Total loans</b>	1,685,707	1,496,528	189,179	13%
<b>Core deposits</b>	1,295,051	948,892	346,159	36%
<b>Total deposits</b>	1,872,126	1,583,047	289,079	18%
<b>Nonperforming loans/ Total loans</b>	1.47%	2.53%	(1.06%)	(42%)
<b>Classified assets/Total assets</b>	2.90%	4.56%	(1.66%)	(36%)
<b>Book value per share</b>	\$ 19.04	\$ 18.28	\$ 0.76	4%
<b>Tangible book value per share</b>	\$ 18.06	\$ 17.68	\$ 0.38	2%

Source: July 27, 2015 earnings release.

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# Stock Buy Backs



(Dollars in thousands, except per share amounts)

	Percent Purchased	Shares	Total Cost	Avg Cost / Share
1st Buy Back (completed 4/29/13)	4%	846,400	\$ 13,299	\$ 15.71
2nd Buy Back (completed 12/2/13)	5%	1,041,245	\$ 17,055	\$ 16.38
3rd Buy Back (completed 11/18/14)	5%	989,183	\$ 15,589	\$ 15.76
4th Buy Back (completed 8/5/15)	5%	1,023,266	\$ 16,312	\$ 15.94
5th Buy Back (approved on 6/29/15)	5%	273,799	\$ 4,898	\$ 17.89
Total	24%	4,173,893	\$ 67,153	\$ 16.09
Remaining Shares to be purchased from 5th Buy Back		697,472		
		<u>4,871,365</u>		

Source: Company documents previously filed with the SEC and the July 27, 2015 earnings release.

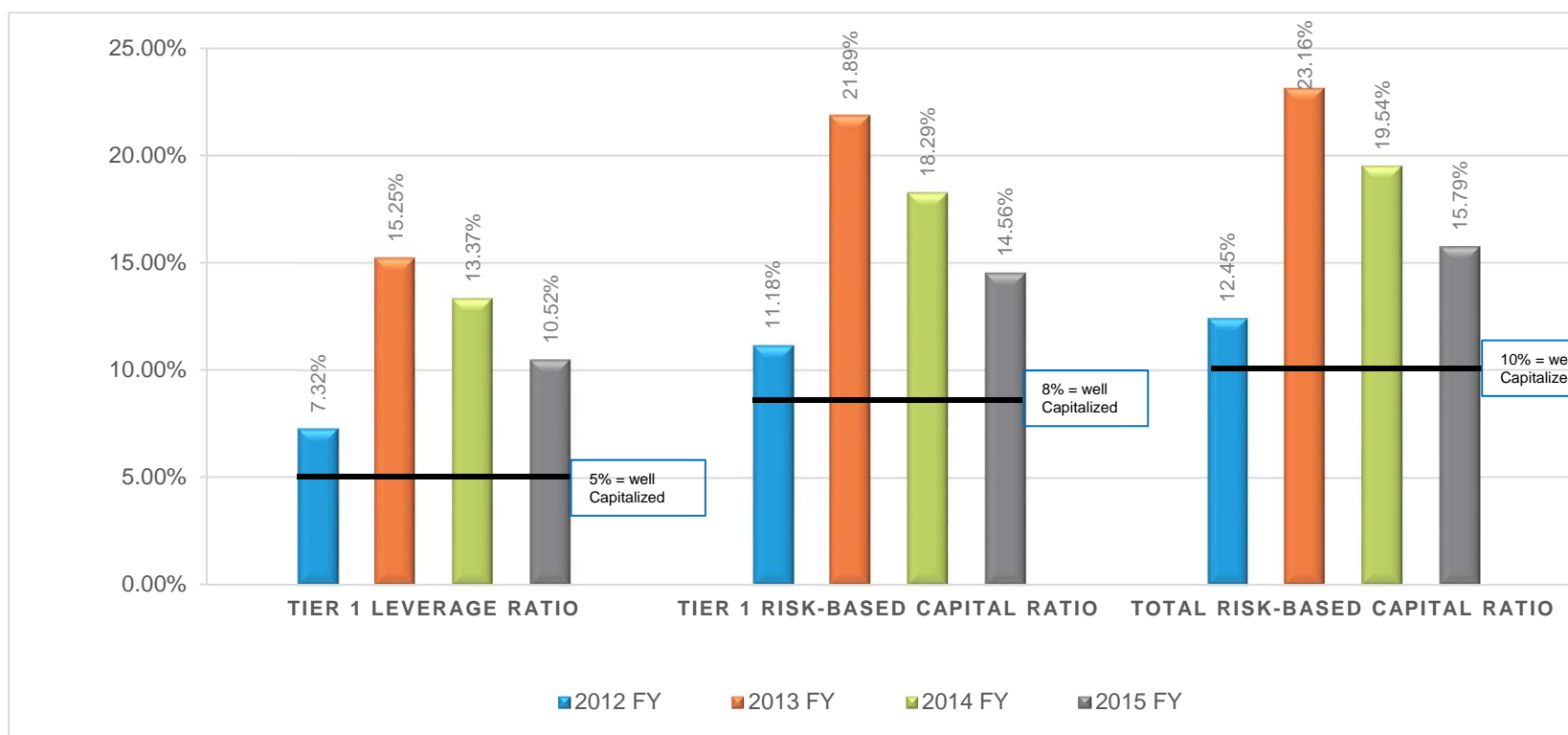
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# Liquidity and Capital To Grow

- Well-capitalized balance sheet allows for a variety of strategic alternatives, including:
  - Share repurchases
    - Repurchased 19% since conversion
    - Continuing to repurchase at below book value
  - Dividends
- Strong capital ratios at June 30, 2015 (Bank only):
  - Tier 1 Leverage: 10.52%
  - Common Equity Tier 1: 14.56%<sup>(1)</sup>
  - Tier 1 Risk-Based: 14.56%
  - Total Risk-Based Capital: 15.79%



Source: Bank Call Reports

(1) New capital ratio effective January 1, 2015, not applicable for earlier periods.

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# Transition To High Performing Community Bank



## **Phase I: Create Foundation For Growth**

- Lines of Business – Infrastructure and Talent ✓
- Markets To Grow In ✓

## **Phase II: Execute with a Sense of Urgency**

- Sound and Profitable Organic Growth
  - Loan portfolio - Goal of 8-10% annualized growth
  - Core deposits
  - Non-interest income
  - Revenue growth to outpace expense growth
  - Increase ROA, ROE, and EPS through organic growth
  - Increase tangible book value per share (TBV/share)
- Lower our efficiency ratio
- Continue buying back undervalued shares
- Create value for shareholders

# Investor Contacts

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