

GREATBATCH, INC.  
Form 4  
November 13, 2013

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2015  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Arellano Mauricio

(Last) (First) (Middle)  
10000 WEHRLE DRIVE  
(Street)

CLARENCE, NY 14031

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
GREATBATCH, INC. [GB]

3. Date of Earliest Transaction (Month/Day/Year)  
11/12/2013

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)

EVP, Global Operations

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				(A) or (D) Code V Amount Price			
Common Stock	11/12/2013		M	26,840 A \$ 37.27	42,020	D	
Common Stock	11/12/2013		F	23,000 D \$ 37.27	19,020	D	
Common Stock					3,142	I	By 401(k)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control**

SEC 1474 (9-02)

number.

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee stock options	\$ 26.53	11/12/2013		M	8,280	03/05/2012	01/04/2019	Common	8,280
Stock Option	\$ 26.53	11/12/2013		M	3,677	01/01/2010	01/05/2019	Common	3,677
Stock Option	\$ 24.15	11/12/2013		M	14,883	12/30/2011	01/01/2021	Common	14,883

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Arellano Mauricio 10000 WEHRLE DRIVE CLARENCE, NY 14031			EVP, Global Operations	

## Signatures

/s/ Christopher J. Thome as attorney-in-fact for Mauricio Arellano  
 11/13/2013  
 \*\*Signature of Reporting Person Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. s">

HOMETRUST BANCSHARES, INC. AND SUBSIDIARY  
 Notes to Consolidated Financial Statements  
 (Dollars in thousands, except per share data)

Estimated amortization expense for each of the next five years and thereafter is as follows:

	June 30, 2016
2017	\$2,412
2018	1,920
2019	1,430
2020	943
2021	397
Thereafter	34
Total	\$7,136

9. Deposit Accounts

Deposit accounts consist of the following:

	June 30,		Weighted Average Interest Rates	
	2016	2015	June 30, 2016	2015
Noninterest-bearing accounts	\$225,336	\$204,050	— %	— %
NOW accounts	403,574	387,379	0.08 %	0.08 %
Money market accounts	520,320	481,948	0.29 %	0.20 %
Savings accounts	210,817	221,674	0.12 %	0.13 %
Certificates of deposit	442,649	577,075	0.53 %	0.61 %
Total	\$1,802,696	\$1,872,126	0.27 %	0.27 %

Deposits received from executive officers and directors and their associates totaled approximately \$4,365 and \$3,856 at June 30, 2016 and 2015, respectively.

Maturities of certificates of deposit are as follows:

	June 30, 2016	June 30, 2015
2017	\$325,526	\$415,641
2018	57,046	89,954
2019	23,160	32,451
2020	18,363	14,565
2021	12,833	18,000
Thereafter	5,721	6,464
Total	\$442,649	\$577,075

Certificates of deposit with balances of \$250 or greater totaled \$45,796 and \$58,342 at June 30, 2016 and 2015, respectively. Generally, deposit amounts in excess of \$250 are not federally insured.

Interest expense on deposits consists of the following:

	June 30,		
	2016	2015	2014
NOW accounts	\$581	\$442	\$275
Money market accounts	1,112	1,027	788
Savings accounts	289	304	156
Certificates of deposit	2,549	3,119	4,198
Total	\$4,531	\$4,892	\$5,417

## HOMETRUST BANCSHARES, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

(Dollars in thousands, except per share data)

## 10. Borrowings

Borrowings consist of:

	June 30, 2016		2015	
	Balance	Weighted Average Rate	Balance	Weighted Average Rate
FHLB advances maturing:				
90 days or less	\$491,000	0.42 %	\$475,000	0.20 %
Total	\$491,000	0.42 %	\$475,000	0.20 %

All qualifying one-to-four family first mortgage loans, HELOCs, FHLB Stock, and certain investment securities were pledged as collateral to secure the FHLB advances.

## 11. Leases

The Company leases certain real property under long-term operating lease agreements. Rent expense under operating leases was \$1,361, \$1,282, and \$887 for the years ended June 30, 2016, 2015, and 2014, respectively.

The following schedule summarizes aggregate future minimum lease payments under these operating leases at June 30, 2016.

Fiscal year ending:	June 30,
2017	\$1,262
2018	1,215
2019	790
2020	424
Thereafter	144
Total of future minimum payments	\$3,835

The Company currently leases land for one of its retail office locations under a capital lease. Leases that meet the criteria for capitalization are recorded as assets and the related obligations are reflected as capital lease obligations on the accompanying balance sheets, because the lease has been deemed to have a bargain purchase option. Included in premises and equipment at June 30, 2016 and June 30, 2015 is \$2,052 as the capitalized cost of the leased land.

Aggregate future minimum lease payments due under this capital lease obligation are as follows:

Fiscal year ending:	June 30,
2017	\$123
2018	123
2019	133
2020	133
2021-2030	2,540
Total minimum lease payments	3,052
Less: amount representing interest	(1,094 )
Present value of net minimum lease payments	\$1,958

## HOMETRUST BANCSHARES, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

(Dollars in thousands, except per share data)

## 12. Income Taxes

Income tax expense consists of:

	June 30,		
	2016	2015	2014
Current:			
Federal	\$266	\$219	\$126
State	54	53	9
Total current expense	320	272	135
Deferred:			
Federal	4,038	1,966	2,853
State	543	320	1,525
Total deferred expense	4,581	2,286	4,378
Total income tax expense	\$4,901	\$2,558	\$4,513

Income tax expense (benefit) differed from the amounts computed by applying the U.S. federal income tax rate of 34% to pretax income from continuing operations before income taxes as a result of the following:

	Year Ended June 30,					
	2016		2015		2014	
	\$	Rate	\$	Rate	\$	Rate
Tax at federal income tax rate	\$5,561	34 %	\$3,598	34 %	\$5,051	34 %
Increase (decrease) resulting from:						
Tax exempt income	(1,486 )	(9 )%	(1,575 )	(15)%	(1,740 )	(12)%
Nondeductible merger expenses	—	— %	40	— %	162	1 %
Change in valuation allowance for deferred tax assets, allocated to income tax expense	(459 )	(3 )%	(2 )	— %	(1,160 )	(8 )%
State tax, net of federal benefit	394	2 %	246	2 %	1,012	7 %
Other	891	6 %	251	2 %	1,188	8 %
Total	\$4,901	30 %	\$2,558	23 %	\$4,513	30 %

## HOMETRUST BANCSHARES, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

(Dollars in thousands, except per share data)

The sources and tax effects of temporary differences that give rise to significant portions of the deferred tax assets (liabilities) at June 30, 2016 and 2015 are presented below:

	June 30,	
	2016	2015
Deferred tax assets:		
Alternative minimum tax credit	\$4,156	\$3,853
Allowance for loan losses	7,451	8,264
Deferred compensation and post-retirement benefits	15,579	16,194
Accrued vacation and sick leave	29	29
Impairments on real estate owned	1,334	1,451
Other than temporary impairment on investments	3,635	3,712
Net operating loss carryforward	21,647	25,354
Discount from business combination	4,856	6,061
Stock compensation plans	1,644	833
Other	1,735	1,323
Total gross deferred tax assets	62,066	67,074
Less valuation allowance	(553 )	(1,012 )
Deferred tax assets	61,513	66,062
Deferred tax (liabilities):		
Depreciable basis of fixed assets	(1,787 )	(1,944 )
Deferred loan fees	(488 )	(518 )
FHLB stock, book basis in excess of tax	(142 )	(144 )
Unrealized gain on securities available for sale	(1,249 )	(489 )
Other	(3,694 )	(3,474 )
Total gross deferred tax liabilities	(7,360 )	(6,569 )
Net deferred tax assets	\$54,153	\$59,493

The Company had federal net operating loss ("NOL") carry forwards of \$62,041 and \$71,458 as of June 30, 2016 and June 30, 2015, respectively, with a recorded tax benefit of \$21,647 and \$25,354 included in deferred tax assets. The majority of these NOLs will expire for federal tax purposes from 2022 through 2032.

The Company adjusted its net deferred tax asset as a result of reductions in the North Carolina corporate income tax rates that were enacted July 23, 2013, and effective January 1, 2014 and January 1, 2015. The lower corporate income tax rate resulted in a reduction in the deferred tax assets as of June 30, 2016 and June 30, 2014 and an increase in the current period income tax expense for the years ended June 30, 2016 and June 30, 2014.

The valuation allowance for deferred tax assets as of June 30, 2016 and 2015 was \$553 and \$1,012, respectively. The net decrease in the total valuation allowance for June 30, 2016 and 2015 was \$459 and \$2, respectively, which relates to North Carolina state income taxes due to limitations on state net operating loss carry forwards. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management performed a robust evaluation of the Company's deferred tax assets at June 30, 2016 and June 30, 2015. Management considered all available positive and negative evidence including the possibility of future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies, and recent financial performance in making this assessment. Based upon this evaluation, management believes there is more positive evidence than negative evidence and it is more likely than not the Company will realize the benefits of these deductible differences, net of the existing valuation allowances at June 30, 2016 and June 30, 2015. The amount of the deferred tax asset considered realizable, however, could be reduced in the near term if negative trends occur with

credit quality and earnings during the carryforward period.

Retained earnings at June 30, 2016 and 2015 include \$19,570 representing pre-1988 tax bad debt reserve base year amounts for which no deferred tax liability has been provided since these reserves are not expected to reverse and may never reverse. Circumstances that would require an accrual of a portion or all of this unrecorded tax liability are a failure to meet the definition of a bank, dividend payments in excess of current year or accumulated earnings and profits, or other distributions in dissolution or liquidation of the Bank. The Company is no longer subject to examination for federal and state purposes for tax years prior to 2012.

### 13. Employee Benefit Plans

Effective July 1, 2015, the Bank established the HomeTrust Bank KSOP Plan ("KSOP") by combining the existing HomeTrust Bank 401(k) Plan and the ESOP. The KSOP is comprised of two components, the 401(k) Plan and the ESOP. The KSOP benefits employees with at least 1000 hours of service during a 12-month period and who have attained age 21. Under the 401(k), the Company matches employee contributions at

102

---

## HOMETRUST BANCSHARES, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

(Dollars in thousands, except per share data)

50% of employee deferrals up to 6% of each employee's compensation. The Company may also make discretionary profit sharing contributions for the benefit of all eligible participants as long as total contributions do not exceed applicable limitations. Employees become fully vested in the Company's contributions after six years of service. Under the ESOP, the amount of the Bank's annual contribution is discretionary, however it must be sufficient to pay the annual loan payment to the Company.

The Company's expense for 401(k) contributions to this plan was \$583, \$1,298, and \$918 for the years ended June 30, 2016, 2015, and 2014, respectively. The Company's expense related to the ESOP for the fiscal year ended June 30, 2016, 2015, and 2014 was \$983, \$827, and \$844, respectively.

Shares held by the ESOP include the following:

	June 30,	
	2016	2015
Unallocated ESOP shares	846,400	899,300
Allocated ESOP shares	158,700	105,800
ESOP shares committed to be released	52,900	52,900
Total ESOP shares	1,058,000	1,058,000
Fair value of unallocated ESOP shares	\$ 15,658	\$ 15,072

Post-retirement health care benefits are provided to certain key officers under the Company's Executive Medical Care Plan ("EMCP"). The EMCP is unfunded and is not qualified under the Internal Revenue Code ("IRC"). Plan expense for the years ended June 30, 2016, 2015, and 2014 was \$224, \$238, and \$248, respectively. Total accrued expenses related to this plan included in other liabilities were \$5,227 and \$5,175, respectively, as of June 30, 2016 and 2015.

#### 14. Deferred Compensation Agreements

The Company's Director Emeritus Plans ("Plans") provide certain benefits to Emeritus Directors for providing current advisory services to the Company. The Plans are unfunded and are not qualified under the IRC. Plan benefits vary by participant and are payable to a designated beneficiary in the event of death. The Company records an expense based on the present value of expected future benefits. Plan expenses for the years ended June 30, 2016, 2015, and 2014 were \$489, \$468, and \$478, respectively. Total accrued expenses related to these plans included in other liabilities were \$9,443 and \$10,632, respectively, as of June 30, 2016 and 2015.

The Company has deferred compensation agreements with certain members of the Company's Board of Directors. The future payments related to these agreements are to be funded with life insurance contracts which are payable to the Company in the event of the director's death. For the years ended June 30, 2016, 2015, and 2014 deferred compensation expense was \$41, \$63, and \$104, respectively.

The net cash surrender value of the related life insurance policies and deferred compensation liability are detailed below:

	June 30,	
	2016	2015
Net cash surrender value of life insurance, related to deferred compensation	\$6,206	\$6,497
Deferred compensation liability, included in other liabilities	\$1,414	\$1,528

Long term deferred compensation and supplemental retirement plans are provided to certain key current and former officers. These plans are unfunded and are not qualified under the IRC. The benefits will vary by participant and are payable to a designated beneficiary in the event of death. Plan expenses for the years ended June 30, 2016, 2015, and 2014 were \$826, \$629, and \$841, respectively. Total accrued expenses related to these plans included in other liabilities were \$20,391 and \$19,950, as of June 30, 2016 and 2015, respectively.

In addition, the Company has a deferred compensation plan provided to certain officers and directors. The plan allows the participants to defer any of their annual compensation, including bonus payments, up to the maximum allowed for each participant. The plan is unfunded and is not qualified under the IRC. Plan expenses for the years ended June 30, 2016, 2015, and 2014 were \$199, \$223, and \$240, respectively. The total deferred compensation plan payable

included in other liabilities was \$5,851 and \$6,047, respectively as of June 30, 2016 and 2015.

103

---

## HOMETRUST BANCSHARES, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

(Dollars in thousands, except per share data)

## 15. Net Income per Share

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

	June 30, 2016	2015	2014
Numerator:			
Net income available to common stockholders	\$ 11,456	\$ 8,025	\$ 10,342
Denominator:			
Weighted-average common shares outstanding - basic	17,417,046	\$ 19,038,098	\$ 18,630,774
Effect of dilutive shares	189,643	79,804	84,895
Weighted-average common shares outstanding - diluted	\$ 17,606,689	\$ 19,117,902	\$ 18,715,669
Net income per share - basic	\$ 0.65	\$ 0.42	\$ 0.54
Net income per share - diluted	\$ 0.65	\$ 0.42	\$ 0.54

There were 56,500 and 1,448,000 outstanding stock options that were anti-dilutive for the years ended June 30, 2016 and 2015, respectively.

## 16. Equity Incentive Plan

The Company provides stock-based awards through 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, in the case of restricted stock awards, may be repurchased shares. As of June 30, 2013, the Company had repurchased all 846,400 shares on the open market for issuance under the 2013 Omnibus Incentive Plan, 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 fiscal year ended June 30, 2016 and 2015 were \$2,939 and \$2,821, respectively, before the related tax benefit of \$1,087 and \$1,044, respectively.

The table below presents stock option activity and related information:

	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	—	—
Exercised	—	—	—	—
Forfeited	73,500	14.37	—	—
Expired	—	—	—	—
Options outstanding at June 30, 2014	1,513,500	\$ 14.40	8.6	\$ 2,077
Exercisable at June 30, 2014	290,175	\$ 14.37		
Granted	10,000	16.08	—	—
Exercised	18,000	14.37	—	—
Forfeited	7,500	14.37	—	—
Expired	—	—	—	—
Options outstanding at June 30, 2015	1,498,000	\$ 14.41	7.7	\$ 3,519

Explanation of Responses:

Edgar Filing: GREATBATCH, INC. - Form 4

Exercisable at June 30, 2015	548,550	\$ 14.39		
Granted	46,500	17.35	—	—
Exercised	2,200	14.37	—	—
Forfeited	13,000	14.37	—	—
Expired	—	—	—	—
Options outstanding at June 30, 2016	1,529,300	\$ 14.50	6.8	\$ 6,117
Exercisable at June 30, 2016	829,400	\$ 14.40		

104

---

## HOMETRUST BANCSHARES, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

(Dollars in thousands, except per share data)

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 fiscal 2016 and 2015 was \$4.53 and \$3.59, respectively.

Assumptions used for grants were as follows:

## Assumptions in Estimating Option Values

	2016	2015
Weighted-average volatility	15.30%	18.90%
Expected dividend yield	— %	— %
Risk-free interest rate	1.63 %	1.56 %
Expected life (years)	6.5	6.0

At June 30, 2016, the Company had \$2,396 of unrecognized compensation expense related to 1,529,300 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 is expected to be recognized was 1.4 years at June 30, 2016. At June 30, 2015, the Company had \$3,562 of unrecognized compensation expense related to 1,498,000 stock options schedule 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 1.8 years at June 30, 2015. All unexercised options expire ten years after the grant date.

The table below presents restricted stock award activity for the year ended June 30, 2016:

	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	18,900	14.37	—
Non-vested at June 30, 2014	403,965	\$ 14.39	\$ 6,770
Granted	—	—	—
Vested	91,895	14.39	—
Forfeited	1,600	14.37	—
Non-vested at June 30, 2015	310,470	\$ 14.40	\$ 5,203
Granted	34,500	17.35	—
Vested	93,670	14.39	—
Forfeited	2,550	14.37	—
Non-vested at June 30, 2016	248,750	\$ 14.81	\$ 4,602

At June 30, 2016, unrecognized compensation expense was \$4,015 related to 248,750 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 1.5 years at June 30, 2016. At June 30, 2015, unrecognized compensation expense was \$3,814 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 1.8 years at June 30, 2015.

## 17. 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 June 30, 2016 and June 30, 2015, respectively, loan commitments (excluding \$125,157 and \$43,989 of undisbursed portions of construction loans) totaled \$39,609 and \$43,629 of which \$9,932 and \$24,020 were variable rate commitments and \$29,677 and \$19,608 were fixed rate commitments. The fixed rate loans had interest rates ranging from 2.02% to 7.99% at June 30, 2016 and 1.99% to 9.75% at June 30, 2015, 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 \$340,397 and \$250,762 at June 30, 2016 and 2015, 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 June 30, 2016 or June 30, 2015.

HOMETRUST BANCSHARES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

(Dollars in thousands, except per share data)

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 significant 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 June 30, 2016 and 2015 was \$2,346, and \$1,743, 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 June 30, 2016 and 2015 were \$2,326 and \$2,533, respectively. There was no liability recorded for these letters of credit at June 30, 2016 or June 30, 2015.

Litigation

The Company is involved in several litigation matters in the ordinary course of business. These proceedings and the associated legal claims are often contested and the outcome of individual matters is not always predictable. These claims and counter claims typically arise during the course of collection efforts on problem loans or with respect to actions to enforce liens on properties in which the Company holds a security interest. 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. The Company is not a party to any pending legal proceedings that management believes would have a material adverse effect on the Company's financial condition or results of operations.

18. Capital

At June 30, 2016, stockholder's equity totaled \$359,976. HomeTrust Bancshares, Inc. is a bank holding company subject to regulation by the Board of Governors of the Federal Reserve System ("Federal Reserve"). As a bank holding company, we are subject to capital adequacy requirements of the Federal Reserve under the Bank Holding Company Act of 1956, as amended and the regulations of the Federal Reserve. Our subsidiary, the Bank, an FDIC-insured, North Carolina state-chartered bank and a member of the Federal Reserve System, is supervised and regulated by the Federal Reserve and the North Carolina Commissioner of Banks ("NCCOB") and is subject to minimum capital requirements applicable to state member banks established by the Federal Reserve that are calculated in a manner similar to those applicable to bank holding companies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by bank regulators that, if undertaken, could have a direct material effect on the Company's financial statements.

Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities and certain off-balance-sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

At June 30, 2016, HomeTrust Bancshares, Inc. and the Bank each exceeded all regulatory capital requirements as of that date. Consistent with our goals to operate a sound and profitable organization, our policy is for the Bank to maintain a "well-capitalized" status under the regulatory capital categories of the Federal Reserve. The Bank was categorized as "well-capitalized" at June 30, 2016 under applicable regulatory requirements.



## HOMETRUST BANCSHARES, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

(Dollars in thousands, except per share data)

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

	Regulatory Requirements					
	Actual		Minimum for Capital Adequacy Purposes		Minimum to Be Well Capitalized	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
HomeTrust Bancshares, Inc.						
As of June 30, 2016						
Common Equity Tier I Capital	\$317,258	14.39%	\$99,197	4.50%	\$143,285	6.50%
Tier I Capital (to Total Adjusted Assets)	\$317,258	11.78%	\$107,687	4.00%	\$134,609	5.00%
Tier I Capital (to Risk-weighted Assets)	\$317,258	14.39%	\$132,263	6.00%	\$176,350	8.00%
Total Risk-based Capital (to Risk-weighted Assets)	\$339,005	15.38%	\$176,350	8.00%	\$220,438	10.00%
As of June 30, 2015						
Common Equity Tier I Capital	\$326,969	15.92%	\$92,395	4.50%	\$133,459	6.50%
Tier I Capital (to Total Adjusted Assets)	\$326,969	11.91%	\$109,797	4.00%	\$137,246	5.00%
Tier I Capital (to Risk-weighted Assets)	\$326,969	15.92%	\$123,193	6.00%	\$164,257	8.00%
Total Risk-based Capital (to Risk-weighted Assets)	\$349,763	17.03%	\$164,257	8.00%	\$205,321	10.00%
HomeTrust Bank:						
As of June 30, 2016						
Common Equity Tier I Capital	\$280,598	12.80%	\$98,634	4.50%	\$142,471	6.50%
Tier I Capital (to Total Adjusted Assets)	\$280,598	10.50%	\$106,852	4.00%	\$133,565	5.00%
Tier I Capital (to Risk-weighted Assets)	\$280,598	12.80%	\$131,512	6.00%	\$175,349	8.00%
Total Risk-based Capital (to Risk-weighted Assets)	\$302,271	13.79%	\$175,349	8.00%	\$219,187	10.00%
As of June 30, 2015						
Common Equity Tier I Capital	\$271,760	13.36%	\$91,508	4.50%	\$132,178	6.50%
Tier I Capital (to Total Adjusted Assets)	\$271,760	10.00%	\$108,692	4.00%	\$135,865	5.00%
Tier I Capital (to Risk-weighted Assets)	\$271,760	13.36%	\$122,010	6.00%	\$162,680	8.00%
Total Risk-based Capital (to Risk-weighted Assets)	\$294,425	14.48%	\$162,680	8.00%	\$203,350	10.00%

In addition to the minimum common equity Tier 1 ("CET1"), Tier 1 and total capital ratios, HomeTrust Bancshares, Inc. and the Bank now have to maintain a capital conservation buffer consisting of additional CET1 capital 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 began to be phased in starting in January 2016 at 0.625% of risk-weighted assets and will increase each year until fully implemented to an amount equal to 2.5% of risk-weighted assets in January 2019.

## HOMETRUST BANCSHARES, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

(Dollars in thousands, except per share data)

A reconciliation of HomeTrust Bancshares, Inc.'s stockholders' equity under US GAAP and regulatory capital amounts follows:

	June 30,	
	2016	2015
Total stockholders' equity under US GAAP	\$359,976	\$371,050
Accumulated other comprehensive income, net of tax	(2,343 )	(870 )
Investment in nonincludable subsidiary	(926 )	(1,005 )
Disallowed deferred tax assets	(24,079 )	(27,002 )
Disallowed goodwill and other disallowed intangible assets	(15,370 )	(15,204 )
Tier I Capital	317,258	326,969
Allowable portion of allowance for loan losses	21,747	22,794
Total Risk-based Capital	\$339,005	\$349,763

## 19. Parent Company Financial Information

The Company's principal asset is its investment in its subsidiary, the Bank. The following tables present condensed financial information of the Company:

## Condensed balance sheet

	June 30,	June 30,
	2016	2015
Assets:		
Cash and equivalents	\$6,579	\$17,114
Certificates of deposit in other banks	8,456	9,947
Other securities	63	63
Total loans	7,938	11,643
Allowance for loan losses	(74 )	(129 )
Net loans	7,864	11,514
REO	1,124	834
Investment in bank subsidiary	326,648	320,861
ESOP loan receivable	8,830	9,280
Other assets	760	2,559
Total Assets	\$360,324	\$372,172
Liabilities and Stockholders' Equity:		
Other liabilities	348	1,122
Stockholders' Equity	359,976	371,050
Total Liabilities and Stockholders' Equity	\$360,324	\$372,172

## HOMETRUST BANCSHARES, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

(Dollars in thousands, except per share data)

## Condensed statement of income

	June 30, 2016	June 30, 2015	June 30, 2014
Income:			
Interest income	\$716	\$969	\$1,418
Other income	—	1	9
Equity earnings in Bank subsidiary	11,284	6,848	9,444
Total income	12,000	7,818	10,871
Expense:			
Management fee expense	317	290	351
REO expense	71	136	237
Loss (gain) on sale and impairment of REO	115	(83 )	118
Recovery of loan losses	(275 )	(1,025 )	(357 )
Other expense	166	152	137
Total expense	394	(530 )	486
Income Before Income Taxes	11,606	8,348	10,385
Income Tax Expense	150	323	43
Net Income	\$11,456	\$8,025	\$10,342

109

## HOMETRUST BANCSHARES, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

(Dollars in thousands, except per share data)

## Condensed statement of cash flows

	June 30, 2016	June 30, 2015	June 30, 2014
Operating Activities:			
Net income	\$11,456	\$8,025	\$10,342
Adjustments to reconcile net income to net cash provided by operating activities:			
Recovery of loan losses	(275 )	(1,025 )	(357 )
Loss (gain) on sale and impairment of REO	115	(83 )	118
Decrease (increase) in accrued interest receivable and other assets	1,799	(1,649 )	(308 )
Equity in undistributed income of Bank	(11,284 )	(6,848 )	(9,444 )
ESOP compensation expense	983	827	844
Restricted stock and stock option expense	2,939	2,821	2,623
Increase (decrease) in other liabilities	(774 )	60	660
Net cash provided by operating activities	4,959	2,128	4,478
Investing Activities:			
Purchase of certificates of deposit in other banks	(996 )	(995 )	(248 )
Maturities of certificates of deposit in other banks	2,487	1,244	249
Purchase of equity securities	—	(63 )	—
Repayment of loans	3,024	4,835	6,356
Capital improvements to REO	—	(49 )	(4 )
Increase in investment in Bank subsidiary	(982 )	(827 )	(26,644 )
Dividend from subsidiary	7,952	25,000	19,110
ESOP principal payments received	450	442	430
Proceeds from sale of REO	496	302	4,811
Acquisition of BankGreenville Financial Corporation	—	—	(1,475 )
Acquisition of Jefferson Bancshares, Inc	—	—	(6,926 )
Net cash provided by (used in) investing activities	12,431	29,889	(4,341 )
Financing Activities:			
Repayment of subordinated debentures	—	—	(10,000 )
Common stock repurchased	(27,734 )	(18,470 )	(29,460 )
Retired stock	(223 )	(188 )	(226 )
Exercised stock options	32	259	—
Net cash used in financing activities	(27,925 )	(18,399 )	(39,686 )
Net Increase (Decrease) in Cash and Cash Equivalents	(10,535 )	13,618	(39,549 )
Cash and Cash Equivalents at Beginning of Period	17,114	3,496	43,045
Cash and Cash Equivalents at End of Period	\$6,579	\$17,114	\$3,496

## 20. 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.

## Explanation of Responses:

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.

110

---

HOMETRUST BANCSHARES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

(Dollars in thousands, except per share data)

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. Level 3 securities include one community bank corporate bond that is thinly traded. The community bank corporate bond was acquired as part of a bank acquisition and is carried at book value, which approximates fair value. Because the bond is thinly traded we rely on public information to review the overall financial condition and capital level of the community bank.

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 June 30, 2016 and June 30, 2015, 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 as a 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 that has been charged off or received an allowance during the period as nonrecurring Level 3.

Financial Assets Recorded at Fair Value on a Recurring Basis

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

Description	June 30, 2016	
	Total	Level 2

Explanation of Responses:

Edgar Filing: GREATBATCH, INC. - Form 4

		Level		Level
		1		3
U.S Government Agencies	\$77,980	\$	-\$77,980	\$—
Residential Mortgage-backed Securities of U.S. Government Agencies and Government sponsored Enterprises	97,408	—	97,408	—
Municipal Bonds	17,234	—	17,234	—
Corporate Bonds	7,967	—	6,967	1,000
Equity Securities	63	—	63	
Total	\$200,652	\$	-\$199,652	\$1,000

111

---

## HOMETRUST BANCSHARES, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

(Dollars in thousands, except per share data)

Description	June 30, 2015			
	Total	Level 1	Level 2	Level 3
U.S Government Agencies	\$116,071	\$	-\$116,071	\$—
Residential Mortgage-backed Securities of U.S. Government Agencies and Government sponsored Enterprises	120,809	—	120,809	—
Municipal Bonds	16,678	—	16,678	—
Corporate Bonds	3,985	—	2,985	1,000
Equity Securities	63	—	63	—
Total	\$257,606	\$	-\$256,606	\$1,000

## Financial Assets Recorded at Fair Value on a Nonrecurring Basis

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

Description	Year Ended June 30, 2016			
	Total	Level 1	Level 2	Level 3
Impaired loans	\$4,239	\$	—	-\$4,239
REO	1,117	—	—	1,117
Total	\$5,356	\$	—	-\$5,356

Description	Year Ended June 30, 2015			
	Total	Level 1	Level 2	Level 3
Impaired loans	\$5,697	\$	—	-\$5,697
REO	1,685	—	—	1,685
Total	\$7,382	\$	—	-\$7,382

Quantitative information about Level 3 fair value measurements during the period ended June 30, 2016 is shown in the table below:

	Fair Value at June 30, 2016	Valuation Techniques	Unobservable Input	Range	Weighted Average
Nonrecurring measurements:					
Impaired loans, net	\$4,239	Discounted Appraisals	Collateral discounts	0% - 33%	12 %
REO	\$1,117	Discounted Appraisals	Collateral discounts	10% - 37%	16 %

## HOMETRUST BANCSHARES, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

(Dollars in thousands, except per share data)

The stated carrying value and estimated fair value amounts of financial instruments as of June 30, 2016 and June 30, 2015, are summarized below:

	June 30, 2016		Level 1	Level 2	Level 3
	Carrying Value	Fair Value			
Cash and interest-bearing deposits	\$52,596	\$ 52,596	\$52,596	\$ —	—
Commercial paper	229,859	229,859	229,859	—	—
Certificates of deposit in other banks	161,512	161,512	—	161,512	—
Securities available for sale	200,652	200,652	—	199,652	1,000
Loans, net	1,811,539	1,761,926	—	—	1,761,926
Loans held for sale	5,783	5,876	—	—	5,876
FHLB stock	23,304	23,304	23,304	—	—
FRB stock	6,182	6,182	6,182	—	—
Accrued interest receivable	7,405	7,405	—	1,106	6,299
Noninterest-bearing and NOW deposits	628,910	628,910	—	628,910	—
Money market accounts	520,320	520,320	—	520,320	—
Savings accounts	210,817	210,817	—	210,817	—
Certificates of deposit	442,649	442,203	—	442,203	—
Borrowings	491,000	491,000	—	491,000	—
Accrued interest payable	246	246	—	246	—
	June 30, 2015		Level 1	Level 2	Level 3
	Carrying Value	Fair Value			
Cash and interest-bearing deposits	\$116,160	\$116,160	\$116,160	\$ —	—
Commercial paper	256,152	256,152	256,152	—	—
Certificates of deposit in other banks	210,629	210,629	—	210,629	—
Securities available for sale	257,606	257,606	—	256,606	1,000
Loans, net	1,663,333	1,555,992	—	—	1,555,992
Loans held for sale	5,874	5,968	—	—	5,968
FHLB stock	22,541	22,541	22,541	—	—
FRB stock	6,170	6,170	6,170	—	—
Accrued interest receivable	7,522	7,522	—	1,252	6,270
Noninterest-bearing and NOW deposits	591,429	591,429	—	591,429	—
Money market accounts	481,948	481,948	—	481,948	—
Savings accounts	221,674	221,674	—	221,674	—
Certificates of deposit	577,075	577,174	—	577,174	—
Borrowings	475,000	475,000	—	475,000	—
Accrued interest payable	181	181	—	181	—

The Company had off-balance sheet financial commitments, which include approximately \$505,163 and \$338,380 of commitments to originate loans, undisbursed portions of interim construction loans, and unused lines of credit at June 30, 2016 and June 30, 2015 (see Note 17). 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.

Commercial paper – The stated amounts approximate fair value due to the short-term nature of these investments.

Commercial paper values are based on broker quotes that utilize observable market inputs at the time of purchase.

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

Securities available for sale – 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. We have one corporate bond that is not actively traded and considered a level three asset.

113

---

## HOMETRUST BANCSHARES, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

(Dollars in thousands, except per share data)

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 and purchase discounts.

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.

FHLB and FRB stock – No ready market exists for these stocks and they have no quoted market value. However, redemption of these stocks 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 June 30, 2016 and June 30, 2015. 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.

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.

## 21. Unaudited Interim Financial Information

The unaudited statements of income for each of the quarters during the fiscal years ended June 30, 2016 and 2015 are summarized below:

	Three months ended			
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015
Interest and dividend income	\$22,375	\$21,797	\$ 21,566	\$ 22,009
Interest expense	1,609	1,577	1,416	1,438
Net interest income	20,766	20,220	20,150	20,571
Provision for loan losses	—	—	—	—
Net interest income after provision for loan losses	20,766	20,220	20,150	20,571
Noninterest income	3,745	3,384	3,005	3,369
Noninterest expense	19,803	19,373	19,842	19,835
Net income before provision for income taxes	4,708	4,231	3,313	4,105
Income tax expense	1,406	1,090	864	1,541

Explanation of Responses:

Edgar Filing: GREATBATCH, INC. - Form 4

Net income	\$3,302	\$3,141	\$2,449	\$2,564
Net income per common share:				
Basic	\$0.19	\$0.18	\$0.14	\$0.14
Diluted	\$0.19	\$0.18	\$0.14	\$0.14

114

---

## HOMETRUST BANCSHARES, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements

(Dollars in thousands, except per share data)

	Three months ended			
	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
Interest and dividend income	\$22,197	\$21,536	\$ 21,559	\$ 19,864
Interest expense	1,409	1,348	1,369	1,264
Net interest income	20,788	20,188	20,190	18,600
Recovery of loan losses	400	—	—	(250 )
Net interest income after provision for loan losses	20,388	20,188	20,190	18,850
Noninterest income	3,618	3,313	2,819	2,769
Noninterest expense	20,895	22,025	20,135	18,497
Net income before provision for income taxes	3,111	1,476	2,874	3,122
Income tax expense	553	314	825	866
Net income	\$2,558	\$ 1,162	\$ 2,049	\$ 2,256
Net income per common share:				
Basic	\$0.14	\$0.06	\$ 0.10	\$ 0.12
Diluted	\$0.14	\$0.06	\$ 0.10	\$ 0.12

## Item 9. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure

None.

## Item 9A. Controls and Procedures

**Evaluation of Disclosure Controls and Procedures** An evaluation of the Company's disclosure controls and procedures (as defined in Section 13a-15(e) of the Securities Exchange Act of 1934 (the "Act")) 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 as of the end of the period covered by this report. The Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures as of June 30, 2016 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.

**Report of Management on Internal Control over Financial Reporting** The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. The internal control process has been designed under our supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America.

Management conducted an assessment of the effectiveness of the Company's internal control over financial reporting as of June 30, 2016, utilizing the framework established in Internal Control – Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this assessment, management has determined that the Company's internal control over financial reporting as of June 30, 2016 was effective.

Our internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that accurately and fairly reflect, in reasonable detail, transactions and dispositions of assets; and provide reasonable assurances that: (1) transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States; (2) receipts and expenditures are being made only in accordance with authorizations of management and the directors of the Company; and (3) unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Company's financial statements are prevented or timely detected.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

This annual report does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting. As an emerging growth company, management's report was not subject to attestation by the Company's independent registered public accounting firm in accordance with the JOBS Act of 2012.

Changes in Internal Controls There have been no changes in the Company's internal control over financial reporting during the quarter ended June 30, 2016 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

The Company intends to continually review and evaluate the design and effectiveness of its disclosure controls and procedures and to improve its controls and procedures over time and to correct any deficiencies that it may discover in the future. The goal is to ensure that senior management has timely access to all material financial and non-financial information concerning the Company's business. While the Company believes the present design of its disclosure controls and procedures is effective to achieve its goal, future events affecting its business may cause the Company to modify its disclosure controls and procedures. The Company does not expect that its disclosure controls and procedures and internal control over financial reporting will prevent every error or instance of 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 in controls or procedures can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any control procedure 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 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.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

**Directors and Executive Officers** The information concerning our directors required by this item is incorporated herein by reference from our definitive proxy statement for our Annual Meeting of Shareholders being held on November 28, 2016, a copy of which will be filed with the Securities and Exchange Commission not later than 120 days after the end of our fiscal year. Information required by this item regarding the audit committee of the Company's Board of Directors, including information regarding the audit committee financial expert serving on the audit committee, is incorporated herein by reference from our definitive proxy statement for our Annual Meeting of Shareholders being held on November 28, 2016, a copy of which will be filed with the Securities and Exchange Commission not later than 120 days after the end of our fiscal year. Information about our executive officers is contained under the caption "Executive Officers" in Part I of this Form 10-K, and is incorporated herein by this reference.

**Section 16(a) Beneficial Ownership Reporting Compliance** The information concerning compliance with the reporting requirements of Section 16(a) of the Securities Exchange Act of 1934 by our directors, officers and ten percent shareholders required by this item is incorporated herein by reference from our definitive proxy statement for our Annual Meeting of Shareholders being held on November 28, 2016, a copy of which will be filed with the Securities and Exchange Commission not later than 120 days after the end of our fiscal year.

**Code of Ethics** We have adopted a code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer, and persons performing similar functions, and to all of our other employees and our directors. A copy of our code of ethics is available on our Internet website address, <http://www.hometrumbancshares.com>.

Item 11. Executive Compensation

The information concerning compensation required by this item is incorporated herein by reference from our definitive proxy statement for our Annual Meeting of Shareholders being held on November 28, 2016, a copy of which will be filed with the Securities and Exchange Commission not later than 120 days after the end of our fiscal year.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters

The information concerning security ownership of certain beneficial owners and management and our equity incentive plan required by this item is incorporated herein by reference from our definitive proxy statement for our Annual

Meeting of Shareholders being held on November 28, 2016, a copy of which will be filed with the Securities and Exchange Commission not later than 120 days after the end of our fiscal year.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information concerning certain relationships and related transactions and director independence required by this item is incorporated herein by reference from our definitive proxy statement for our Annual Meeting of Shareholders being held on November 28, 2016, a copy of which will be filed with the Securities and Exchange Commission not later than 120 days after the end of our fiscal year.

Item 14. Principal Accountant Fees and Services

The information concerning principal accountant fees and services is incorporated herein by reference from our definitive proxy statement for our Annual Meeting of Shareholders being held on November 28, 2016, a copy of which will be filed with the Securities and Exchange Commission not later than 120 days after the end of our fiscal year.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a)(1) Financial Statements: See Part II--Item 8. Financial Statements and Supplementary Data.

(a)(2) Financial Statement Schedules: All financial statement schedules have been omitted as the information is not required under the related instructions or is not applicable.

(a)(3) Exhibits: See Exhibit Index.

(b) Exhibits: See Exhibit Index.

117

---

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) 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: September 13, 2016 By: /s/ Dana L. Stonestreet

Dana L. Stonestreet

Chairman of the Board,

President, and Chief Executive Officer

118

---

Edgar Filing: GREATBATCH, INC. - Form 4

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Dana L. Stonestreet Dana L. Stonestreet	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)	September 13, 2016
/s/ Tony J. VunCannon Tony J. VunCannon	Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)	September 13, 2016
/s/ H. Stanford Allen H. Stanford Allen	Director	September 13, 2016
/s/ Sidney A. Biesecker Sidney A. Biesecker	Director	September 13, 2016
/s/ Robert G. Dinsmore, Jr. Robert G. Dinsmore, Jr.	Director	September 13, 2016
/s/ J. Steven Goforth J. Steven Goforth	Director	September 13, 2016
/s/ Robert E. James Robert E. James	Director	September 13, 2016
/s/ Laura C. Kendall Laura C. Kendall	Director	September 13, 2016
/s/ Craig C. Koontz Craig C. Koontz	Director	September 13, 2016
/s/ Larry S. McDevitt Larry S. McDevitt	Director	September 13, 2016
/s/ F.K. McFarland, III F.K. McFarland, III	Director	September 13, 2016
/s/ Peggy C. Melville Peggy C. Melville	Director	September 13, 2016
/s/ Anderson L. Smith Anderson L. Smith	Director	September 13, 2016
/s/ Richard T. Williams Richard T. Williams	Director	September 13, 2016

## 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 Computershare Trust Company, N.A., as successor rights agent to Registrar and Transfer Company	(d)
4.2	Amendment No. 1, dated as of August 31, 2015, to Tax Benefits Preservation Plan, dated as of September 25, 2012, between HomeTrust Bancshares, Inc. and Computershare Trust Company, N.A., as successor rights agent to Registrar and Transfer Company	(n)
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)

Edgar Filing: GREATBATCH, INC. - Form 4

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	10.12

120

---

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)
10.27	Offer Letter between HomeTrust Bank and Keith J. Houghton	(o)
10.28	Form of Relocation Repayment Agreement between HomeTrust Bank and Keith J. Houghton	(o)
10.29	Form of Change in Control Severance Agreement between HomeTrust Bancshares, Inc. and each of Keith J. Houghton, R. Parrish Little, and Teresa White	(p)
21.0	Subsidiaries of the Registrant	21.0
23.0	Consent of Dixon Hughes Goodman LLP	23.0
31.1	Certification of Chief Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	31.1
31.2	Certification of Chief Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	31.2
32.0	Certificate of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	32.0
101	The following materials from HomeTrust Bancshares’ Annual Report on Form 10-K for the year ended June 30, 2016, formatted in Extensible Business Reporting Language (XBRL): (a) Consolidated Balance Sheets; (b) Consolidated Statements of Income; (c) Consolidated Statements of Comprehensive Income; (d) Consolidated Statements of Changes in Stockholders' Equity; (e) Consolidated Statements of Cash Flows; and (f) Notes to Consolidated Financial Statements.	101

- (a) Filed as an exhibit to HomeTrust Bancshares’s 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).

Edgar Filing: GREATBATCH, INC. - Form 4

- (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 Bancshare'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 Current Report on Form 8-K filed on August 31, 2015 (File No. 001-35593).
- (o) Filed as an exhibit to HomeTrust Bancshare's Annual Report on Form 10-K for the fiscal year ended June 30, 2015 (File No. 001-35593).
- (p) Filed as an exhibit to HomeTrust Bancshares's Current Report on Form 8-K filed on January 29, 2016 (File No. 001-35593).

121