

TOLL BROTHERS INC
Form 8-K
May 24, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934
Date of report (Date of earliest event reported): May 19, 2016

Toll Brothers, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction

of Incorporation)

001-09186
(Commission

File Number)

23-2416878
(IRS Employer

Identification No.)

250 Gibraltar Road, Horsham, PA
(Address of Principal Executive Offices)

19044
(Zip Code)

Registrant's telephone number, including area code: (215) 938-8000

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

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

ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On May 19, 2016, Toll Brothers, Inc. (the Registrant) and its wholly-owned subsidiary, First Huntingdon Finance Corp. (the Borrower, and together with the Registrant, the Company), entered into an unsecured, five-year credit agreement dated as of May 19, 2016 (the Revolving Credit Agreement), among Citibank, N.A. (Citi), as Administrative Agent, Deutsche Bank Securities Inc., Mizuho Bank, Ltd., and SunTrust Bank, as Syndication Agents, PNC Bank, National Association and Wells Fargo Bank, National Association, as Documentation Agents, and the Lenders party thereto.

The Revolving Credit Agreement provides for an unsecured revolving credit facility (the Revolving Credit Facility) in the amount of \$1.215 billion (the Aggregate Revolving Credit Commitment). 50% of the Aggregate Revolving Credit Commitment (as it may be increased or decreased from time to time) will be available for letters of credit. The Revolving Credit Facility has an accordion feature under which the Company may, subject to certain conditions set forth in the Revolving Credit Agreement, increase the Aggregate Revolving Credit Commitment up to a maximum aggregate amount of \$2.0 billion, although no Lender is obligated to increase its commitment. The Company may select interest rates for the Revolving Credit Facility equal to (i) LIBOR plus an applicable margin, (ii) the Lenders base rate plus an applicable margin, or (iii) the Federal Funds/Euro-Rate (as defined in the Revolving Credit Agreement), which in each case is based on the Registrant's leverage ratio (as defined in the Revolving Credit Agreement). The Company is obligated to pay an undrawn commitment fee which is based on the average daily unused amount of the Aggregate Revolving Credit Commitment and the Registrant's leverage ratio. Any proceeds from borrowings under the Revolving Credit Facility may be used for general corporate purposes.

Under the terms of the Revolving Credit Agreement, the Registrant is not permitted to allow its maximum leverage ratio to exceed 1.75:1.00 and is required to maintain a tangible net worth (as defined in the Revolving Credit Agreement) of no less than approximately \$2.65 billion, which amount is subject to increase over time in accordance with the Revolving Credit Agreement. The Revolving Credit Facility is subject to acceleration upon certain specified events of default, including failure to make timely payments, breaches of representations or covenants, failure to pay other material indebtedness, or another person becoming beneficial owner of 50% or more of the Registrant's outstanding common stock.

The Registrant and substantially all of its 100% owned home building subsidiaries are guarantors under the Revolving Credit Agreement. The Registrant's non-home building subsidiaries and certain home building subsidiaries do not guarantee the obligations under the Revolving Credit Agreement.

Citi is the Administrative Agent for, and Deutsche Bank AG New York Branch, Mizuho Bank, Ltd., PNC Bank, National Association, SunTrust Bank, Wells Fargo Bank, National Association, Capital One, National Association, Sumitomo Mitsui Banking Corporation, U.S. Bank National Association, Branch Banking and Trust Company, Comerica Bank, Fifth Third Bank, an Ohio banking corporation, Regions Bank, TD Bank, N.A., The Bank of New York Mellon, Texas Capital Bank, N.A., Bank of the West, a California Banking Corporation, and Associated Bank, National Association are Lenders under, the Revolving Credit Facility and currently provide, and they and other participants may in the future provide, other general banking services to the Company.

A copy of the Revolving Credit Agreement is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated by reference into this Item 1.01. The foregoing summary of the Revolving Credit Agreement is qualified in its entirety by reference to the text of the Revolving Credit Agreement filed herewith.

The Revolving Credit Agreement effectively replaces the Company's previous revolving credit facility (the 2013 Facility), as evidenced by the credit agreement dated as of August 1, 2013, a copy of which was filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 6, 2013. The description of the 2013 Facility in such Form 8-K is incorporated by reference into this Item 1.01. In

connection with its entry into the Revolving Credit Facility, effective May 19, 2016, the Company terminated the 2013 Facility. Immediately prior to termination of the 2013 Facility, there were approximately \$100.0 million of borrowings outstanding thereunder, all of which were paid off in connection with the termination of the 2013 Facility and were immediately reborrowed under the Revolving Credit Facility. There were no early termination penalties were incurred by the Company in connection with the termination of the 2013 Facility.

On May 19, 2016, the Company entered into an amendment (the "Amendment") to its existing senior unsecured term loan credit agreement dated as of February 3, 2014 (the "Term Loan Agreement"), among the Company, the lenders party thereto (the "Term Lenders") and SunTrust Bank, as Administrative Agent, to, among other things, (1) amend the financial maintenance covenants therein to be substantially the same as the financial maintenance covenants applicable under the Revolving Credit Agreement described above; and (2) revise certain provisions relating to the interest rate applicable on outstanding borrowings.

A copy of the Amendment is filed as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated by reference into this Item 1.01. The foregoing summary of the Amendment is qualified in its entirety by reference to the text of the Amendment filed herewith. A copy of the Term Loan Agreement was previously filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 5, 2014, and the description of the Term Loan Agreement in such Form 8-K is incorporated by reference into this Item 1.01.

ITEM 1.02. TERMINATION OF A MATERIAL DEFINITIVE AGREEMENT

On May 19, 2016, and in connection with its entry into the Revolving Credit Agreement, the Company terminated the 2013 Facility, as more specifically described in Item 1.01 of this Current Report on Form 8-K, which description is incorporated by reference into this Item 1.02.

ITEM 2.03. CREATION OF A DIRECT FINANCIAL OBLIGATION UNDER AND OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT

On May 19, 2016, the Company entered into the Revolving Credit Agreement more specifically described in Item 1.01 of this Current Report on Form 8-K, which description is incorporated by reference into this Item 2.03.

ITEM 8.01. OTHER EVENTS

On May 19, 2016, the Registrant issued a press release announcing its entry into the Revolving Credit Agreement and the termination of the 2013 Facility. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference into this Item 8.01.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(d). Exhibits

The following Exhibits are furnished as part of this Current Report on Form 8-K:

Exhibit

No.	Item
10.1*	Credit Agreement, dated as of May 19, 2016, among First Huntingdon Finance Corp., Toll Brothers, Inc., the Lenders party thereto and Citibank, N.A., as Administrative Agent.
10.2*	Amendment No. 1, dated as of May 19, 2016, to the Credit Agreement, dated as of February 3, 2014, among First Huntingdon Finance Corp., Toll Brothers, Inc., the Lenders party thereto and SunTrust Bank, as Administrative Agent.
99.1*	Toll Brothers, Inc. Press Release dated May 19, 2016.

* Filed electronically herewith

SIGNATURES

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

TOLL BROTHERS, INC.

Dated: May 24, 2016

By: /s/ Joseph R. Sicree
Joseph R. Sicree
Senior Vice President,
Chief Accounting Officer

gn="bottom">
Municipal Bonds

16,233

-

16,233

-

Corporate Bonds

4,017

-

3,017

1,000

Equity Securities

63

-

63

-

Total

\$
195,143

\$

-

\$
194,143

\$
1,000

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

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

Description	Six Months Ended December 31, 2014			
	Total	Level 1	Level 2	Level 3
Impaired loans	\$4,983	\$ -	\$ -	\$4,983
REO	881	-	-	881
Total	\$5,864	\$ -	\$ -	\$5,864

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

HOMETRUST BANCSHARES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

(Dollar amounts in thousands)

Quantitative information about Level 3 fair value measurements during the period ended December 31, 2014 is shown in the table below:

	Fair Value at December 31, 2014	Valuation Techniques	Unobservable Input	Range	Weighted Average
Nonrecurring measurements:					
Impaired loans, net	\$ 4,983	Discounted appraisals	Collateral discounts	3% - 53%	18%
REO	\$ 881	Discounted appraisals	Collateral discounts	10% - 24%	15%

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

	December 31, 2014				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Cash and interest-bearing deposits	\$360,220	\$360,220	\$360,220	\$-	\$-
Certificates of deposit in other banks	196,575	196,575	-	196,575	-
Securities available for sale	195,143	195,143	-	194,143	1,000
Other investments	18,968	18,968	18,968		
Loans held for sale	1,478	1,502	-	-	1,502
Loans, net	1,626,630	1,527,222	-	-	1,527,222
Accrued interest receivable	7,133	7,133	-	957	6,175
Non-interest-bearing and NOW deposits	580,884	580,884	-	580,884	-
Money market accounts	485,418	485,418	-	485,418	-
Savings accounts	221,671	221,671	-	221,671	-
Certificates of deposit	650,348	649,997	-	649,997	-
Other borrowings	250,000	250,000	-	250,000	-
Accrued interest payable	146	146	-	146	-
	June 30, 2014				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Cash and interest-bearing deposits	\$45,830	\$45,830	\$45,830	\$-	\$-
Certificates of deposit in other banks	163,780	163,780	-	163,780	-
Securities available for sale	168,749	168,749	-	168,749	-
Other investments	3,697	3,697	3,697		
Loans held for sale	2,537	2,578	-	-	2,578
Loans, net	1,473,099	1,381,438	-	-	1,381,438
Accrued interest receivable	6,787	6,787	-	736	6,051
Non-interest-bearing and NOW deposits	418,671	418,671	-	418,671	-
Money market accounts	354,247	354,247	-	354,247	-
Savings accounts	175,974	175,974	-	175,974	-

Edgar Filing: TOLL BROTHERS INC - Form 8-K

Certificates of deposit	634,154	620,196	-	620,196	-
Other borrowings	50,000	50,000	-	50,000	-
Accrued interest payable	244	244	-	244	-

The Company had off-balance sheet financial commitments, which include approximately \$297,357 and \$223,076 of commitments to originate loans, undisbursed portions of interim construction loans, and unused lines of credit at December 31, 2014 and June 30, 2014 (see Note 8). Since these commitments are based on current rates, the carrying amount approximates the fair value.

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

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

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

Securities available for sale and investment securities – Fair values are based on quoted market prices where available.

If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments.

31

HOMETRUST BANCSHARES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

(Dollar amounts in thousands)

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

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

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

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

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

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

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

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

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

Certain matters in this Form 10-Q constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to our financial condition, results of operations, plans, objectives, future performance or business. Forward-looking statements are not statements of historical fact, are based on certain assumptions and are generally identified by use of the words "believes," "expects," "anticipates," "estimates," "forecasts," "intends," "plans," "targets," "potentially," "probably," "projects," "outlook" or similar expressions or future or conditional verbs such as "may," "will," "should," "would" and "could." Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, assumptions and statements about future economic performance and projections of financial items. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from the results anticipated or implied by our forward-looking statements, including, but not limited to: expected cost savings, synergies and other financial benefits from our recent acquisitions might not be realized within the expected time frames or at all, and costs or difficulties relating to integration matters might be greater than expected; the credit risks of lending activities, including changes in the level and trend of loan delinquencies and write offs and changes in our allowance for loan losses and provision for loan losses that may be impacted by deterioration in the housing and commercial real estate markets; changes in general economic conditions, either nationally or in our market areas; changes in the levels of general interest rates, and the relative differences between short and long term interest rates, deposit interest rates, our net interest margin and funding sources; fluctuations in the demand for loans, the number of unsold homes, land and other properties and fluctuations in real estate values in our market areas; decreases in the secondary market for the sale of loans that we originate; results of examinations of us by the Office of the Comptroller of the Currency ("OCC") or other regulatory authorities, including the possibility that any such regulatory authority may, among other things, require us to increase our allowance for loan losses, write-down assets, change our regulatory capital position or affect our ability to borrow funds or maintain or increase deposits, which could adversely affect our liquidity and earnings; legislative or regulatory changes that adversely affect our business including the effect of Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), changes in regulatory policies and principles, or the interpretation of regulatory capital or other rules, including as a result of Basel III; our ability to attract and retain deposits; increases in premiums for deposit insurance; management's assumptions in determining the adequacy of the allowance for loan losses; our ability to control operating costs and expenses, especially costs associated with our operation as a public company; the use of estimates in determining fair value of certain of our assets, which estimates may prove to be incorrect and result in significant declines in valuation; difficulties in reducing risks associated with the loans on our balance sheet; staffing fluctuations in response to product demand or the implementation of corporate strategies that affect our workforce and potential associated charges; computer systems on which we depend could fail or experience a security breach; our ability to retain key members of our senior management team; costs and effects of litigation, including settlements and judgments; our ability to successfully integrate any assets, liabilities, customers, systems, and management personnel we may in the future acquire into our operations and our ability to realize related revenue synergies and cost savings within expected time frames and any goodwill charges related thereto; increased competitive pressures among financial services companies; changes in consumer spending, borrowing and savings habits; the availability of resources to address changes in laws, rules, or regulations or to respond to regulatory actions; adverse changes in the securities markets; inability of key third-party providers to perform their obligations to us; statements with respect to our intentions regarding disclosure and other changes resulting from the Jumpstart Our Business Startups Act of 2012 ("JOBS Act"); changes in accounting policies and practices, as may be adopted by the financial institution regulatory agencies, the Public Company Accounting Oversight Board or the Financial Accounting Standards Board; and other economic, competitive, governmental, regulatory, and technological factors affecting our operations, pricing, products and services; and the other risks detailed from time to time in our filings with the Securities and Exchange Commission ("SEC"), including our 2014 Form 10-K.

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

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

Overview

HomeTrust Bancshares, Inc., a Maryland corporation, was organized in July 2012 for the purpose of becoming the holding company of HomeTrust Bank, upon the Bank's conversion from a federal mutual to a federal stock savings bank ("Conversion"). The Conversion was completed on July 10, 2012. On August 25, 2014, the Bank converted from a federal

savings bank charter to a national bank charter and the Company is now a bank holding company. HomeTrust Bancshares, Inc. is regulated by the Federal Reserve Board ("FRB"). The Company has not engaged in any significant activity other than holding the stock of the Bank. Accordingly, the information set forth in this report, including financial statements and related data, relates primarily to the Bank and its subsidiary.

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

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

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

Our primary source of pre-tax income is net interest income. Net interest income is the difference between interest income, which is the income that we earn on our loans and investments, and interest expense, which is the interest that we pay on our deposits and borrowings. Changes in levels of interest rates affect our net interest income. A secondary source of income is noninterest income, which includes revenue we receive from providing products and services, including service charges on deposit accounts, mortgage banking income and gains and losses from sales of securities. Our noninterest expenses consist primarily of salaries and employee benefits, expenses for occupancy, marketing and computer services and FDIC deposit insurance premiums. Salaries and benefits consist primarily of the salaries and wages paid to our employees, payroll taxes, expenses for retirement and other employee benefits. Occupancy expenses, which are the fixed and variable costs of buildings and equipment, consist primarily of lease payments, property taxes, depreciation charges, maintenance and costs of utilities.

In spite of persistently weak economic conditions and exceptionally low interest rates which have created an unusually challenging banking environment for an extended period, the Company experienced marked improvement in profitability in fiscal years 2013 and 2014 as real estate values modestly improved along with general economic conditions resulting in materially lower loan charge-offs and write-downs of real estate owned ("REO") as compared to prior periods. As a result, during the quarter ended December 31, 2014 we recorded no provision for loan losses and during the quarter ended December 31, 2013 we recorded a \$700,000 recovery for loan losses primarily due to lower net loan charge-offs and improved asset quality. For the quarter ended December 31, 2014, the Company had net income of \$2.0 million, or \$0.10 per diluted share, as compared to net income of \$2.9 million, or \$0.15 per diluted share, for the three months ended December 31, 2013. Although there continue to be indications that economic conditions in our market areas are improving from the recessionary downturn, the pace of recovery has been modest and uneven and ongoing stress in the economy will likely continue to be challenging going forward. However, over the past two years we have significantly added to our customer base, as well as substantially improved our risk profile by aggressively managing and reducing our problem assets, which has resulted in lower credit costs, and which we believe has positioned the Company well to meet this challenging environment with continued success.

We intend to expand through organic growth and through the acquisition of other community financial institutions and/or bank branches. Our goal is to continue to enhance our franchise value and earnings through strategic, planned growth in our banking operations, while maintaining the community-focused, relationship style of exceptional customer service that has differentiated our brand and characterized our success to date. As part of this strategy, on

Edgar Filing: TOLL BROTHERS INC - Form 8-K

July 31, 2013, we completed our first acquisition as a public company, by acquiring BankGreenville Financial Corporation ("BankGreenville") with one office in Greenville, South Carolina. BankGreenville reported total assets of \$105.1 million, total deposits of \$90.0 million, and stockholders' equity of \$9.6 million at June 30, 2013. On May 31, 2014, we completed our acquisition of Jefferson Bancshares, Inc. ("Jefferson"), the holding company for Jefferson Federal Bank. Jefferson had twelve offices located across East Tennessee and reported total assets of \$506.8 million, total deposits of \$384.0 million, and stockholders' equity of \$54.4 million at March

31, 2014. On July 31, 2014, we completed our acquisition of Bank of Commerce with one office in midtown Charlotte, North Carolina. As of June 30, 2014, Bank of Commerce had total assets of \$123.0 million, total deposits of \$92.8 million, and stockholders' equity of \$12.5 million. On July 21, 2014, the Bank opened a commercial loan production office in downtown Roanoke, Virginia. Additionally, on November 12, 2014, the Bank opened a commercial loan production office in Raleigh, North Carolina. On November 14, 2014, we completed our acquisition of ten branch banking operations in Virginia and North Carolina from Bank of America Corporation (the "Branch Acquisition") with six of the branches located in Roanoke Valley, two in Danville, one in Martinsville, Virginia, and one in Eden, North Carolina. We purchased total loans of \$1.0 million, premises and equipment of \$9.0 million, and total deposits of \$329.2 million in this branch acquisition.

At December 31, 2014, we had 45 locations in North Carolina (including the Asheville metropolitan area, the "Piedmont" region, and Charlotte), South Carolina (Greenville), East Tennessee (including Kingsport/Johnson City, Knoxville, and Morristown) and Virginia (including Danville, Martinsville, and the "Roanoke Valley" region) and our commercial loan production offices in Roanoke, Virginia and Raleigh, North Carolina.

Critical Accounting Policies and Estimates

Certain of our accounting policies are important to the portrayal of our financial condition, since they require management to make difficult, complex or subjective judgments, some of which may relate to matters that are inherently uncertain. Estimates associated with these policies are susceptible to material changes as a result of changes in facts and circumstances. Facts and circumstances which could affect these judgments include, but are not limited to, changes in interest rates, changes in the performance of the economy and changes in the financial condition of borrowers. These policies relate to (i) the determination of the provision and the allowance for loan losses, (ii) business combinations, (iii) the valuation of REO, (iv) the calculation of post retirement plan expenses and benefits, and (v) the valuation of or recognition of deferred tax assets and liabilities. These policies and estimates are described in further detail in Part II, Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations and Note 1, Summary of Significant Accounting Policies with the 2014 Form 10-K. There have not been any material changes in the Company's critical accounting policies and estimates as compared to the disclosure contained in the Company's 2014 Form 10-K.

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

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

Comparison of Financial Condition at December 31, 2014 and June 30, 2014

Assets. Total assets increased \$565.9 million, or 27.3%, to \$2.64 billion at December 31, 2014 from \$2.07 billion at June 30, 2014. This increase was largely due to the Branch Acquisition and Bank of Commerce acquisition this fiscal year. The Company recorded \$4.0 million of goodwill and \$640,000 of core deposit intangibles in connection with the Bank of Commerce acquisition and \$7.9 million of core deposit intangibles in connection with the Branch Acquisition. Nonperforming assets decreased to \$44.3 million, or 1.68% of total assets, at December 31, 2014, compared to \$53.6 million, or 2.59% of total assets, at June 30, 2014. The decrease in nonperforming assets was primarily due to loans returning to performing status as payment history and the borrower's financial status improved. Nonperforming assets included \$33.7 million in nonaccruing loans and \$10.6 million in REO at December 31, 2014, compared to nonaccruing loans and REO of \$37.9 million and \$15.7 million at June 30, 2014, respectively. At December 31, 2014, \$15.6 million, or 46.4%, of nonaccruing loans were current on their required loan payments. Purchased credit-impaired ("PCI") loans totaling \$10.2 million at December 31, 2014 and \$9.2 million at June 30, 2014 are excluded from nonaccruing loans due to the accretion of discounts established in accordance with the

acquisition method of accounting for business combinations.

Cash and cash equivalents. Total cash and cash equivalents increased \$314.4 million, or 686.0%, to \$360.2 million at December 31, 2014 from \$45.8 million at June 30, 2014. The increase was primarily due to funds received from the Branch Acquisition. At December 31, 2014, certificates of deposits in other banks totaled \$196.6 million compared to \$163.8 million at June 30, 2014. All of the certificates of deposit in other banks are fully insured under the FDIC.

Investments. Securities available for sale increased \$26.4 million, or 15.6%, to \$195.1 million at December 31, 2014 from \$168.7 million at June 30, 2014 primarily as a result of the acquisition of Bank of Commerce. During the six months ended December 31, 2014 \$44.9

million of securities available for sale were purchased, \$21.4 million matured, \$10.4 million in proceeds from sales were received and \$11.9 million of principal payments were received. The securities purchased and acquired during the period were primarily short- to intermediate-term U.S. government agency notes and mortgage-backed securities and, to a lesser extent, intermediate-term taxable municipal securities. Other investments increased \$15.3 million primarily due to the purchase of \$6.2 million of Federal Reserve Bank stock in conjunction with the Bank's conversion to a national bank and \$9.1 million in additional Federal Home Loan Bank ("FHLB") stock. We evaluate individual investment securities quarterly for other-than-temporary declines in market value. We do not believe that there are any other-than-temporary impairments at December 31, 2014; therefore, no impairment losses have been recorded during the first six months of fiscal 2015.

Loans. Net loans receivable increased \$153.5 million, or 10.4%, at December 31, 2014 to \$1.63 billion from \$1.47 billion at June 30, 2014 primarily due to \$86.2 million in loans acquired from Bank of Commerce, \$40.9 million in home equity lines of credit purchased in December 2014, and \$26.4 million in net organic loan growth. Since June 30, 2014, commercial real estate loans increased \$77.1 million and commercial and industrial loans increased \$17.8 million largely due to the Bank of Commerce acquisition. Total loan originations increased \$94.5 million, or 63.2%, to \$244.0 million during the six months ended December 31, 2014 compared to \$149.5 million during the six months ended December 31, 2013.

Allowance for loan losses. The allowance for loan losses was \$23.4 million, or 1.41% of total loans, at December 31, 2014 compared to \$23.4 million, or 1.56% of total loans, at June 30, 2014. The allowance for loan losses was 1.79% of total loans at December 31, 2014, excluding loans acquired from BankGreenville, Jefferson, and Bank of Commerce as the loans acquired from these acquisitions are excluded from the allowance for loan losses in accordance with the acquisition method of accounting for business combinations. The Company recorded these loans at fair value, which includes a credit discount, therefore, no allowance for loan losses is established for these acquired loans unless the credit quality deteriorates further subsequent to the acquisition. The Company recorded a net loan recovery of \$176,000 for the six months ended December 31, 2014 as compared to a \$1.9 million net charge-off for the same period last year. Net loan charge-offs as a percentage of average loans also decreased significantly to (0.02%) for the six months ended December 31, 2014 from 0.33% for the six months ended December 31, 2013. Nonaccruing loans decreased 11.1% to \$33.7 million at December 31, 2014 from \$37.9 million at June 30, 2014. Nonaccruing loans to total loans decreased to 2.04% at December 31, 2014 from 2.53% at June 30, 2014. At December 31, 2014, \$15.6 million, or 46.4%, of total nonaccruing loans were current on their loan payments. The allowance as a percentage of nonaccruing loans increased from 61.79% at June 30, 2014 to 69.38% at December 31, 2014.

The ratio of classified assets to total assets was 3.62% at December 31, 2014 compared to 4.56% at June 30, 2014. Classified assets were \$95.5 million at December 31, 2014 compared to \$94.7 million at June 30, 2014.

Real estate owned. REO decreased \$5.1 million, to \$10.6 million at December 31, 2014 primarily due to the sale of \$6.6 million in REO during the period partially offset by \$224,000 in REO acquired in the Bank of Commerce acquisition and \$1.4 million in other foreclosures. The total balance of REO at December 31, 2014 included \$5.6 million in land, construction and development projects (both residential and commercial), \$1.3 million in commercial real estate and \$3.7 million in single-family homes.

Deposits. Deposits increased \$355.3 million, or 22.4%, from \$1.58 billion at June 30, 2014 to \$1.94 billion at December 31, 2014. This increase was primarily due to the Branch Acquisition and Bank of Commerce which increased total deposits by \$422.6 million partially offset by a \$67.3 million decrease in existing deposits. The Company recorded \$640,000 of core deposit intangibles in connection with the Bank of Commerce acquisition and \$7.9 million of core deposit intangibles in connection with the Branch Acquisition. Certificates of deposit increased

\$16.2 million during the period primarily as a result of Bank of Commerce and the Branch Acquisition.

Borrowings. Other borrowings increased to \$250.0 million at December 31, 2014 from \$50.0 million at June 30, 2014 primarily as a result of a \$200.0 million increase in FHLB advances. All FHLB advances have maturities of less than 90 days with a weighted average interest rate of 0.21% at December 31, 2014.

Equity. Stockholders' equity at December 31, 2014 increased to \$380.9 million from \$377.2 million at June 30, 2014. The increase in stockholders' equity primarily reflected a \$4.3 million increase in retained earnings as a result of the net income from the first six months of fiscal 2015 partially offset by the repurchase of 198,503 shares of common stock at an average cost of \$15.52 per share, or approximately \$3.1 million in total.

Average Balances, Interest and Average Yields/Cost

The following table sets forth for the periods indicated, information regarding average balances of assets and liabilities as well as the total dollar amounts of interest income from average interest earning assets and interest expense on average interest bearing liabilities, resultant yields, interest rate spread, net interest margin (otherwise known as net yield on interest earning assets), and the ratio of average interest earning assets to average interest-bearing liabilities. All average balances are daily average balances. Nonaccruing loans have been included in the table as loans carrying a zero yield.

	For the Three Months Ended December 31,						
	2014			2013			
	Average	Interest		Average	Interest		
	Balance	Earned/	Yield/	Balance	Earned/	Yield/	
	Outstanding	Paid ⁽²⁾	Rate ⁽²⁾	Outstanding	Paid ⁽²⁾	Rate ⁽²⁾	
	(Dollars in thousands)						
Interest-earning assets:							
Loans receivable(1)	\$ 1,613,457	\$ 20,499	5.08 %	\$ 1,191,755	\$ 15,127	5.08 %	
Deposits in other financial institutions	385,661	590	0.61 %	189,394	426	0.90 %	
Investment securities	181,450	884	1.95 %	78,053	295	1.51 %	
Other	51,925	262	2.02 %	46,404	173	1.49 %	
Total interest-earning assets	2,232,493	22,235	3.98 %	1,505,606	16,021	4.26 %	
Interest-bearing liabilities:							
Interest-bearing checking accounts	341,217	116	0.14 %	212,244	54	0.10 %	
Money market accounts	447,718	273	0.24 %	307,984	200	0.26 %	
Savings accounts	208,725	77	0.15 %	84,069	36	0.17 %	
Certificate accounts	633,952	798	0.67 %	549,362	1,092	0.79 %	
Borrowings	204,076	105	0.20 %	2,225	1	0.18 %	
Total interest-bearing liabilities	1,835,688	1,369	0.30 %	1,155,884	1,383	0.48 %	
Net earning assets	\$ 396,805			\$ 349,722			
Average interest-earning assets to average interest-bearing liabilities	121.62	%		130.26	%		
Tax-equivalent:							
Net interest income		\$ 20,866			\$ 14,638		
Interest rate spread			3.69 %			3.78 %	
Net interest margin(3)			3.74 %			3.89 %	
Non-tax-equivalent:							
Net interest income		\$ 20,190			\$ 13,883		
Interest rate spread			3.56 %			3.58 %	
Net interest margin(3)			3.62 %			3.69 %	

(1) The average loans receivable, net balances include loans held for sale and nonaccruing loans.

(2) Interest income used in the average interest/earned and yield calculation includes the tax equivalent adjustment of \$676,000 and \$755,000 for the three months ended December 31, 2014 and 2013, respectively, calculated based on a federal tax rate of 34%.

(3) Net interest income divided by average interest-earning assets.

Edgar Filing: TOLL BROTHERS INC - Form 8-K

	For the Six Months Ended December 31, 2014			2013		
	Average Balance Outstanding (Dollars in thousands)	Interest Earned/ Paid ⁽²⁾	Yield/ Rate ⁽²⁾	Average Balance Outstanding	Interest Earned/ Paid ⁽²⁾	Yield/ Rate ⁽²⁾
Interest-earning assets:						
Loans receivable(1)	\$1,590,932	\$39,736	5.00 %	\$1,194,874	\$29,997	5.02 %
Deposits in other financial institutions	287,228	1,030	0.72 %	211,337	869	0.82 %
Investment securities	176,043	1,689	1.92 %	65,149	506	1.55 %
Other	29,250	325	2.22 %	34,422	280	1.63 %
Total interest-earning assets	2,083,453	42,780	4.11 %	1,505,782	31,652	4.20 %
Interest-bearing liabilities:						
Interest-bearing checking accounts	315,874	187	0.12 %	212,259	163	0.15 %
Money market accounts	418,697	525	0.25 %	300,236	406	0.27 %
Savings accounts	197,204	155	0.16 %	83,378	73	0.17 %
Certificate accounts	632,342	1,623	0.51 %	554,243	2,283	0.82 %
Borrowings	137,905	144	0.21 %	2,296	4	0.35 %
Total interest-bearing liabilities	1,702,022	2,634	0.31 %	1,152,412	2,929	0.50 %
Net earning assets	\$381,431			\$353,370		
Average interest-earning assets to average interest-bearing liabilities	122.41 %			130.66 %		
Tax-equivalent:						
Net interest income	\$40,146			\$28,723		
Interest rate spread	3.80 %			3.70 %		
Net interest margin(3)	3.85 %			3.82 %		
Non-tax-equivalent:						
Net interest income	\$38,790			\$27,179		
Interest rate spread	3.67 %			3.49 %		
Net interest margin(3)	3.72 %			3.61 %		

(1) The average loans receivable, net balances include loans held for sale and nonaccruing loans.

(2) Interest income used in the average interest/earned and yield calculation includes the tax equivalent adjustment of \$1.4 million and \$1.5 million for the six months ended December 31, 2014 and 2013, respectively, calculated based on a federal tax rate of 34%.

(3) Net interest income divided by average interest-earning assets.

Rate/Volume Analysis

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

	Three Months Ended December 31, 2014 Compared to Three Months Ended December 31, 2013		
	Increase/ (decrease) due to		Total increase/ (decrease)
	Volume	Rate	
Interest-earning assets:			
Loans receivable	\$5,351	\$21	\$ 5,372
Deposits in other financial institutions	441	(277)	164
Investment securities	391	198	589
Other	21	68	89
Total interest-earning assets	\$6,204	\$10	\$ 6,214
Interest-bearing liabilities:			
Interest-bearing checking accounts	\$33	\$29	\$ 62
Money market accounts	91	(18)	73
Savings accounts	53	(12)	41
Certificate accounts	168	(462)	(294)
Borrowings	91	13	104
Total interest-bearing liabilities	\$436	\$(450)	\$(14)
Net increase in tax equivalent interest income...	\$5,768	\$460	\$ 6,228

	Six Months Ended December 31, 2014 Compared to Six Months Ended December 31, 2013		
	Increase/ (decrease) due to		Total increase/ (decrease)
	Volume	Rate	
Interest-earning assets:			
Loans receivable	\$9,943	\$(204)	\$ 9,739
Deposits in other financial institutions	312	(151)	161
Investment securities	861	322	1,183
Other	(42)	87	45
 Total interest-earning assets	 \$11,074	 \$54	 \$ 11,128
Interest-bearing liabilities:			
Interest-bearing checking accounts	\$80	\$(56)	\$ 24
Money market accounts	160	(41)	119
Savings accounts	90	(8)	82
Certificate accounts	322	(982)	(660)
Borrowings	236	(96)	140
 Total interest-bearing liabilities	 \$888	 \$(1,183)	 \$(295)
 Net increase in tax equivalent interest income...	 \$10,186	 \$1,237	 \$ 11,423

Comparison of Results of Operation for the Three Months Ended December 31, 2014 and 2013

General. During the three months ended December 31, 2014, we had net income of \$2.0 million compared to \$2.9 million for the three months ended December 31, 2013. The decrease in net income for the second quarter of fiscal 2015 was primarily the result of a \$2.3 million increase in merger expenses related to the acquisitions of Jefferson, Bank of Commerce and the Branch Acquisition. On a basic and diluted per share basis, the Company earned \$0.10 per share in the second quarter of fiscal 2015, compared to \$0.15 per share in the second quarter of fiscal 2014.

Net Interest Income. Net interest income was \$20.2 million for the three months ended December 31, 2014 compared to \$13.9 million for the three months ended December 31, 2013. The \$6.3 million, or 45.4%, increase was due to an increase in interest income of \$6.3 million driven by the Company's recent acquisitions. The net interest margin (on a fully taxable-equivalent basis) for the three months ended December 31, 2014 decreased 15 basis points over the same period last year to 3.74%, due primarily to funds received from the Branch Acquisition being initially invested at nominal short-term interest rates, payoffs of loans which had a higher yield than the average yield of loans, and adjustable rate loans repricing to lower current market interest rates. The yield on interest-earning assets (on a fully taxable-equivalent basis) for the quarter ended December 31, 2014 decreased 28 basis points to 3.98% while the rate paid on interest-bearing liabilities decreased 18 basis points to 0.30% as compared to the same period last year. Net interest margin is enhanced by the amortization of purchase accounting discounts on purchased loans and certificates

of deposit received in the acquisitions of Jefferson, Bank of Commerce and BankGreenville, which is accreted into net interest income. This additional income stems from the discount established at the time these loan portfolios were acquired and the related impact of prepayments on purchased loans. Each quarter, the Company analyzes the cash flow assumptions on loan pools purchased and, at least semi-annually, the Company updates loss estimates, prepayment speeds and other variables when analyzing cash flows. In addition to this accretion income, which is recognized over the estimated life of the loans pools, if a loan is removed from a pool due to payoff or foreclosure, the unaccreted discount in excess of losses is recognized as an accretion gain in interest income. As a result, income from loan pools can be volatile from quarter to quarter. Excluding the amortization of purchase accounting discounts on loans and certificates of deposit of \$1.9 million, the net interest margin (on a fully taxable-equivalent basis) for the quarter ended December 31, 2014 decreased 39 basis points to 3.41% compared to 3.80% over the same period last year. Due to a significant number of adjustable-rate loans in the loan portfolio with interest rate floors below which the loans' contractual interest rate may not adjust, net interest income will be negatively impacted in a rising interest rate environment until such time as the current rate exceeds these interest rate floors. As of December 31, 2014, our loans with interest rate floors totaled approximately \$577.7 million and had a weighted average floor rate of 4.37% of which \$266.6 million, or 46.1%, had yields that would begin floating again once prime rates increase at least 200 basis points.

Interest Income. Interest income for the three months ended December 31, 2014 was \$21.6 million, compared to \$15.3 million for the three months ended December 31, 2013, an increase of \$6.3 million, or 41.2%. The increase in interest income occurred primarily as a result of the \$421.7 million increase in average loans receivable obtained through the Jefferson and Bank of Commerce acquisitions. Interest income on loans receivable increased by \$5.5 million, or 37.9%, to \$19.8 million for the three months ended December 31, 2014 from \$14.4 million for the three months ended December 31, 2013. The average tax-equivalent yield on loans was 5.08% for the three months ended December 31, 2014 and 2013.

The combined average balance of investment securities, deposits in other financial institutions, and other interest-earning assets increased by \$305.2 million, or 97.2%, to \$619.0 million for the three months ended December 31, 2014, while the interest and dividend income from those investments increased by \$842,000 compared to the prior fiscal year. The increase in average balance was primarily due to the acquisition of investment securities from the Jefferson and Bank of Commerce mergers as well as invested funds acquired from the Branch Acquisition.

Interest Expense. Interest expense was \$1.4 million for the three months ended December 31, 2014 and 2013. The average cost of interest-bearing liabilities decreased 18 basis points to 0.30% for the three months ended December 31, 2014, from 0.48% for the same period one year earlier while average interest-bearing liabilities increased \$679.8 million over the same time period as a result of our recent acquisitions.

Deposit interest expense decreased \$118,000, or 8.5%, to \$1.3 million for the three months ended December 31, 2014 compared to \$1.4 million for the same three month period in the prior fiscal year primarily as a result of a 12 basis point decrease in the average cost of certificates of deposit coupled with an 18 basis point decrease in the overall cost of deposits. Average borrowings increased to \$204.1 million for the three months ended December 31, 2014, from \$2.2 million for the three months ended December 31, 2013, while the average rate paid on borrowings increased two basis points to 0.20% in the current three month period.

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

During the three months ended December 31, 2014, there was no provision for loan losses compared to a recovery of \$700,000 for the three months ended December 31, 2013. The provision for loan losses reflects the amount required to maintain the allowance for losses at an appropriate level based upon management's evaluation of the adequacy of general and specific loss reserves, trends in delinquencies and net charge-offs and current economic conditions.

The allowance for loan losses at December 31, 2014 primarily reflected the lingering weakness in the economy in our market areas and continued elevated level of delinquent, nonaccruing and classified loans as compared to historical levels.

Nonaccruing loans decreased to \$33.7 million at December 31, 2014 from \$37.9 million at June 30, 2014. Delinquent loans (loans delinquent 30 days or more) increased to \$34.6 million at December 31, 2014, from \$31.5 million at December 31, 2013.

Net loan charge-offs decreased to a recovery of \$275,000 for the three months ended December 31, 2014 from a \$1.4 million net charge-off for the same period last year. Net charge-offs as a percentage of average loans decreased to (0.07%) for the quarter ended December 31, 2014 from 0.46% for the same period last fiscal year. A comparison of the allowance at December 31, 2014 and 2013 reflects a decrease of \$3.8 million to \$23.4 million at December 31, 2014, from \$27.1 million at December 31, 2013. The allowance as a percentage of total loans decreased to 1.41% at December 31, 2014, compared to 2.32% at December 31, 2013. The allowance for loan losses was 1.79% of total loans at December 31, 2014, excluding loans acquired from BankGreenville, Jefferson, and Bank of Commerce as the loans acquired from these acquisitions are excluded from the allowance for loan losses in accordance with the acquisition method of accounting for business combinations. The Company recorded these loans at fair value, which includes a credit discount; therefore, no allowance for loan losses is established for these acquired loans unless the credit quality deteriorates further subsequent to the acquisition. The allowance as a percentage of nonaccruing loans increased to 69.38% at December 31, 2014, compared to 47.87% at December 31, 2013. At December 31, 2014, \$15.6

million, or 46.4%, of total nonaccruing loans were current on their loan payments, of which \$6.7 million were TDRs.

As of December 31, 2014, we had identified \$56.9 million of impaired loans. Our impaired loans are comprised of loans on non-accrual status and all TDRs, whether performing or on non-accrual status under their restructured terms. Impaired loans may be evaluated for reserve purposes using either a specific impairment analysis or on a collective basis as part of homogeneous pools. For more information on these impaired loans, see Note 5 of the Notes to Consolidated Financial Statements under Item 1 of this report.

We believe that the allowance for loan losses as of December 31, 2014 was adequate to absorb the known and inherent risks of loss in the loan portfolio at that date. While we believe the estimates and assumptions used in our determination of the adequacy of the allowance are reasonable, there can be no assurance that such estimates and assumptions will not be proven incorrect in the future, or that the actual amount of future provisions will not exceed the amount of past provisions or that any increased provisions that may be required will not adversely impact our financial condition and results of operations. In addition, the determination of the amount of the allowance for loan losses is subject to review by bank regulators as part of the routine examination process, which may result in the establishment of additional reserves based upon their judgment of information available to them at the time of their examination.

41

Noninterest Income. Noninterest income increased \$573,000, or 25.5%, to \$2.8 million for the second quarter of fiscal 2015 from \$2.2 million for the second quarter of fiscal 2014, primarily due to a \$664,000, or 101.5%, increase in service charges on deposit accounts related to the increase in the number of deposit accounts as a result of our recent acquisitions.

Noninterest Expense. Noninterest expense for the quarter ended December 31, 2014 increased \$6.8 million, or 50.9%, to \$20.1 million compared to \$13.3 million for the quarter ended December 31, 2013. This increase was primarily related to a \$2.6 million increase in salaries and employee benefits, a \$2.3 million increase in merger-related expenses, and a \$719,000 increase in net occupancy expense and a \$449,000 increase in the core deposit intangible amortization, all of which were primarily related to our recent acquisitions. These increases in noninterest expense were partially offset by a \$610,000 decrease in real estate owned related expenses for the quarter ended December 31, 2014 compared to the same period last year reflecting the reduction in the number of REO properties held by us and improvement in the real estate markets.

Income Taxes. For the three months ended December 31, 2014, we recorded income tax expense of \$825,000, which was an effective tax rate of 28.7%, compared to an expense of \$606,000 for the three months ended December 31, 2013. This increase was primarily due to a \$289,000 tax benefit in the three months ended December 31, 2013 related to the decrease in our deferred tax valuation allowance related to capital loss carryforwards.

Comparison of Results of Operation for the Six Months Ended December 31, 2014 and 2013

General. During the six months ended December 31, 2014, we had net income of \$4.3 million compared to \$6.2 million for the six months ended December 31, 2013. The decrease in net income for the first six months of fiscal 2015 was primarily the result of a \$3.5 million increase in merger expenses related to the acquisitions of Jefferson, Bank of Commerce and the Branch Acquisition. On a basic and diluted per share basis, the Company earned \$0.22 per share in the first six months of fiscal 2015, compared to \$0.32 per share in the first six months of fiscal 2014.

Net Interest Income. Net interest income was \$38.8 million for the six months ended December 31, 2014 compared to \$27.2 million for the six months ended December 31, 2013. The \$11.6 million, or 42.7%, increase was primarily due to an \$11.3 million increase in interest income driven by our recent acquisitions, coupled with a decrease in interest expense of \$295,000. The net interest margin (on a fully taxable-equivalent basis) for the six months ended December 31, 2014 increased three basis points over the same period last year to 3.85%. The yield on interest-earning assets (on a fully taxable-equivalent basis) for the six months ended December 31, 2014 decreased nine basis points to 4.11% while the rate paid on interest-bearing liabilities decreased 19 basis points to 0.31% as compared to the same period last year due primarily to funds received from the Branch Acquisition being initially invested at nominal short-term rates. Excluding the amortization of purchase accounting discounts on loans and certificates of deposit of \$2.8 million, the net interest margin (on a fully taxable-equivalent basis) for the six months ended December 31, 2014 decreased 15 basis points to 3.59% compared to 3.74% over the same period last year.

Interest Income. Interest income for the six months ended December 31, 2014 was \$41.4 million, compared to \$30.1 million for the six months ended December 31, 2013, an increase of \$11.3 million, or 37.6%. The increase in interest income occurred primarily as a result of the \$396.1 million increase in average loans receivable obtained primarily through the Jefferson and Bank of Commerce acquisitions offsetting a two basis point decline in the average tax-equivalent loan yield. Interest income on loans receivable increased by \$9.9 million, or 34.9%, to \$38.4 million for the six months ended December 31, 2014 from \$28.5 million for the six months ended December 31, 2013. The average tax-equivalent yield on loans was 5.00% for the six months ended December 31, 2014, compared to 5.02% for the same three month period one year earlier. The decrease in average tax-equivalent loan yields reflects the continuing very low level of market interest rates, the maturity or repayment of higher yielding loans, and downward repricing of adjustable rate loans to current market rates.

The combined average balance of investment securities, deposits in other financial institutions, and other interest-earning assets increased by \$181.6 million, or 58.4%, to \$492.5 million for the six months ended December 31, 2014, while the interest and dividend income from those investments increased by \$1.4 million compared to the prior fiscal year. The increase in average balance was primarily due to the acquisition of investment securities from the Jefferson and Bank of Commerce mergers as well as invested funds from the Branch Acquisition.

Interest Expense. Interest expense for the six months ended December 31, 2014 was \$2.6 million, compared to \$2.9 million for the six months ended December 31, 2013, a decrease of \$295,000, or 10.1%. The decrease in interest expense occurred as a result of a 19 basis point decrease in the average cost of interest-bearing liabilities to 0.31% for the six months ended December 31, 2014, from 0.50% for the same period one year earlier, despite a \$549.6 million increase in average interest-bearing liabilities over the same time period as a result of our recent acquisitions. These decreases reflect lower deposit rates, specifically, the managed decline in certificates of deposit as our pricing decreases were designed to allow higher rate certificates of deposit to run off.

Deposit interest expense decreased \$435,000, or 14.9%, to \$2.5 million for the six months ended December 31, 2014 compared to \$2.9 million for the same six month period in the prior fiscal year primarily as a result of a 31 basis point decrease in the average cost of certificates of deposit coupled with a 18 basis point decrease in the overall cost of deposits. Average borrowings increased to \$137.9 million for the six months ended December 31, 2014, from \$2.3 million for the six months ended December 31, 2013, while the average rate paid on borrowings decreased to 0.21% in the current six month period. This decrease in the average rate paid on borrowings was primarily a result of the increase in FHLB advances at lower, short-term rates.

Provision for Loan Losses. During the six months ended December 31, 2014, the recovery for loan losses was \$250,000, compared to a \$3.0 million recovery for loan losses for the six months ended December 31, 2013. The Company's continued reversal of the provision for loan losses was driven by a recovery of net loan charge-offs and improved asset quality. Net loan charge-offs decreased to a recovery of \$176,000 for the six months ended December 31, 2014 from a \$1.9 million net charge-off for the same period last year. Net charge-offs as a percentage of average loans decreased to (0.02%) for the six months ended December 31, 2014 from 0.33% for the same period last fiscal year.

Noninterest Income. Noninterest income increased \$1.1 million, or 23.7%, to \$5.6 million for the six months ended December 31, 2014 from \$4.5 million for the second quarter of fiscal 2014, primarily due to a \$1.0 million, or 78.5%, increase in service charges on deposit accounts related to our recent acquisitions. Mortgage banking income decreased \$226,000 due to a \$12.8 million decrease in mortgage loans originated for sale.

Noninterest Expense. Noninterest expense for the six months ended December 31, 2014 increased \$13.4 million, or 53.2%, to \$38.6 million compared to \$25.2 million for the six months ended December 31, 2013. This increase was primarily related to a \$5.2 million increase in salaries and employee benefits, a \$3.5 million increase in merger-related expenses, a \$1.4 million increase in net occupancy expense and an \$834,000 increase in the core deposit intangible amortization all of which were primarily related to our recent acquisitions. These increases in noninterest expense were partially offset by a \$473,000 decrease in REO related expenses for the six months ended December 31, 2014 compared to the same period last year reflecting the reduction in the number of REO properties held by us and improvement in the real estate markets.

Income Taxes. For the six months ended December 31, 2014, we recorded income tax expense of \$1.7 million, which was an effective tax rate of 28.2%, compared to an expense of \$3.3 million for the six months ended December 31, 2013. This decrease was due to lower income before income taxes, as well as a nonrecurring \$962,000 charge incurred in the first quarter of fiscal 2014 related to the decline in value of our deferred tax assets based on decreases in North Carolina's state corporate tax rates. Beginning January 1, 2014, North Carolina's corporate tax rate was reduced from 6.9% to 6.0% and to 5.0% in 2015 with additional reductions to 3.0% in 2017 possible in the event certain state revenue triggers are achieved.

Liquidity

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

In addition to these primary sources of funds, management has several secondary sources available to meet potential funding requirements. As of December 31, 2014, the Bank had an additional borrowing capacity of \$77.8 million with the FHLB of Atlanta, a \$106.1 million line of credit with the Federal Reserve Bank of Richmond and a \$20.0 million line of credit with another unaffiliated bank. At December 31, 2014, we had \$250.0 million in FHLB advances

outstanding and nothing outstanding under our other lines of credit. Additionally, the Company classifies its securities portfolio as available for sale, providing an additional source of liquidity. Management believes that our security portfolio is of high quality and the securities would therefore be marketable. In addition, we have historically sold longer term fixed-rate mortgage loans in the secondary market to reduce interest rate risk and to create still another source of liquidity. From time to time we also utilize brokered time deposits to supplement our other sources of funds. Brokered time deposits are obtained by utilizing an outside broker that is paid a fee. This funding requires advance notification to structure the type of deposit desired by us. Brokered deposits can vary in term from one month to several years and have the benefit of being a source of longer-term funding. We also utilize brokered deposits to help manage interest rate risk by extending the term to repricing of our liabilities, enhance our liquidity and fund asset growth. Brokered deposits are typically from outside our primary market areas, and our brokered deposit levels may vary from time to time depending on competitive interest rate conditions and other factors. At December 31, 2014 brokered deposits totaled \$14.5 million, or 0.7% of total deposits.

Liquidity management is both a daily and long-term function of business management. Excess liquidity is generally invested in short-term investments, such as overnight deposits and federal funds. On a longer term basis, we maintain a strategy of investing in various lending products and investment securities, including mortgage-backed securities. HomeTrust Bancshares on a stand-alone level is a separate legal entity from the Bank and must provide for its own liquidity and pay its own operating

43

expenses. The Company's primary source of funds consists of the net proceeds retained from the Conversion. The Company also has the ability to receive dividends or capital distributions from the Bank, although there are regulatory restrictions on the ability of the Bank to pay dividends. At December 31, 2014, the Company (on an unconsolidated basis) had liquid assets of \$37.7 million.

We use our sources of funds primarily to meet our ongoing commitments, pay maturing deposits and fund withdrawals, and to fund loan commitments. At December 31, 2014, the total approved loan commitments and unused lines of credit outstanding amounted to 81.7 million and \$215.6 million, respectively, as compared to \$55.4 million and \$167.6 million, respectively, as of June 30, 2014. Certificates of deposit scheduled to mature in one year or less at December 31, 2014, totaled \$408.9 million. It is management's policy to manage deposit rates that are competitive with other local financial institutions. Based on this management strategy, we believe that a majority of maturing deposits will remain with us.

During the first six months of fiscal 2015, cash and cash equivalents increased \$314.4 million, or 686.0%, from \$45.8 million as of June 30, 2014 to \$360.2 million as of December 31, 2014. The increase was primarily attributable to the \$310.9 million in cash provided by the Branch Acquisition, net of deposit premium, that occurred in the second quarter of fiscal 2015. Cash provided by operating, investing and financing activities was \$7.2 million, \$192.8 million and \$114.4 million, respectively. Primary sources of cash for the six months ended December 31, 2014 included \$310.9 from the Branch Acquisition, an increase in other borrowings of \$184.8 million and proceeds from the sale and maturities of securities available for sale of \$31.8 million. Primary uses of cash during the period included a \$67.3 million decrease in deposits (excluding the \$422.6 million in deposits acquired from Bank of Commerce and the Branch Acquisition), an increase in loans of \$64.0 million, the purchase of certificates of deposit in other banks, net of maturities, of \$32.8 million and the purchases of \$44.9 million of securities available for sale.

Off-Balance Sheet Activities

In the normal course of operations, we engage in a variety of financial transactions that are not recorded in our financial statements. These transactions involve varying degrees of off-balance sheet credit, interest rate and liquidity risks. These transactions are used primarily to manage customers' requests for funding and take the form of loan commitments and lines of credit. For the three or six months ended December 31, 2014, we engaged in no off-balance sheet transactions likely to have a material effect on our financial condition, results of operations or cash flows.

A summary of our off-balance sheet commitments to extend credit at December 31, 2014, is as follows (in thousands):

Commitments to make loans	\$81.7
Unused lines of credit	215.6
Total loan commitments	\$297.3

Capital Resources

At December 31, 2014, equity totaled \$380.9 million. HomeTrust Bancshares, Inc. is a bank holding company registered with the FRB. Bank holding companies are subject to capital adequacy requirements of the FRB under the Bank Holding Company Act of 1956, as amended and the regulations of the FRB. The Bank, as a national bank is subject to the capital requirements established by the OCC.

The capital adequacy requirements are quantitative measures established by regulation that require HomeTrust Bancshares, Inc. and the Bank to maintain minimum amounts and ratios of capital. The FRB requires HomeTrust Bancshares, Inc. to maintain capital adequacy that generally parallels the OCC requirements. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by bank regulators that, if undertaken, could have a direct material effect on the Company's financial statements. At December 31, 2014, HomeTrust Bancshares, Inc. and the Bank each exceeded all regulatory capital requirements. In addition, the Bank must maintain total risk-based capital, Tier 1 risk-based capital and Tier 1 leverage capital ratios of 10.00%, 6.00% and 5.00%, respectively to be considered "Well-Capitalized" for regulatory purposes. The Bank was

categorized as "Well-Capitalized" at December 31, 2014 under the regulations of the OCC.

44

Edgar Filing: TOLL BROTHERS INC - Form 8-K

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

	Actual		Regulatory Requirements			
			Minimum for Capital Adequacy Purposes		Minimum to Be Well Capitalized	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
HomeTrust Bancshares, Inc.						
As of December 31, 2014:						
Tier I Capital (to Total Adjusted Assets)	\$295,322	12.40%	\$95,290	4.00%	\$n/	a n/ a
Tier I Capital (to Risk-weighted Assets)	\$295,322	16.67%	\$70,847	4.00%	\$n/	a n/ a
Total Risk-based Capital (to Risk-weighted Assets)	\$317,483	17.92%	\$141,694	8.00%	\$n/	a n/ a
As of June 30, 2014:						
Tier I Capital (to Total Adjusted Assets)	\$303,631	18.03%	\$67,378	4.00%	\$n/	a n/ a
Tier I Capital (to Risk-weighted Assets)	\$303,631	20.87%	\$58,208	4.00%	\$n/	a n/ a
Total Risk-based Capital (to Risk-weighted Assets)	\$321,886	22.12%	\$116,415	8.00%	\$n/	a n/ a
HomeTrust Bank:						
As of December 31, 2014:						
Tier I Capital (to Total Adjusted Assets)	\$231,928	9.84%	\$94,271	4.00%	\$117,838	5.00%
Tier I Capital (to Risk-weighted Assets)	\$231,928	13.20%	\$70,275	4.00%	\$105,412	6.00%
Total Risk-based Capital (to Risk-weighted Assets)	\$253,909	14.45%	\$140,549	8.00%	\$175,687	10.00%
As of June 30, 2014:						
Tier I Capital (to Total Adjusted Assets)	\$264,041	13.37%	\$78,985	4.00%	\$98,719	5.00%
Tier I Capital (to Risk-weighted Assets)	\$264,041	18.29%	\$57,750	4.00%	\$86,625	6.00%
Total Risk-based Capital (to Risk-weighted Assets)	\$282,160	19.54%	\$115,501	8.00%	\$144,376	10.00%

Impact of Inflation

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

years, the opposite may occur.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

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

Item 4. Controls and Procedures

An evaluation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934 (the "Act") as of December 31, 2014, was carried out under the supervision and with the participation of the Company's Chief Executive Officer, Chief Financial Officer and several other members of the Company's senior management. The Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures in effect as of December 31, 2014, 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

45

Chief Executive Officer and Chief Financial Officer) in a timely manner and (ii) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. In addition, there have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Act) that occurred during the quarter ended December 31, 2014, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

On March 14, 2012, a civil suit was filed (which was amended on April 25, 2012) in the County of Buncombe, North Carolina, Civil Superior Court Division, Twenty-Eighth Judicial Circuit, case number 2012CV-01206, by Leslie A. Whittington and 20 other plaintiffs against the Bank and a third party brokerage firm. The plaintiffs seek actual damages of \$12.5 million and additional treble or such other punitive damages as determined by the court. The suit alleges that the defendants should have been aware of the Ponzi scheme perpetrated by Mr. William Bailey through his company, Southern Financial Services, as a result of the transactions into and from the accounts at the Bank and the brokerage firm. The suit further alleges that the defendants were negligent and reckless in not monitoring, discovering and reporting the unlawful conduct of Mr. Bailey, including that he was kiting checks and converting funds for his own use. In addition, the suit claims the defendants were unjustly enriched by the fees they received from their business relationship with Mr. Bailey. Mr. Bailey pled guilty to federal criminal charges of securities fraud, mail fraud and filing false income taxes related to this matter in February 2011 and was sentenced on February 27, 2013.

The Company believes that the lawsuit is without merit and intends to defend itself vigorously; however, there can be no assurance that the Company will successfully defend or resolve this litigation matter. Based on the information available to the Company's litigation counsel at this time, they believe that the claims in this case are legally and factually without merit. Because this lawsuit is still in discovery, such counsel is unable to give an opinion at this time as to the likely outcome. Management, after review with its legal counsel, is of the opinion that this litigation should not have a material effect on the Company's financial position or results of operations, although new developments could result in management modifying its assessment.

Apart from the foregoing, from time to time we are involved as plaintiff or defendant in various legal actions arising in the normal course of business. We do not anticipate incurring any material liability as a result of any such litigation.

Item 1A. Risk Factors

There have been no material changes in the Risk Factors previously disclosed in Item 1A of the Company's 2014 Form 10-K.

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

The table below sets forth information regarding HomeTrust Bancshares' common stock repurchases during the three months ended December 31, 2014.

Period	Total Number Of Shares Purchased	Average Price Paid per Share	Total Number Of Shares Purchased as Part of Publicly Announced Plans	Maximum Number of Shares that May Yet Be Purchased Under the Plans
October 1 – October 31, 2014	5,000	\$ 14.67	5,000	36,924
November 1 – November 30, 2014	36,924	15.50	36,924	-
December 1 – December 31, 2014	13,819	15.48	13,819	1,009,447
Total	55,743	\$ 15.42	55,743	1,009,447

The Company did not sell any securities that were not registered under the Securities Act of 1933 during the three months ended December 31, 2014.

On January 31, 2014 the Company announced that its Board of Directors had authorized the repurchase of up to 989,183 shares of the Company's common stock, representing 5% of the Company's outstanding shares. As of December 31, 2014, all shares were purchased.

On November 19, 2014 the Company announced that its Board of Directors had authorized the repurchase of up to 1,023,266 shares of the Company's common stock, representing 5% of the Company's outstanding shares. The shares may be purchased in the open market or in privately negotiated transactions, from time to time depending upon market conditions and other factors. As of December 31, 2014, 13,819 shares were purchased.

Item 3. Defaults Upon Senior Securities

Nothing to report.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Nothing to report.

Item 6. Exhibits

See Exhibit Index.

SIGNATURES

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

HomeTrust Bancshares, Inc.

Date: February 9, 2015 By: /s/ Dana L. Stonestreet
Dana L. Stonestreet
Chairman, President and CEO
(Duly Authorized Officer)

Date: February 9, 2015 By: /s/ Tony J. VunCannon
Tony J. VunCannon
Executive Vice President, CFO, and Treasurer
(Principal Financial and Accounting Officer)

EXHIBIT INDEX

Regulation S-K Exhibit Number	Document	Reference to Prior Filing or Exhibit Number Attached Hereto
2.1	Purchase and Assumption Agreement, dated as of June 9, 2014, between Bank of America, National Association and HomeTrust Bank	(a)
2.2	Agreement and Plan of Merger, dated as of January 22, 2014, by and between HomeTrust Bancshares, Inc. and Jefferson Bancshares, Inc.	(b)
3.1	Charter of HomeTrust Bancshares, Inc.	(c)
3.2	Articles Supplementary to the Charter of HomeTrust Bancshares, Inc. for HomeTrust Bancshares, Inc.'s Junior Participating Preferred Stock, Series A	(d)
3.3	Bylaws of HomeTrust Bancshares, Inc.	(e)
4.1	Tax Benefits Preservation Plan, dated as of September 25, 2012, between HomeTrust Bancshares, Inc. and Registrar and Transfer Company, as Rights Agent	(d)
10.1	Employment Agreement entered into between HomeTrust Bancshares, Inc. and F. Edward Broadwell, Jr.	(c)
10.2	Amended and Restated Employment Agreement entered into between HomeTrust Bancshares, Inc. and Dana L. Stonestreet	(f)
10.3	Employment Agreement entered into between HomeTrust Bancshares, Inc. and each of Tony J. VunCannon and Howard L. Sellinger	(c)
10.4	Employment Agreement entered into between HomeTrust Bancshares, Inc. and C. Hunter Westbrook	(g)
10.5	Employment Agreement between HomeTrust Bank and Sidney A. Biesecker	(c)
10.6	Employment Agreement between HomeTrust Bank and Stan Allen	(c)
10.7	HomeTrust Bank Executive Supplemental Retirement Income Master Agreement ("SERP")	(c)
10.7A	SERP Joinder Agreement for F. Edward Broadwell, Jr.	(c)
10.7B	SERP Joinder Agreement for Dana L. Stonestreet	(c)
10.7C	SERP Joinder Agreement for Tony J. VunCannon	(c)
10.7D	SERP Joinder Agreement for Howard L. Sellinger	(c)
10.7E	SERP Joinder Agreement for Stan Allen	(c)
10.7F	SERP Joinder Agreement for Sidney A. Biesecker	(c)
10.7G	SERP Joinder Agreement for Peggy C. Melville	(c)
10.7H		(c)

Edgar Filing: TOLL BROTHERS INC - Form 8-K

	SERP Joinder Agreement for William T. Flynt	
10.7I	Amended and Restated Supplemental Income Agreement between HomeTrust Bank, as successor to Industrial Federal Savings Bank, and Sidney Biesecker	(h)
10.8	HomeTrust Bank Director Emeritus Plan ("Director Emeritus Plan")	(c)
10.8A	Director Emeritus Plan Joinder Agreement for William T. Flynt	(c)
10.8B	Director Emeritus Plan Joinder Agreement for J. Steven Goforth	(c)
10.8C	Director Emeritus Plan Joinder Agreement for Craig C. Koontz	(c)
10.8D	Director Emeritus Plan Joinder Agreement for Larry S. McDevitt	(c)
10.8E	Director Emeritus Plan Joinder Agreement for F.K. McFarland, III	(c)
10.8F	Director Emeritus Plan Joinder Agreement for Peggy C. Melville	(c)
10.8G	Director Emeritus Plan Joinder Agreement for Robert E. Shepherd, Sr.	(c)
10.9	HomeTrust Bank Defined Contribution Executive Medical Care Plan	(c)
10.10	HomeTrust Bank 2005 Deferred Compensation Plan	(c)
10.11	HomeTrust Bank Pre-2005 Deferred Compensation Plan	(c)
10.12	HomeTrust Bancshares, Inc. Strategic Operating Committee Incentive Plan	(n)
10.13	HomeTrust Bancshares, Inc. 2013 Omnibus Incentive Plan ("Omnibus Incentive Plan")	(i)
10.14	Form of Incentive Stock Option Award Agreement under Omnibus Incentive Plan	(j)
10.15	Form of Non-Qualified Stock Option Award Agreement under Omnibus Incentive Plan	(j)
10.16	Form of Stock Appreciation Right Award Agreement under Omnibus Incentive Plan	(j)
10.17	Form of Restricted Stock Award Agreement under Omnibus Incentive Plan	(j)
10.18	Form of Restricted Stock Unit Award Agreement under Omnibus Incentive Plan	(j)
10.19	Fully Restated Employment Agreement between HomeTrust Bank and Anderson L. Smith	(k)
10.20	Amended and Restated Jefferson Federal Bank Supplemental Executive Retirement Plan	(l)
10.21	Money Purchase Deferred Compensation Agreement, dated as of September 1, 1987, between HomeTrust Bank and F. Edward Broadwell, Jr.	(m)
10.22	Retirement Payment Agreement, dated as of September 1, 1987, between HomeTrust Bank and F. Edward Broadwell, Jr., as amended	(m)

10.23	Retirement Payment Agreement, dated as of September 1, 1987, between HomeTrust Bank and Larry S. McDevitt, as amended	(m)
10.24	Retirement Payment Agreement, dated as of September 1, 1987, between HomeTrust Bank and Peggy C. Melville, as amended	(m)
10.25	Retirement Payment Agreement, dated as of August 1, 1988, between HomeTrust Bank and Robert E. Shepherd, Sr., as amended	(m)
10.26	Retirement Payment Agreement, dated as of May 1, 1991, between HomeTrust Bank and William T. Flynt, as amended	(m)
31.1	Certification of Chief Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	31.1
31.2	Certification of Chief Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 .	31.2
32.0	Certificate of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. The following materials from HomeTrust Bancshares' Quarterly Report on Form 10-Q for the quarter ended December 31, 2014, 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.	32.0 101

-
- (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).
 - (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)

Edgar Filing: TOLL BROTHERS INC - Form 8-K

Filed as an exhibit to HomeTrust Bancshares's Annual Report on Form 10-K for the fiscal year ended June 30, 2014 (File No. 001-35593).

- (n) Filed as an exhibit to HomeTrust Bancshares's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014 (File No. 001-35593).