

HomeTrust Bancshares, Inc. (NASDAQ: HTBI; Asheville, NC) has agreed to acquire Jefferson Bancshares, Inc. (NASDAQ: JFBI; Morristown, TN)

Deal Value: Approximately \$51 million

Sandler O'Neill served as financial advisor to HomeTrust Bancshares, Inc. in connection with the transaction. This transaction is Sandler O'Neill's 111th bank or thrift transaction nationwide since January 1, 2011, more than any other investment bank during that time period.¹ Since January 1, 2011, Sandler O'Neill has advised on 33 bank or thrift transactions in the Southeast, more than any other investment bank during that time period.¹

ASHEVILLE, NC and MORRISTOWN, TN – January 23, 2014– HomeTrust Bancshares, Inc. (“HomeTrust”) (NASDAQ: HTBI) and Jefferson Bancshares, Inc. (“Jefferson”) (NASDAQ: JFBI) jointly announced today the signing of a definitive agreement under which HomeTrust will acquire Jefferson. Upon the completion of the transaction, the combined company is expected to have approximately \$2.1 billion in assets.

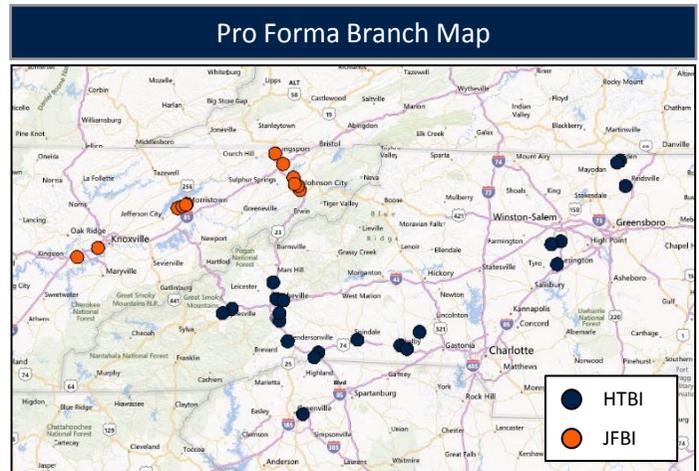
Dana Stonestreet, Chairman, President, and CEO of HomeTrust said, “We are enthusiastic to enter the east Tennessee market by connecting with an institution sharing our core values. Both banking organizations are dedicated to providing superior customer service, placing value on their employees, and focusing continually on creating shareholder value. We are operating in an increasingly complex regulatory environment where scale and efficiency of operations is paramount. We believe that strategically aligning with like-minded regional community banking institutions, such as Jefferson, will allow the HomeTrust franchise to achieve greater economies of scale and better position us to forge additional partnerships by augmenting our already strong capital base.”

Under the terms of the agreement, Jefferson shareholders will receive a total of \$8.00 per share in merger consideration consisting of \$4.00 in cash plus \$4.00 in HomeTrust common stock. This represents approximately \$51.2 million of aggregate transaction consideration. The number of HomeTrust shares to be issued will be determined based on HomeTrust’s average closing stock price during the 10 trading days ending on the fifth trading day prior to the closing date, with the exchange ratio fixed at 0.2667 if the average closing price is equal to or less than \$15.00 per share and at 0.2222 if the average closing price is equal to or greater than \$18.00 per share.

HomeTrust anticipates that this transaction will be accretive to earnings (before merger costs) by approximately \$0.18 per share in the first year of combined operations and accretive to tangible book value in approximately 33 months.

Financial Highlights		
(Dollars in millions)	HTBI	JFBI
Total Assets	\$1,674	\$499
Gross Loans	\$1,203	\$319
Total Deposits	\$1,243	\$396
Total Equity	\$368	\$53
TCE / TA	21.83%	10.50%

¹ Excludes terminated transactions and self-advisory roles
 Note: Financial data as of 9/30/13
 Source: SNL Financial



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