

HBT Financial, Inc. Announces First Quarter 2021 Financial Results

April 26, 2021

First Quarter Highlights

- **Net income of \$15.2 million, or \$0.55 per diluted share; return on average assets (ROAA) of 1.64%; return on average stockholders' equity (ROAE) of 17.01%; and return on average tangible common equity (ROATCE)⁽¹⁾ of 18.33%**
- **Adjusted net income⁽¹⁾ of \$14.0 million; or \$0.51 per diluted share, adjusted ROAA⁽¹⁾ of 1.51%; adjusted ROAE⁽¹⁾ of 15.65%; and adjusted ROATCE⁽¹⁾ of 16.88%**

(1) See "Reconciliation of Non-GAAP Financial Measures" below for reconciliation of non-GAAP financial measures to their most comparable GAAP financial measures.

BLOOMINGTON, Ill., April 26, 2021 (GLOBE NEWSWIRE) -- HBT Financial, Inc. (NASDAQ: HBT) (the "Company" or "HBT Financial"), the holding company for Heartland Bank and Trust Company, today reported net income of \$15.2 million, or \$0.55 diluted earnings per share, for the first quarter of 2021. This compares to net income of \$12.6 million, or \$0.46 diluted earnings per share, for the fourth quarter of 2020, and net income of \$6.2 million, or \$0.23 diluted earnings per share, for the first quarter of 2020.

Fred L. Drake, Chairman and Chief Executive Officer of HBT Financial, said, "We delivered strong results for the first quarter of 2021, as our continued healthy asset quality, consistent sources of non-interest income, and disciplined expense control combined to produce a high level of profitability. We remain focused on operating a highly efficient institution. We are executing on expense management initiatives to ensure that we continue to deliver strong performance in a challenging environment for revenue growth. With the vaccine rollout in Illinois progressing and expectations for economic activity to increase across the remainder of the year, we are optimistic that we will have more opportunities to deploy our excess liquidity as loan demand in our markets improves."

Adjusted Net Income

In addition to reporting GAAP results, the Company believes adjusted net income and adjusted earnings per share, which adjust for the additional C Corp equivalent tax expense for periods prior to October 11, 2019, net earnings (losses) from closed or sold operations, charges related to termination of certain employee benefit plans, realized gains (losses) on sales of securities, and mortgage servicing rights ("MSR") fair value adjustments, provide investors with additional insight into its operational performance. The Company reported adjusted net income of \$14.0 million, or \$0.51 adjusted diluted earnings per share, for the first quarter of 2021. This compares to adjusted net income of \$12.4 million, or \$0.45 adjusted diluted earnings per share, for the fourth quarter of 2020, and adjusted net income of \$8.4 million, or \$0.30 adjusted diluted earnings per share, for the first quarter of 2020 (see "Reconciliation of Non-GAAP Financial Measures" tables).

Net Interest Income and Net Interest Margin

Net interest income for the first quarter of 2021 was \$29.1 million, nearly unchanged from \$29.2 million for the fourth quarter of 2020. The slight decrease was primarily attributable to lower yields on earning assets which was almost entirely offset by an increase in average balances.

Relative to the first quarter of 2020, net interest income decreased \$1.5 million, or 5.0%. The decline was primarily attributable to lower yields on average interest-earning assets.

Net interest margin for the first quarter of 2021 was 3.25%, compared to 3.31% for the fourth quarter of 2020. The decrease was primarily attributable to increases in the average balances of lower yielding securities and deposits with banks, as a result of funds received from the forgiveness of Paycheck Protection Program (PPP) loans and federal economic stimulus received by retail customers. The contribution of acquired loan discount accretion to net interest margin remained low at 1 basis point during the first quarter of 2021 and 2 basis points during the fourth quarter of 2020.

Relative to the first quarter of 2020, net interest margin decreased from 4.03%. The decrease was due primarily to the decline in the average yield on earning assets. The contribution of acquired loan discount accretion to net interest margin was 5 basis points during the first quarter of 2020.

Noninterest Income

Noninterest income for the first quarter of 2021 was \$10.8 million, a decrease of 2.6% from \$11.1 million for the fourth quarter of 2020. The decrease was primarily attributable to a \$0.9 million decrease in gains on sale of mortgage loans as a result of less refinancing activity and normal seasonality. Additionally, wealth management fees decreased \$0.3 million, following strong results during the fourth quarter of 2020, and service charges on deposit accounts decreased \$0.2 million as a result of lower overdraft incidences. Mostly offsetting these decreases was a positive \$1.7 million mortgage servicing rights ("MSR") fair value adjustment included in the first quarter 2021 results, compared to a positive \$0.4 million MSR fair value adjustment included in the fourth quarter 2020 results.

Relative to the first quarter of 2020, noninterest income increased 105.8% from \$5.3 million, primarily due to the first quarter of 2020 results including a negative \$2.2 million MSR fair value adjustment. The \$1.7 million increase in noninterest income, net of MSR fair value adjustments, from the first quarter of 2020 was primarily due to a \$1.6 million increase in gains on sale of mortgage loans as a result of the strong mortgage refinance environment that started in the second quarter of 2020.

Noninterest Expense

Noninterest expense for the first quarter of 2021 was \$22.5 million, nearly unchanged from \$22.7 million for the fourth quarter of 2020. Decreases in marketing and data processing expenses were mostly offset by increases in occupancy and employee benefits expenses. Additionally, nonrecurring

costs related to systems conversion for the consolidation of State Bank of Lincoln into Heartland Bank and Trust Company were \$0.3 million during the first quarter of 2021 and \$0.3 million during the fourth quarter of 2020, consisting of primarily data processing expenses.

Relative to the first quarter of 2020, noninterest expense decreased 3.3% from \$23.3 million. The decline was primarily attributable to the first quarter of 2020 results including a \$0.8 million charge for the supplemental executive retirement plan (SERP) which was terminated in June 2019 and paid out in June 2020.

Branch Rationalization Plan

In April 2021, the Company made plans to close or consolidate six branches during the third quarter of 2021. This branch rationalization plan is expected to result in approximately \$0.8 million of pre-tax nonrecurring costs, primarily related to asset impairment charges and severance payments. When fully realized, the Company estimates annual cost savings, net of associated revenue impacts, related to the branch rationalization plan to be approximately \$1.1 million.

Mr. Drake commented, "We conducted a comprehensive analysis to determine the appropriate size of our branch network given the increased usage of our online and mobile banking services. The branch rationalization plan will better position our bank for the evolving way that customers access banking services and will drive improved operating efficiencies. We plan to continue investing in technology to offer our customers a superior experience through our digital banking platform, while maintaining an appropriately sized branch network that will ensure that we continue to offer convenient in-person banking services and have a strong presence in our communities."

Loan Portfolio

Total loans outstanding, before allowance for loan losses, were \$2.27 billion at March 31, 2021, compared with \$2.25 billion at December 31, 2020 and \$2.13 billion at March 31, 2020. The \$23.7 million increase in loans from December 31, 2020 was primarily attributable to an increase in PPP loans, as originations of second draw PPP loans exceeded the payoffs and paydowns from PPP loan forgiveness. The \$52.8 million decrease in total loans outstanding, net of PPP loans, from March 31, 2020 was primarily due to a \$40.8 million reduction in balances on existing lines of credit.

Deposits

Total deposits were \$3.36 billion at March 31, 2021, compared with \$3.13 billion at December 31, 2020 and \$2.73 billion at March 31, 2020. The \$225.4 million increase in total deposits from December 31, 2020 was primarily due to second draw PPP loan proceeds received by commercial customers and federal economic stimulus payments received by retail customers.

Asset Quality

Nonperforming loans totaled \$9.1 million, or 0.40% of total loans, at March 31, 2021, compared with \$10.0 million, or 0.44% of total loans, at December 31, 2020, and \$15.4 million, or 0.72% of total loans, at March 31, 2020. The decrease in nonperforming loans from December 31, 2020 was primarily attributable to the pay down, pay off, or return to accrual status of several smaller loans. The \$6.3 million reduction in nonperforming loans from March 31, 2020 was primarily attributable to the return to accrual status of one agriculture credit that totaled \$4.8 million at March 31, 2020.

The Company recorded a negative provision for loan losses of \$3.4 million for the first quarter of 2021, compared to a provision for loan losses of \$0.4 million for the fourth quarter of 2020. The negative provision was primarily due to changes to qualitative factors reflecting an improved economic environment and improved asset quality metrics, resulting in a \$1.8 million decrease in required reserve; a decrease in specific reserves on loans individually evaluated for impairment, resulting in a \$1.3 million decrease in required reserves; and a \$0.3 million net recovery during the quarter.

Net recoveries for the first quarter of 2021 were \$0.3 million, or (0.06)% of average loans on an annualized basis, compared to net charge-offs of \$0.2 million, or 0.04% of average loans on an annualized basis, for the fourth quarter of 2020, and net charge-offs of \$0.6 million, or 0.11% of average loans on an annualized basis, for the first quarter of 2020.

The Company's allowance for loan losses was 1.27% of total loans and 315.48% of nonperforming loans at March 31, 2021, compared with 1.42% of total loans and 319.66% of nonperforming loans at December 31, 2020.

Capital

At March 31, 2021, the Company exceeded all regulatory capital requirements under Basel III and was considered to be "well-capitalized," as summarized in the following table:

| | March 31, 2021 | Well Capitalized Regulatory Requirements |
|--|-------------------|--|
| Total capital to risk-weighted assets | 17.37 % | 10.00 % |
| Tier 1 capital to risk-weighted assets | 14.65 % | 8.00 % |
| Common equity tier 1 capital ratio | 13.19 % | 6.50 % |
| Tier 1 leverage ratio | 9.85 % | 5.00 % |
| Total stockholders' equity to total assets | 9.25 % | N/A |
| Tangible common equity to tangible assets ⁽¹⁾ | 8.63 % | N/A |

(1) See "Reconciliation of Non-GAAP Financial Measures" below for reconciliation of non-GAAP financial measures to their most comparable GAAP financial measures.

Stock Repurchase Program

During the first quarter of 2021, the Company repurchased 95,462 shares of its common stock at a weighted average price of \$15.86 under its stock repurchase program. The Company's Board of Directors authorized the repurchase of up to \$15 million of its common stock under its stock repurchase program in effect until December 31, 2021. As of March 31, 2021, the Company had \$13.5 million remaining under the current stock repurchase authorization.

Annualization Factor

The method used to calculate annualization factors for interim period ratios changed in the third quarter of 2020 from financial information previously presented. The annualization factor is now calculated using the number of days in the year divided by the number of days in the interim period. Prior to the third quarter of 2020, annualization factors were calculated as 4 divided by the number of quarters in the interim period, or an annualization factor of 4 for a quarterly period. The change was applied retrospectively to all periods presented and did not have a material impact on the annualized interim ratios.

About HBT Financial, Inc.

HBT Financial, Inc. is headquartered in Bloomington, Illinois and is the holding company for Heartland Bank and Trust Company. The bank provides a comprehensive suite of business, commercial, wealth management, and retail banking products and services to individuals, businesses and municipal entities throughout Central and Northeastern Illinois through 63 branches. As of March 31, 2021, HBT had total assets of \$3.9 billion, total loans of \$2.3 billion, and total deposits of \$3.4 billion. HBT is a longstanding Central Illinois company, with banking roots that can be traced back to 1920.

Non-GAAP Financial Measures

Some of the financial measures included in this press release are not measures of financial performance recognized in accordance with GAAP. These non-GAAP financial measures include net interest income (tax-equivalent basis), net interest margin (tax-equivalent basis), originated loans and acquired loans and any ratios derived therefrom, efficiency ratio (tax-equivalent basis), tangible common equity to tangible assets, tangible book value per share, adjusted net income, adjusted return on average assets, adjusted return on average stockholders' equity, and adjusted return on average tangible common equity. Our management uses these non-GAAP financial measures, together with the related GAAP financial measures, in its analysis of our performance and in making business decisions. Management believes that it is a standard practice in the banking industry to present these non-GAAP financial measures, and accordingly believes that providing these measures may be useful for peer comparison purposes. These disclosures should not be viewed as substitutes for the results determined to be in accordance with GAAP; nor are they necessarily comparable to non-GAAP financial measures that may be presented by other companies. See our reconciliation of non-GAAP financial measures to their most directly comparable GAAP financial measures in the "Reconciliation of Non-GAAP Financial Measures" tables.

Forward-Looking Statements

Readers should note that in addition to the historical information contained herein, this press release includes "forward-looking statements" within the meanings of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including but not limited to statements about the Company's plans, objectives, future performance, goals, future earnings levels, and future loan growth. These statements are subject to many risks and uncertainties, that could cause actual results to differ materially from those anticipated in the forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to: the severity, magnitude and duration of the COVID-19 pandemic; the direct and indirect impacts of the COVID-19 pandemic and governmental responses to the pandemic on our operations and our customers' businesses; the disruption of global, national, state and local economies associated with the COVID-19 pandemic, which could affect our capital levels and earnings, impair the ability of our borrowers to repay outstanding loans, impair collateral values and further increase our allowance for credit losses; our asset quality and any loan charge-offs; changes in interest rates and general economic, business and political conditions in the United States generally or in Illinois in particular, including in the financial markets; changes in business plans as circumstances warrant; risks relating to acquisitions; and other risks detailed from time to time in filings made by the Company with the Securities and Exchange Commission. Readers should note that the forward-looking statements included in this press release are not a guarantee of future events, and that actual events may differ materially from those made in or suggested by the forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "will," "propose," "may," "plan," "seek," "expect," "intend," "estimate," "anticipate," "believe" or "continue," or similar terminology. Any forward-looking statements presented herein are made only as of the date of this press release, and the Company does not undertake any obligation to update or revise any forward-looking statements to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise.

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HBT Financial, Inc. Consolidated Financial Summary Consolidated Statements of Income

| | Three Months Ended | | |
|---|--------------------|----------------------|-------------------|
| | March 31, 2021 | December 31, 2020 | March 31, 2020 |
| (dollars in thousands, except per share data) | | | |
| INTEREST AND DIVIDEND INCOME | | | |
| Loans, including fees: | | | |
| Taxable | \$ 25,134 | \$ 25,497 | \$ 26,941 |
| Federally tax exempt | 610 | 555 | 674 |
| Securities: | | | |
| Taxable | 3,633 | 3,407 | 3,334 |

| | | | |
|--|-------------------|-------------------|-------------------|
| Federally tax exempt | 1,136 | 1,208 | 1,028 |
| Interest-bearing deposits in bank | 80 | 65 | 729 |
| Other interest and dividend income | 13 | 14 | 14 |
| Total interest and dividend income | 30,606 | 30,746 | 32,720 |
| INTEREST EXPENSE | | | |
| Deposits | 644 | 741 | 1,595 |
| Securities sold under agreements to repurchase | 7 | 8 | 20 |
| Borrowings | 1 | — | — |
| Subordinated notes | 470 | 469 | — |
| Junior subordinated debentures issued to capital trusts | 355 | 364 | 443 |
| Total interest expense | 1,477 | 1,582 | 2,058 |
| Net interest income | 29,129 | 29,164 | 30,662 |
| PROVISION FOR LOAN LOSSES | | | |
| Net interest income after provision for loan losses | 32,534 | 28,734 | 26,307 |
| NONINTEREST INCOME | | | |
| Card income | 2,258 | 2,151 | 1,792 |
| Service charges on deposit accounts | 1,297 | 1,527 | 1,834 |
| Wealth management fees | 1,972 | 2,270 | 1,814 |
| Mortgage servicing | 685 | 803 | 724 |
| Mortgage servicing rights fair value adjustment | 1,695 | 363 | (2,171) |
| Gains on sale of mortgage loans | 2,100 | 2,980 | 536 |
| Gains (losses) on securities | 40 | 30 | (52) |
| Gains (losses) on foreclosed assets | (76) | 22 | 35 |
| Gains (losses) on other assets | 1 | — | (3) |
| Other noninterest income | 836 | 946 | 743 |
| Total noninterest income | 10,808 | 11,092 | 5,252 |
| NONINTEREST EXPENSE | | | |
| Salaries | 12,596 | 12,593 | 12,754 |
| Employee benefits | 1,722 | 1,490 | 2,434 |
| Occupancy of bank premises | 1,938 | 1,501 | 1,828 |
| Furniture and equipment | 623 | 556 | 603 |
| Data processing | 1,688 | 1,901 | 1,586 |
| Marketing and customer relations | 565 | 925 | 1,044 |
| Amortization of intangible assets | 289 | 305 | 317 |
| FDIC insurance | 240 | 231 | 36 |
| Loan collection and servicing | 365 | 463 | 348 |
| Foreclosed assets | 143 | 154 | 89 |
| Other noninterest expense | 2,375 | 2,546 | 2,268 |
| Total noninterest expense | 22,544 | 22,665 | 23,307 |
| INCOME BEFORE INCOME TAX EXPENSE | 20,798 | 17,161 | 8,252 |
| INCOME TAX EXPENSE | 5,553 | 4,519 | 2,031 |
| NET INCOME | \$ 15,245 | \$ 12,642 | \$ 6,221 |
| EARNINGS PER SHARE - BASIC | \$ 0.55 | \$ 0.46 | \$ 0.23 |
| EARNINGS PER SHARE - DILUTED | \$ 0.55 | \$ 0.46 | \$ 0.23 |
| WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING | 27,430,912 | 27,457,306 | 27,457,306 |

HBT Financial, Inc.
Consolidated Financial Summary
Consolidated Balance Sheets

| | March 31, 2021 | December 31, 2020 | March 31, 2020 |
|--------------------------------------|---------------------------|------------------------------|---------------------------|
| (dollars in thousands) | | | |
| ASSETS | | | |
| Cash and due from banks | \$ 22,976 | \$ 24,912 | \$ 34,782 |
| Interest-bearing deposits with banks | 406,760 | 287,539 | 230,654 |

| | | | |
|---|---------------------|---------------------|---------------------|
| Cash and cash equivalents | 429,736 | 312,451 | 265,436 |
| Debt securities available-for-sale, at fair value | 856,835 | 922,869 | 615,565 |
| Debt securities held-to-maturity | 192,994 | 68,395 | 79,741 |
| Equity securities with readily determinable fair value | 3,332 | 3,292 | 3,207 |
| Equity securities with no readily determinable fair value | 1,552 | 1,552 | 1,552 |
| Restricted stock, at cost | 2,498 | 2,498 | 2,425 |
| Loans held for sale | 12,882 | 14,713 | 4,805 |
| Loans, before allowance for loan losses | 2,270,705 | 2,247,006 | 2,132,952 |
| Allowance for loan losses | (28,759) | (31,838) | (26,087) |
| Loans, net of allowance for loan losses | 2,241,946 | 2,215,168 | 2,106,865 |
| Bank premises and equipment, net | 52,548 | 52,904 | 54,135 |
| Bank premises held for sale | 121 | 121 | 121 |
| Foreclosed assets | 4,748 | 4,168 | 4,469 |
| Goodwill | 23,620 | 23,620 | 23,620 |
| Core deposit intangible assets, net | 2,509 | 2,798 | 3,713 |
| Mortgage servicing rights, at fair value | 7,629 | 5,934 | 6,347 |
| Investments in unconsolidated subsidiaries | 1,165 | 1,165 | 1,165 |
| Accrued interest receivable | 12,718 | 14,255 | 12,096 |
| Other assets | 18,781 | 20,664 | 27,847 |
| Total assets | \$ 3,865,614 | \$ 3,666,567 | \$ 3,213,109 |

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities

| | | | |
|---|------------------|------------------|------------------|
| Deposits: | | | |
| Noninterest-bearing | \$ 968,991 | \$ 882,939 | \$ 676,341 |
| Interest-bearing | 2,386,975 | 2,247,595 | 2,053,962 |
| Total deposits | 3,355,966 | 3,130,534 | 2,730,303 |
| Securities sold under agreements to repurchase | 41,976 | 45,736 | 40,811 |
| Subordinated notes | 39,257 | 39,238 | — |
| Junior subordinated debentures issued to capital trusts | 37,665 | 37,648 | 37,599 |
| Other liabilities | 33,344 | 49,494 | 64,583 |
| Total liabilities | 3,508,208 | 3,302,650 | 2,873,296 |

Stockholders' Equity

| | | | |
|---|---------------------|---------------------|---------------------|
| Common stock | 275 | 275 | 275 |
| Surplus | 191,004 | 190,875 | 190,591 |
| Retained earnings | 165,735 | 154,614 | 136,378 |
| Accumulated other comprehensive income | 1,906 | 18,153 | 12,569 |
| Treasury stock at cost | (1,514) | — | — |
| Total stockholders' equity | 357,406 | 363,917 | 339,813 |
| Total liabilities and stockholders' equity | \$ 3,865,614 | \$ 3,666,567 | \$ 3,213,109 |

SHARE INFORMATION

| | | | |
|------------------------------------|------------|------------|------------|
| Shares of common stock outstanding | 27,382,069 | 27,457,306 | 27,457,306 |
|------------------------------------|------------|------------|------------|

HBT Financial, Inc. Consolidated Financial Summary

| | March 31, 2021 | December 31, 2020 | March 31, 2020 |
|---|------------------------|----------------------|-------------------|
| | (dollars in thousands) | | |
| LOANS | | | |
| Commercial and industrial | \$ 412,812 | \$ 393,312 | \$ 299,266 |
| Agricultural and farmland | 228,032 | 222,723 | 228,701 |
| Commercial real estate - owner occupied | 224,599 | 222,360 | 229,608 |
| Commercial real estate - non-owner occupied | 516,963 | 520,395 | 540,515 |

| | | | |
|--|---------------------|---------------------|---------------------|
| Multi-family | 236,381 | 236,391 | 177,172 |
| Construction and land development | 215,375 | 225,652 | 232,311 |
| One-to-four family residential | 300,768 | 306,775 | 313,925 |
| Municipal, consumer, and other | 135,775 | 119,398 | 111,454 |
| Loans, before allowance for loan losses | <u>\$ 2,270,705</u> | <u>\$ 2,247,006</u> | <u>\$ 2,132,952</u> |

PPP LOANS (included above)

| | | | |
|--------------------------------|-------------------|-------------------|-------------|
| Commercial and industrial | \$ 175,389 | \$ 153,860 | \$ — |
| Agricultural and farmland | 8,921 | 3,049 | — |
| Municipal, consumer, and other | 6,249 | 6,587 | — |
| Total PPP Loans | <u>\$ 190,559</u> | <u>\$ 163,496</u> | <u>\$ —</u> |

| | | |
|------------------------|---------------------|------------------|
| March 31, | December 31, | March 31, |
| 2021 | 2020 | 2020 |
| (dollars in thousands) | | |

DEPOSITS

| | | | |
|-------------------------|---------------------|---------------------|---------------------|
| Noninterest-bearing | \$ 968,991 | \$ 882,939 | \$ 676,341 |
| Interest-bearing demand | 1,008,954 | 968,592 | 810,074 |
| Money market | 499,088 | 462,056 | 472,532 |
| Savings | 593,472 | 517,473 | 444,137 |
| Time | 285,461 | 299,474 | 327,219 |
| Total deposits | <u>\$ 3,355,966</u> | <u>\$ 3,130,534</u> | <u>\$ 2,730,303</u> |

HBT Financial, Inc.
Consolidated Financial Summary

Three Months Ended

| March 31, 2021 | | | December 31, 2020 | | | March 31, 2020 | | |
|------------------------|----------|-----------------|-------------------|----------|-----------------|----------------|----------|-----------------|
| Average | | Yield/Cost * | Average | | Yield/Cost * | Average | | Yield/Cost * |
| Balance | Interest | | Balance | Interest | | Balance | Interest | |
| (dollars in thousands) | | | | | | | | |

ASSETS

| | | | | | | | | | |
|-------------------------------|---------------------|-----------|--------|---------------------|-----------|--------|---------------------|-----------|--------|
| Loans | \$ 2,284,159 | \$ 25,744 | 4.57 % | \$ 2,295,569 | \$ 26,052 | 4.51 % | \$ 2,141,031 | \$ 27,615 | 5.19 % |
| Securities | 1,004,877 | 4,769 | 1.92 | 932,698 | 4,615 | 1.97 | 668,572 | 4,362 | 2.62 |
| Deposits with banks | 345,915 | 80 | 0.09 | 277,363 | 65 | 0.09 | 251,058 | 729 | 1.17 |
| Other | 2,498 | 13 | 2.04 | 2,498 | 14 | 2.26 | 2,425 | 14 | 2.38 |
| Total interest-earning assets | 3,637,449 | \$ 30,606 | 3.41 % | 3,508,128 | \$ 30,746 | 3.49 % | 3,063,086 | \$ 32,720 | 4.30 % |
| Allowance for loan losses | (31,856) | | | (31,749) | | | (22,474) | | |
| Noninterest-earning assets | 155,622 | | | 157,208 | | | 148,131 | | |
| Total assets | <u>\$ 3,761,215</u> | | | <u>\$ 3,633,587</u> | | | <u>\$ 3,188,743</u> | | |

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities

| | | | | | | | | | |
|--|------------|--------|--------|------------|--------|--------|------------|--------|--------|
| Interest-bearing deposits: | | | | | | | | | |
| Interest-bearing demand | \$ 997,720 | \$ 117 | 0.05 % | \$ 930,494 | \$ 111 | 0.05 % | \$ 811,866 | \$ 251 | 0.12 % |
| Money market | 482,385 | 89 | 0.07 | 475,183 | 89 | 0.07 | 464,124 | 394 | 0.34 |
| Savings | 541,896 | 41 | 0.03 | 506,381 | 39 | 0.03 | 434,276 | 70 | 0.06 |
| Time | 294,172 | 397 | 0.55 | 303,617 | 502 | 0.66 | 341,770 | 880 | 1.04 |
| Total interest-bearing deposits | 2,316,173 | 644 | 0.11 | 2,215,675 | 741 | 0.13 | 2,052,036 | 1,595 | 0.31 |
| Securities sold under agreements to repurchase | 46,348 | 7 | 0.06 | 51,297 | 8 | 0.06 | 41,968 | 20 | 0.19 |
| Borrowings | 500 | 1 | 0.44 | 326 | — | 0.51 | 221 | — | 0.52 |
| Subordinated notes | 39,245 | 470 | 4.85 | 39,219 | 469 | 4.76 | — | — | — |

| | | | | | | | | | |
|---|---------------------|----------|--------|---------------------|----------|--------|---------------------|----------|--------|
| Junior subordinated debentures issued to capital trusts | 37,655 | 355 | 3.83 | 37,638 | 364 | 3.84 | 37,589 | 443 | 4.74 |
| Total interest-bearing liabilities | 2,439,921 | \$ 1,477 | 0.25 % | 2,344,155 | \$ 1,582 | 0.27 % | 2,131,814 | \$ 2,058 | 0.39 % |
| Noninterest-bearing deposits | 920,514 | | | 888,390 | | | 670,714 | | |
| Noninterest-bearing liabilities | 37,223 | | | 41,730 | | | 44,696 | | |
| Total liabilities | 3,397,658 | | | 3,274,275 | | | 2,847,224 | | |
| Stockholders' Equity | 363,557 | | | 359,312 | | | 341,519 | | |
| Total liabilities and stockholders' equity | \$ 3,761,215 | | | \$ 3,633,587 | | | \$ 3,188,743 | | |
| | | | | | | | | | |
| Net interest income/Net interest margin ⁽³⁾ | \$ 29,129 | | 3.25 % | \$ 29,164 | | 3.31 % | \$ 30,662 | | 4.03 % |
| Tax-equivalent adjustment ⁽²⁾ | 503 | | 0.05 | 502 | | 0.05 | 463 | | 0.06 |
| Net interest income (tax-equivalent basis)/ Net interest margin (tax-equivalent basis) ^{(1) (2)} | \$ 29,632 | | 3.30 % | \$ 29,666 | | 3.36 % | \$ 31,125 | | 4.09 % |
| Net interest rate spread ⁽⁴⁾ | | | 3.16 % | | | 3.22 % | | | 3.91 % |
| Net interest-earning assets ⁽⁵⁾ | \$ 1,197,528 | | | \$ 1,163,973 | | | \$ 931,272 | | |
| Ratio of interest-earning assets to interest-bearing liabilities | 1.49 | | | 1.50 | | | 1.44 | | |
| Cost of total deposits | | | 0.08 % | | | 0.09 % | | | 0.24 % |

* Annualized measure.

(1) See "Reconciliation of Non-GAAP Financial Measures" below for reconciliation of non-GAAP financial measures to their most comparable GAAP financial measures.

(2) On a tax-equivalent basis assuming a federal income tax rate of 21% and a state income tax rate of 9.5%.

(3) Net interest margin represents net interest income divided by average total interest-earning assets.

(4) Net interest rate spread represents the difference between the yield on average interest-earning assets and the cost of average interest-bearing liabilities.

(5) Net interest-earning assets represents total interest-earning assets less total interest-bearing liabilities.

HBT Financial, Inc. Consolidated Financial Summary

| | March 31, 2021 | December 31, 2020 | March 31, 2020 |
|---|------------------------|----------------------|-------------------|
| | (dollars in thousands) | | |
| NONPERFORMING ASSETS | | | |
| Nonaccrual | \$ 9,106 | \$ 9,939 | \$ 15,372 |
| Past due 90 days or more, still accruing ⁽¹⁾ | 10 | 21 | — |
| Total nonperforming loans | 9,116 | 9,960 | 15,372 |
| Foreclosed assets | 4,748 | 4,168 | 4,469 |
| Total nonperforming assets | \$ 13,864 | \$ 14,128 | \$ 19,841 |
| | | | |
| NONPERFORMING ASSETS (Originated) ⁽²⁾ | | | |
| Nonaccrual | \$ 2,101 | \$ 2,908 | \$ 10,041 |
| Past due 90 days or more, still accruing | 10 | 21 | — |
| Total nonperforming loans (originated) | 2,111 | 2,929 | 10,041 |
| Foreclosed assets | 737 | 674 | 965 |
| Total nonperforming assets (originated) | \$ 2,848 | \$ 3,603 | \$ 11,006 |
| | | | |
| NONPERFORMING ASSETS (Acquired) ⁽²⁾ | | | |
| Nonaccrual | \$ 7,005 | \$ 7,031 | \$ 5,331 |
| Past due 90 days or more, still accruing ⁽¹⁾ | — | — | — |
| Total nonperforming loans (acquired) | 7,005 | 7,031 | 5,331 |

| | | | |
|---|------------------|------------------|-----------------|
| Foreclosed assets | 4,011 | 3,494 | 3,504 |
| Total nonperforming assets (acquired) | <u>\$ 11,016</u> | <u>\$ 10,525</u> | <u>\$ 8,835</u> |
| Allowance for loan losses | \$ 28,759 | \$ 31,838 | \$ 26,087 |
| Loans, before allowance for loan losses | \$ 2,270,705 | \$ 2,247,006 | \$ 2,132,952 |
| Loans, before allowance for loan losses (originated) ⁽²⁾ | 2,156,095 | 2,126,323 | 1,982,067 |
| Loans, before allowance for loan losses (acquired) ⁽²⁾ | 114,610 | 120,683 | 150,885 |

CREDIT QUALITY RATIOS

| | | | |
|---|--------|--------|--------|
| Allowance for loan losses to loans, before allowance for loan losses | 1.27 % | 1.42 % | 1.22 % |
| Allowance for loan losses to nonperforming loans | 315.48 | 319.66 | 169.70 |
| Nonperforming loans to loans, before allowance for loan losses | 0.40 | 0.44 | 0.72 |
| Nonperforming assets to total assets | 0.36 | 0.39 | 0.62 |
| Nonperforming assets to loans, before allowance for loan losses and foreclosed assets | 0.61 | 0.63 | 0.93 |

CREDIT QUALITY RATIOS (Originated) ⁽²⁾

| | | | |
|---|--------|--------|--------|
| Nonperforming loans to loans, before allowance for loan losses | 0.10 % | 0.14 % | 0.51 % |
| Nonperforming assets to loans, before allowance for loan losses and foreclosed assets | 0.13 | 0.17 | 0.56 |

CREDIT QUALITY RATIOS (Acquired) ⁽²⁾

| | | | |
|---|--------|--------|--------|
| Nonperforming loans to loans, before allowance for loan losses | 6.11 % | 5.83 % | 3.53 % |
| Nonperforming assets to loans, before allowance for loan losses and foreclosed assets | 9.29 | 8.48 | 5.72 |

(1) Excludes loans acquired with deteriorated credit quality that are past due 90 or more days, still accruing totaling \$29 thousand, \$0.6 million, and \$0.3 million as of March 31, 2021, December 31, 2020, and March 31, 2020, respectively.

(2) Originated loans and acquired loans along with the related credit quality ratios such as nonperforming loans to loans, before allowance for loan losses (originated and acquired) and nonperforming assets to loans, before allowance for loan losses and foreclosed assets (originated and acquired) are non-GAAP financial measures. Originated loans represent loans initially originated by the Company and acquired loans that were refinanced using the Company's underwriting criteria. Acquired loans represent loans originated under the underwriting criteria used by a bank that was acquired by the Company. We believe these non-GAAP financial measures provide investors with information regarding the credit quality of loans underwritten using the Company's policies and procedures.

HBT Financial, Inc. Consolidated Financial Summary

| | Three Months Ended | | |
|---|------------------------|----------------------|-------------------|
| | March 31, 2021 | December 31, 2020 | March 31, 2020 |
| ALLOWANCE FOR LOAN LOSSES | (dollars in thousands) | | |
| Beginning balance | \$ 31,838 | \$ 31,654 | \$ 22,299 |
| Provision | (3,405) | 430 | 4,355 |
| Charge-offs | (195) | (509) | (1,221) |
| Recoveries | 521 | 263 | 654 |
| Ending balance | <u>\$ 28,759</u> | <u>\$ 31,838</u> | <u>\$ 26,087</u> |
| Net charge-offs (recoveries) | \$ (326) | \$ 246 | \$ 567 |
| Net charge-offs (recoveries) - (originated) ⁽¹⁾ | (320) | 190 | 172 |
| Net charge-offs (recoveries) - (acquired) ⁽¹⁾ | (6) | 56 | 395 |
| Average loans, before allowance for loan losses | \$ 2,284,159 | \$ 2,295,569 | \$ 2,141,031 |
| Average loans, before allowance for loan losses (originated) ⁽¹⁾ | 2,166,079 | 2,169,256 | 1,984,066 |
| Average loans, before allowance for loan losses (acquired) ⁽¹⁾ | 118,080 | 126,313 | 156,965 |
| Net charge-offs (recoveries) to average loans, before allowance for loan losses * | (0.06) % | 0.04 % | 0.11 % |
| Net charge-offs (recoveries) to average loans, before allowance for loan losses (originated) * ⁽¹⁾ | (0.06) | 0.03 | 0.03 |

| | | | |
|--|--------|------|------|
| Net charge-offs (recoveries) to average loans, before allowance for loan losses (acquired) * (1) | (0.02) | 0.18 | 1.01 |
|--|--------|------|------|

* Annualized measure.

(1) Originated loans and acquired loans along with the related credit quality ratios such as net charge-offs (originated and acquired), average loans, before allowance for loan losses (originated and acquired), and net charge-offs to average loans, before allowance for loan losses (originated and acquired) are non-GAAP financial measures. Originated loans represent loans initially originated by the Company and acquired loans that were refinanced using the Company's underwriting criteria. Acquired loans represent loans originated under the underwriting criteria used by a bank that was acquired by the Company. We believe these non-GAAP financial measures provide investors with information regarding the credit quality of loans underwritten using the Company's policies and procedures.

HBT Financial, Inc.
Consolidated Financial Summary

| | As of or for the Three Months Ended | | |
|--|--|------------------------------|---------------------------|
| | March 31, 2021 | December 31, 2020 | March 31, 2020 |
| (dollars in thousands, except per share data) | | | |
| EARNINGS AND PER SHARE INFORMATION | | | |
| Net income | \$ 15,245 | \$ 12,642 | \$ 6,221 |
| Earnings per share - Basic | 0.55 | 0.46 | 0.23 |
| Earnings per share - Diluted | 0.55 | 0.46 | 0.23 |
| Book value per share | \$ 13.05 | \$ 13.25 | \$ 12.38 |
| Shares of common stock outstanding | 27,382,069 | 27,457,306 | 27,457,306 |
| Weighted average shares of common stock outstanding | 27,430,912 | 27,457,306 | 27,457,306 |
| SUMMARY RATIOS | | | |
| Net interest margin * | 3.25 % | 3.31 % | 4.03 % |
| Efficiency ratio | 55.73 | 55.54 | 64.01 |
| Loan to deposit ratio | 67.66 | 71.78 | 78.12 |
| Return on average assets * | 1.64 % | 1.38 % | 0.78 % |
| Return on average stockholders' equity * | 17.01 | 14.00 | 7.33 |
| NON-GAAP FINANCIAL MEASURES (1) | | | |
| Adjusted net income | \$ 14,033 | \$ 12,382 | \$ 8,379 |
| Adjusted earnings per share - Basic | 0.51 | 0.45 | 0.30 |
| Adjusted earnings per share - Diluted | 0.51 | 0.45 | 0.30 |
| Tangible book value per share | \$ 12.10 | \$ 12.29 | \$ 11.38 |
| Net interest margin (tax equivalent basis) * (2) | 3.30 % | 3.36 % | 4.09 % |
| Efficiency ratio (tax equivalent basis) (2) | 55.03 | 54.86 | 63.20 |
| Return on average tangible common equity * | 18.33 % | 15.12 % | 7.97 % |
| Adjusted return on average assets * | 1.51 % | 1.36 % | 1.06 % |
| Adjusted return on average stockholders' equity * | 15.65 | 13.71 | 9.87 |
| Adjusted return on average tangible common equity * | 16.88 | 14.81 | 10.73 |

* Annualized measure.

(1) See "Reconciliation of Non-GAAP Financial Measures" below for reconciliation of non-GAAP financial measures to their most comparable GAAP financial measures.

(2) On a tax-equivalent basis assuming a federal income tax rate of 21% and a state tax rate of 9.5%.

**Reconciliation of Non-GAAP Financial Measures –
Adjusted Net Income and Adjusted Return on Average Assets**

| | Three Months Ended | | |
|--|------------------------|----------------------|-------------------|
| | March 31, 2021 | December 31, 2020 | March 31, 2020 |
| | (dollars in thousands) | | |
| Net income | \$ 15,245 | \$ 12,642 | \$ 6,221 |
| Adjustments: | | | |
| Charges related to termination of certain employee benefit plans | — | — | (848) |
| Mortgage servicing rights fair value adjustment | 1,695 | 363 | (2,171) |
| Total adjustments | 1,695 | 363 | (3,019) |
| Tax effect of adjustments | (483) | (103) | 861 |
| Less adjustments, after tax effect | 1,212 | 260 | (2,158) |
| Adjusted net income | <u>\$ 14,033</u> | <u>\$ 12,382</u> | <u>\$ 8,379</u> |
| Average assets | \$ 3,761,215 | \$ 3,633,587 | \$ 3,188,743 |
| Return on average assets * | 1.64 % | 1.38 % | 0.78 % |
| Adjusted return on average assets * | 1.51 | 1.36 | 1.06 |

* Annualized measure.

**Reconciliation of Non-GAAP Financial Measures –
Adjusted Earnings Per Share**

| | Three Months Ended | | |
|---|---|----------------------|--------------------|
| | March 31, 2021 | December 31, 2020 | March 31, 2020 |
| | (dollars in thousands, except per share data) | | |
| Numerator: | | | |
| Net income | \$ 15,245 | \$ 12,642 | \$ 6,221 |
| Earnings allocated to participating securities ⁽¹⁾ | (31) | (31) | (15) |
| Numerator for earnings per share - basic and diluted | <u>\$ 15,214</u> | <u>\$ 12,611</u> | <u>\$ 6,206</u> |
| Adjusted net income | \$ 14,033 | \$ 12,382 | \$ 8,379 |
| Earnings allocated to participating securities ⁽¹⁾ | (28) | (32) | (19) |
| Numerator for adjusted earnings per share - basic and diluted | <u>\$ 14,005</u> | <u>\$ 12,350</u> | <u>\$ 8,360</u> |
| Denominator: | | | |
| Weighted average common shares outstanding | 27,430,912 | 27,457,306 | 27,457,306 |
| Dilutive effect of outstanding restricted stock units | 2,489 | — | — |
| Weighted average common shares outstanding, including all dilutive potential shares | <u>27,433,401</u> | <u>27,457,306</u> | <u>27,457,306</u> |
| Earnings per share - Basic | <u>\$ 0.55</u> | <u>\$ 0.46</u> | <u>\$ 0.23</u> |
| Earnings per share - Diluted | <u>\$ 0.55</u> | <u>\$ 0.46</u> | <u>\$ 0.23</u> |
| Adjusted earnings per share - Basic | <u>\$ 0.51</u> | <u>\$ 0.45</u> | <u>\$ 0.30</u> |
| Adjusted earnings per share - Diluted | <u>\$ 0.51</u> | <u>\$ 0.45</u> | <u>\$ 0.30</u> |

(1) The Company has granted certain restricted stock units that contain non-forfeitable rights to dividend equivalents. Such restricted stock units are considered participating securities. As such, we have included these restricted stock units in the calculation of basic earnings per share and calculate basic earnings per share using the two-class method. The two-class method of computing earnings per share is an earnings allocation formula that determines earnings per share for each class of common stock and participating security according to dividends declared (or

accumulated) and participation rights in undistributed earnings.

N/A Not applicable.

**Reconciliation of Non-GAAP Financial Measures –
Net Interest Margin (Tax Equivalent Basis)**

| | Three Months Ended | | |
|---|------------------------|----------------------|-------------------|
| | March 31, 2021 | December 31, 2020 | March 31, 2020 |
| | (dollars in thousands) | | |
| Net interest income (tax equivalent basis) | | | |
| Net interest income | \$ 29,129 | \$ 29,164 | \$ 30,662 |
| Tax-equivalent adjustment ⁽¹⁾ | 503 | 502 | 463 |
| Net interest income (tax equivalent basis) ⁽¹⁾ | <u>\$ 29,632</u> | <u>\$ 29,666</u> | <u>\$ 31,125</u> |
| Net interest margin (tax equivalent basis) | | | |
| Net interest margin * | 3.25 % | 3.31 % | 4.03 % |
| Tax-equivalent adjustment * ⁽¹⁾ | 0.05 | 0.05 | 0.06 |
| Net interest margin (tax equivalent basis) * ⁽¹⁾ | <u>3.30 %</u> | <u>3.36 %</u> | <u>4.09 %</u> |
| Average interest-earning assets | \$ 3,637,449 | \$ 3,508,128 | \$ 3,063,086 |

* Annualized measure.

(1) On a tax-equivalent basis assuming a federal income tax rate of 21% and a state tax rate of 9.5%.

**Reconciliation of Non-GAAP Financial Measures –
Efficiency Ratio (Tax Equivalent Basis)**

| | Three Months Ended | | |
|--|------------------------|----------------------|-------------------|
| | March 31, 2021 | December 31, 2020 | March 31, 2020 |
| | (dollars in thousands) | | |
| Efficiency ratio (tax equivalent basis) | | | |
| Total noninterest expense | \$ 22,544 | \$ 22,665 | \$ 23,307 |
| Less: amortization of intangible assets | 289 | 305 | 317 |
| Adjusted noninterest expense | <u>\$ 22,255</u> | <u>\$ 22,360</u> | <u>\$ 22,990</u> |
| Net interest income | \$ 29,129 | \$ 29,164 | \$ 30,662 |
| Total noninterest income | 10,808 | 11,092 | 5,252 |
| Operating revenue | 39,937 | 40,256 | 35,914 |
| Tax-equivalent adjustment ⁽¹⁾ | 503 | 502 | 463 |
| Operating revenue (tax equivalent basis) ⁽¹⁾ | <u>\$ 40,440</u> | <u>\$ 40,758</u> | <u>\$ 36,377</u> |
| Efficiency ratio | 55.73 % | 55.54 % | 64.01 % |
| Efficiency ratio (tax equivalent basis) ⁽¹⁾ | 55.03 | 54.86 | 63.20 |

(1) On a tax-equivalent basis assuming a federal income tax rate of 21% and a state tax rate of 9.5%.

**Reconciliation of Non-GAAP Financial Measures –
Tangible Common Equity to Tangible Assets and Tangible Book Value Per Share**

| March 31, 2021 | December 31, 2020 | March 31, 2020 |
|-------------------|----------------------|-------------------|
|-------------------|----------------------|-------------------|

(dollars in thousands, except per share data)

| | | | |
|--|---------------------|---------------------|---------------------|
| Tangible common equity | | | |
| Total stockholders' equity | \$ 357,406 | \$ 363,917 | \$ 339,813 |
| Less: Goodwill | 23,620 | 23,620 | 23,620 |
| Less: Core deposit intangible assets, net | 2,509 | 2,798 | 3,713 |
| Tangible common equity | <u>\$ 331,277</u> | <u>\$ 337,499</u> | <u>\$ 312,480</u> |
| Tangible assets | | | |
| Total assets | \$ 3,865,614 | \$ 3,666,567 | \$ 3,213,109 |
| Less: Goodwill | 23,620 | 23,620 | 23,620 |
| Less: Core deposit intangible assets, net | 2,509 | 2,798 | 3,713 |
| Tangible assets | <u>\$ 3,839,485</u> | <u>\$ 3,640,149</u> | <u>\$ 3,185,776</u> |
| Total stockholders' equity to total assets | 9.25 % | 9.93 % | 10.58 % |
| Tangible common equity to tangible assets | 8.63 | 9.27 | 9.81 |
| Shares of common stock outstanding | 27,382,069 | 27,457,306 | 27,457,306 |
| Book value per share | \$ 13.05 | \$ 13.25 | \$ 12.38 |
| Tangible book value per share | 12.10 | 12.29 | 11.38 |

**Reconciliation of Non-GAAP Financial Measures –
Adjusted Return on Average Stockholders' Equity and Adjusted Return on Tangible Common Equity**

| | Three Months Ended | | |
|---|------------------------|----------------------|-------------------|
| | March 31, 2021 | December 31, 2020 | March 31, 2020 |
| | (dollars in thousands) | | |
| Average tangible common equity | | | |
| Total stockholders' equity | \$ 363,557 | \$ 359,312 | \$ 341,519 |
| Less: Goodwill | 23,620 | 23,620 | 23,620 |
| Less: Core deposit intangible assets, net | 2,686 | 2,979 | 3,898 |
| Average tangible common equity | <u>\$ 337,251</u> | <u>\$ 332,713</u> | <u>\$ 314,001</u> |
| Net income | \$ 15,245 | \$ 12,642 | \$ 6,221 |
| Adjusted net income | 14,033 | 12,382 | 8,379 |
| Return on average stockholders' equity * | 17.01 % | 14.00 % | 7.33 % |
| Return on average tangible common equity * | 18.33 | 15.12 | 7.97 |
| Adjusted return on average stockholders' equity * | 15.65 % | 13.71 % | 9.87 % |
| Adjusted return on average tangible common equity * | 16.88 | 14.81 | 10.73 |

* Annualized measure.