

# HBT Financial, Inc.

October 24, 2022

## Q3 2022 Results Presentation



---

## **Forward-Looking Statements**

Readers should note that in addition to the historical information contained herein, this presentation contains, and future oral and written statements of HBT Financial, Inc. (the "Company") and its management may contain, "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. 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," "continue," or "should," or similar terminology. Any forward-looking statements presented herein are made only as of the date of this presentation, 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.

Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to: (i) the strength of the local, state, national and international economies (including effects of inflationary pressures and supply chain constraints); (ii) the economic impact of any future terrorist threats and attacks, widespread disease or pandemics (including the COVID-19 pandemic in the United States), acts of war or other threats thereof, or other adverse external events that could cause economic deterioration or instability in credit markets, and the response of the local, state and national governments to any such adverse external events; (iii) changes in accounting policies and practices, as may be adopted by state and federal regulatory agencies, the FASB or the PCAOB; (iv) changes in state and federal laws, regulations and governmental policies concerning the Company's general business; (v) changes in interest rates and prepayment rates of the Company's assets (including the impact of LIBOR phase-out); (vi) increased competition in the financial services sector and the inability to attract new customers; (vii) changes in technology and the ability to develop and maintain secure and reliable electronic systems; (viii) unexpected results of acquisitions, which may include failure to realize the anticipated benefits of acquisitions and the possibility that transaction costs may be greater than anticipated; (ix) the loss of key executives or employees; (x) changes in consumer spending; (xi) unexpected outcomes of existing or new litigation involving the Company; (xii) the economic impact of exceptional weather occurrences such as tornadoes, floods and blizzards; (xiii) the possibility that stockholders of Town and Country Financial Corporation ("Town and Country") may not approve the merger agreement; (xiv) the risk that a condition to closing of the proposed transaction may not be satisfied, that either party may terminate the merger agreement or that the closing of the proposed transaction might be delayed or not occur at all; (xv) potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement or completion of the transaction; (xvi) the diversion of management time on transaction-related issues; (xvii) the ultimate timing, outcome and results of integrating the operations of Town and Country into those of HBT; (xviii) the effects of the merger on HBT's future financial condition, results of operations, strategy and plans; (xix) regulatory approvals of the transaction; and (xx) the ability of the Company to manage the risks associated with the foregoing. Readers should note that the forward-looking statements included in this presentation 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. Additional information concerning the Company and its business, including additional factors that could materially affect the Company's financial results, is included in the Company's filings with the Securities and Exchange Commission (the "SEC").

## **Non-GAAP Financial Measures**

This presentation includes certain non-GAAP financial measures. While the Company believes these are useful measures for investors, they are not presented in accordance with GAAP. You should not consider non-GAAP measures in isolation or as a substitute for the most directly comparable or other financial measures calculated in accordance with GAAP. Because not all companies use identical calculations, the presentation herein of non-GAAP financial measures may not be comparable to other similarly titled measures of other companies. Tax equivalent adjustments assume a federal tax rate of 21% and state tax rate of 9.5%. For a reconciliation of the non-GAAP measures we use to the most closely comparable GAAP measures, see the Appendix to this presentation.

---

## ***Important Information and Where to Find It***

In connection with the proposed transaction, HBT and Town and Country filed materials with the SEC, including a Registration Statement on Form S-4 of HBT that includes a proxy statement of Town and Country and a prospectus of HBT. After the Registration Statement is declared effective by the SEC, HBT and Town and Country intend to mail a definitive proxy statement/prospectus to the stockholders of Town and Country. This presentation is not a substitute for the proxy statement/prospectus or the Registration Statement or for any other document that HBT or Town and Country may file with the SEC and send to Town and Country's stockholders in connection with the proposed transaction. TOWN AND COUNTRY'S STOCKHOLDERS ARE URGED TO CAREFULLY AND THOROUGHLY READ THE PROXY STATEMENT/PROSPECTUS AND THE REGISTRATION STATEMENT, AS MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, AND OTHER RELEVANT DOCUMENTS FILED BY HBT OR TOWN AND COUNTRY WITH THE SEC, WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT HBT, TOWN AND COUNTRY, THE PROPOSED TRANSACTION, THE RISKS RELATED THERETO AND RELATED MATTERS.

Investors will be able to obtain free copies of the Registration Statement and proxy statement/prospectus, as each may be amended from time to time, and other relevant documents filed by HBT and Town and Country with the SEC (when they become available) through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). Copies of documents filed with the SEC by HBT will be available free of charge from HBT's website at <https://ir.hbtfinancial.com> or by contacting HBT's Investor Relations Department at [HBTIR@hbtbank.com](mailto:HBTIR@hbtbank.com).

## ***Participants in the Proxy Solicitation***

HBT, Town and Country and their respective directors and certain of their executive officers and other members of management and employees may be deemed, under SEC rules, to be participants in the solicitation of proxies from Town and Country's stockholders in connection with the proposed transaction. Information regarding the executive officers and directors of HBT is included in its definitive proxy statement for its 2022 annual meeting filed with the SEC on April 5, 2022. Information regarding the executive officers and directors of Town and Country and additional information regarding the persons who may be deemed participants and their direct and indirect interests, by security holdings or otherwise, will be set forth in the Registration Statement and proxy statement/prospectus and other materials when they are filed with the SEC in connection with the proposed transaction. Free copies of these documents may be obtained as described in the paragraphs above.

## ***No Offer or Solicitation***

This presentation does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any securities or a solicitation of any vote or approval with respect to the proposed transaction or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

# Q3 2022 Highlights

---

## Continued growth in earnings and returns

- Net income of \$15.6 million, or \$0.54 per diluted share; return on average assets (ROAA) of 1.47% and return on average tangible common equity (ROATCE)<sup>1</sup> of 17.70%; all up from the prior quarter and prior year's same quarter

## Increased Operational Performance and Asset Quality

- Strongest quarter for loan growth in 2022 resulting from strong contributions across all geographic markets and moderation in prepayments and payoffs
- Asset sensitive balance sheet resulted in 31 basis point increase in net interest margin
- Total cost of deposits increased 1 basis point, to 0.06%, while average yield on earning assets increased by 34 basis points, to 3.81%
- Non-interest expense relatively unchanged from prior quarter
- Nonperforming assets to total assets of 0.14% and net charge-offs to average loans of 0.01%

## M&A continues to enhance value of HBT franchise

- Pending merger with Town and Country Financial Corporation (expected to close in 1Q23)
  - Highly accretive to EPS (17% in first full year of cost savings)<sup>2</sup>
  - Expands HBT's Illinois footprint while adding exposure to St. Louis MSA
  - Adds high performing, highly compatible commercial banking franchise with low-cost deposit base

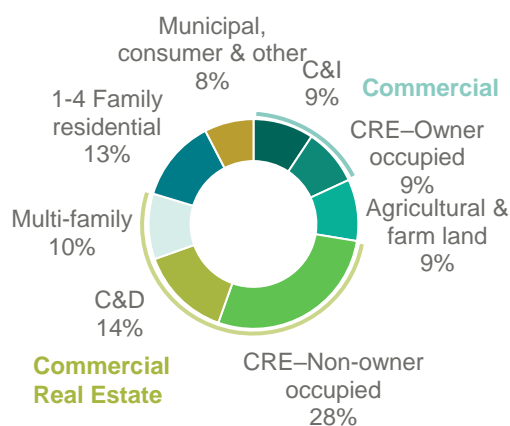
<sup>1</sup> See "Non-GAAP reconciliations" in the Appendix for reconciliation of non-GAAP financial measures to their most closely comparable GAAP financial measures; <sup>2</sup> EPS accretion excludes transaction expenses and assumes transaction closing during the first quarter of 2023

# Company snapshot

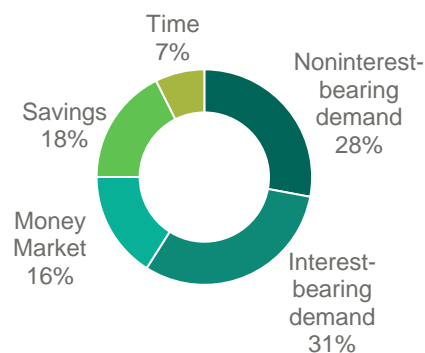
## Overview

- ✓ Company incorporated in 1982 from base of family-owned banks and completed its IPO in October 2019
- ✓ Headquartered in Bloomington, IL, with operations in Central Illinois, the Chicago MSA, and Eastern Iowa
- ✓ Leading market position in majority of our core mid-sized markets in Central Illinois<sup>1</sup>
- ✓ Strong deposit franchise with 6bps cost of deposits, 99% core deposits<sup>2</sup>
- ✓ Conservative credit culture, with net recoveries to average loans of 6bps for 9 months ended September 30, 2022 and 1bp during the year ended December 31, 2021
- ✓ High profitability sustained through cycles

### Loan composition



### Deposit composition



## Financial highlights (\$mm)

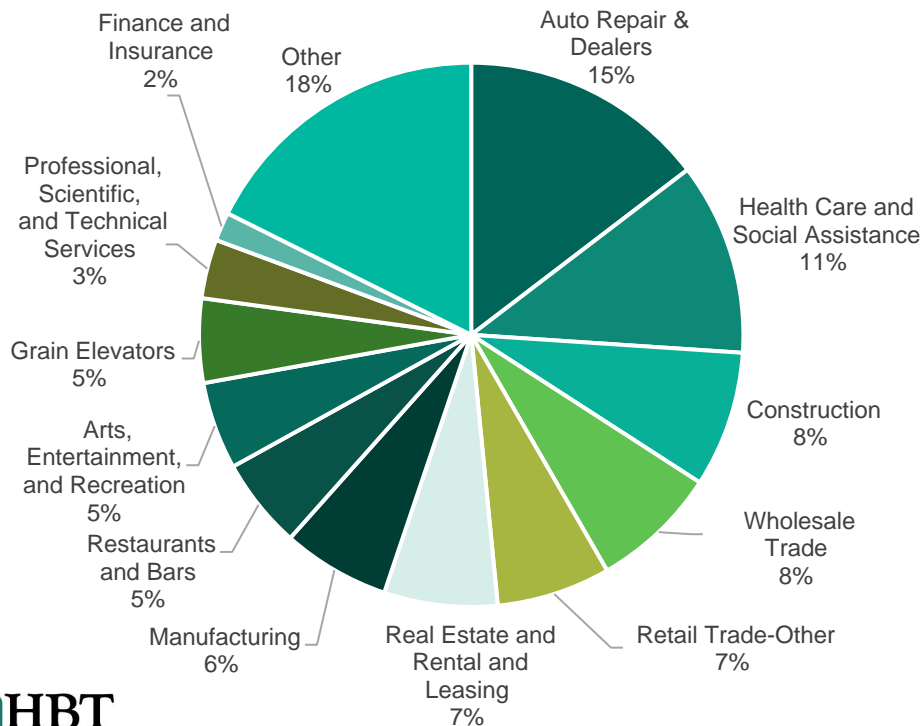
As of or for the period ended		2019	2020	2021	3Q22 YTD
Balance sheet	Total assets	\$3,245	\$3,667	\$4,314	\$4,213
	Total loans, HFI <sup>3</sup>	2,164	2,247	2,500	2,580
	Total deposits	2,777	3,131	3,738	3,643
	% Core deposits <sup>2</sup>	98.4%	99.1%	98.3%	99.3%
	Loans-to-deposits	77.9%	71.8%	66.9%	70.8%
Key performance indicators	Adjusted ROAA <sup>4</sup>	1.78%	1.15%	1.43%	1.31%*
	Adjusted ROATCE <sup>4</sup>	18.3%	12.3%	16.1%	15.67%*
	Cost of deposits	0.29%	0.14%	0.07%	0.06%*
	NIM <sup>5</sup>	4.38%	3.60%	3.23%	3.41%*
	Yield on loans	5.51%	4.69%	4.68%	4.66%*
	Efficiency ratio <sup>5</sup>	53.1%	58.9%	55.8%	53.9%
Credit & capital	NCOs / loans	0.07%	0.04%	(0.01)%	(0.06)%*
	NPLs / gross loans	0.88%	0.44%	0.11%	0.12%
	NPAs / loans + OREO	1.11%	0.63%	0.24%	0.23%
	CET1 (%)	12.2%	13.1%	13.4%	13.1%
	TCE / TA <sup>6</sup>	9.5%	9.3%	8.9%	7.9%

Note: Financial data as of and for the three months ended September 30, 2022 unless otherwise indicated; \* Annualized measure; <sup>1</sup> Core mid-sized markets in Central Illinois defined as Illinois markets outside of the Chicago metropolitan statistical area; leading deposit share defined as top three deposit share rank; <sup>2</sup> Core deposits defined as all deposits excluding time deposits of \$250,000 or more and brokered deposits; for reconciliation with GAAP metric, see "Non-GAAP reconciliations" in the Appendix; <sup>3</sup> Loans held for investment, before allowance for loan losses; excludes loans held for sale; <sup>4</sup> Metric based on adjusted net income, which is a non-GAAP metric; for reconciliation with GAAP metric, see "Non-GAAP reconciliations" in the Appendix; net income presented on C-Corporation equivalent basis for periods prior to 2020; <sup>5</sup> Tax-equivalent basis metric; for reconciliation with GAAP metric, see "Non-GAAP reconciliations" in the Appendix; <sup>6</sup> Tangible common equity to tangible assets is a non-GAAP metric; for reconciliation with GAAP metric, see "Non-GAAP reconciliations" in the Appendix.

# Loan Portfolio Overview: Commercial and Commercial Real Estate

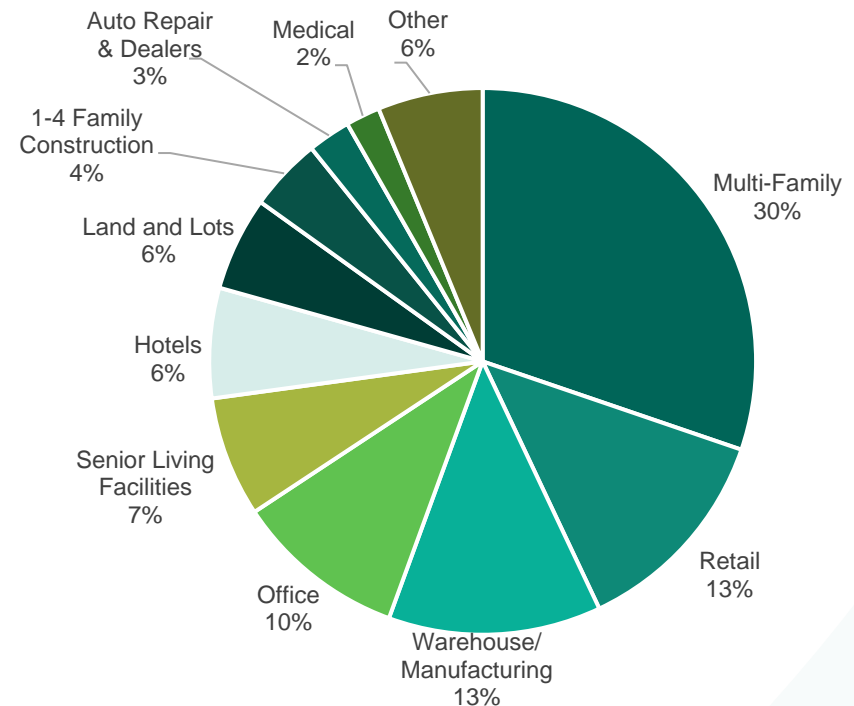
## Commercial Loan Portfolio

- \$241 million C&I loans outstanding as of September 30, 2022
  - For working capital, asset acquisition, and other business purposes
  - Underwritten primarily based on borrower's cash flow and majority further supported by collateral and personal guarantees; loans based primarily in-market<sup>1</sup>
- \$227 million owner-occupied CRE outstanding as of September 30, 2022
  - Primarily underwritten based on cash flow of the business occupying the property and supported by personal guarantees; loans based primarily in-market



## Commercial Real Estate Portfolio

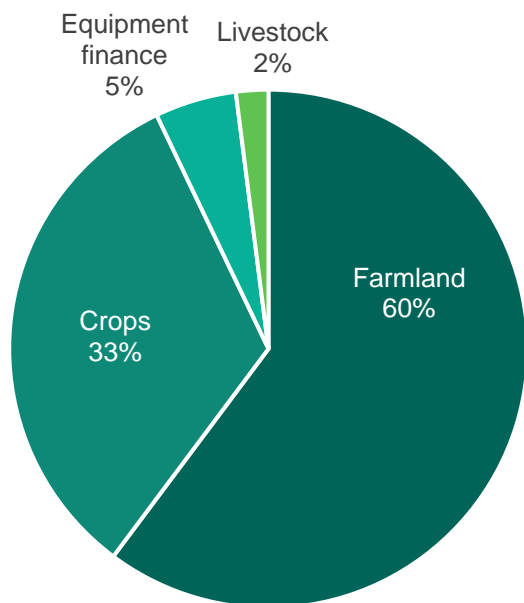
- \$1.34 billion portfolio as of September 30, 2022
  - \$718 million in non-owner occupied CRE primarily supported by rental cash flow of the underlying properties
  - \$261 million in multi-family loans secured by 5+ unit apartment buildings
  - \$364 million in construction and land development loans primarily to developers to sell upon completion or for long-term investment
- Vast majority of loans originated to experienced real estate developers within our markets<sup>1</sup>
- Guarantees required on majority of loans originated



# Loan Portfolio Overview: Selected Portfolios

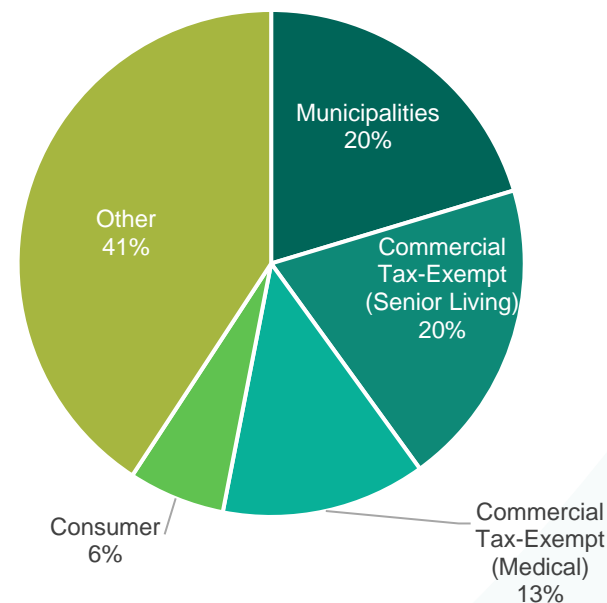
## Agriculture and Farmland

- \$245 million portfolio as of September 30, 2022
- Significant increase in corn and soybean prices since 2020 improved borrower profitability and should reduce portfolio credit risk
- Federal crop insurance programs mitigate production risks
- No customer accounts for more than 3% of the agriculture portfolio
- Weighted average LTV on Farmland loans is 55.6%
- 0.4% is rated substandard as of September 30, 2022
- Over 70% of agricultural borrowers have been with the Company for at least 10 years, and over half for more than 20 years



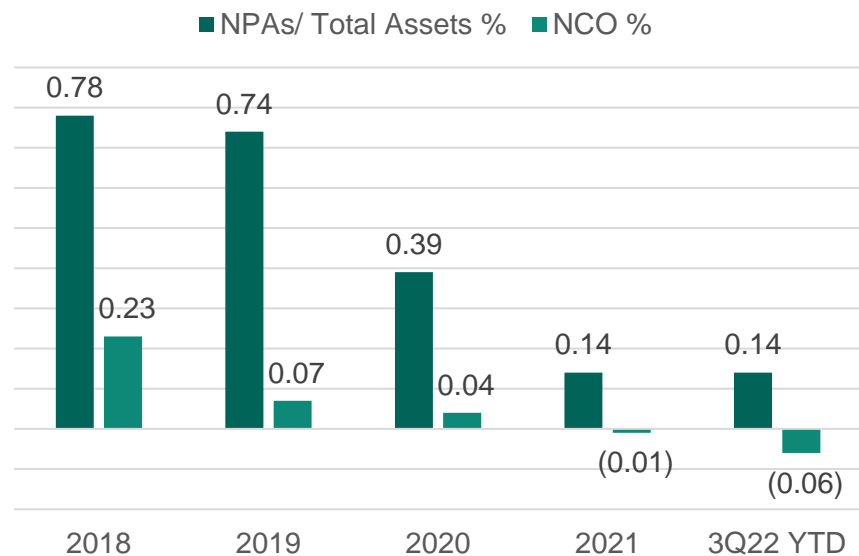
## Municipal, Consumer and Other

- \$196 million portfolio as of September 30, 2022
  - Loans to municipalities are primarily federally tax-exempt
  - Consumer loans include loans to individuals for consumer purposes and typically consist of small balance loans
  - Other loans primarily include loans to nondepository financial institutions
- Commercial Tax-Exempt - Senior Living
  - \$38.5 million portfolio with \$7.7 million average loan size
  - Weighted average LTV of 98.5%
  - 32.2% is rated substandard
- Commercial Tax-Exempt – Medical
  - \$25.5 million portfolio with \$2.3 million average loan size
  - Weighted average LTV of 38.4%
  - No loans are rated substandard



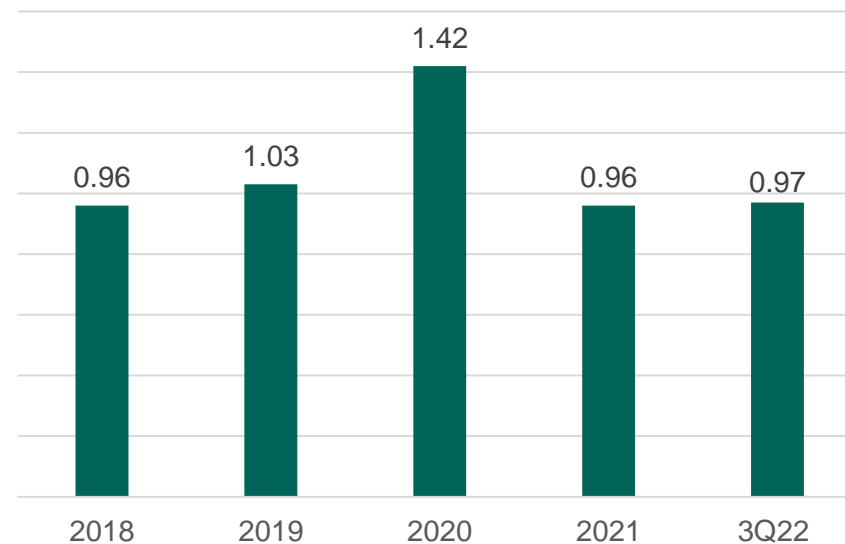
# Loan Portfolio Overview: Asset Quality and Reserves

**Non-performing Assets/Total Assets % and Net Charge-off %**



- Substandard loans decreased \$8.4 million to \$72.4 million and Pass-Watch loans decreased \$5.8 million to \$57.8 million as of September 30, 2022 when compared to June 30, 2022

**Allowance for Loan Losses to Total Loans %**



- In addition to our allowance for loan losses, we had \$1.7 million in credit-related discounts on acquired loans at September 30, 2022
- Adopting ASU 2016-13 ("CECL") on January 1, 2023



# Securities Portfolio Overview

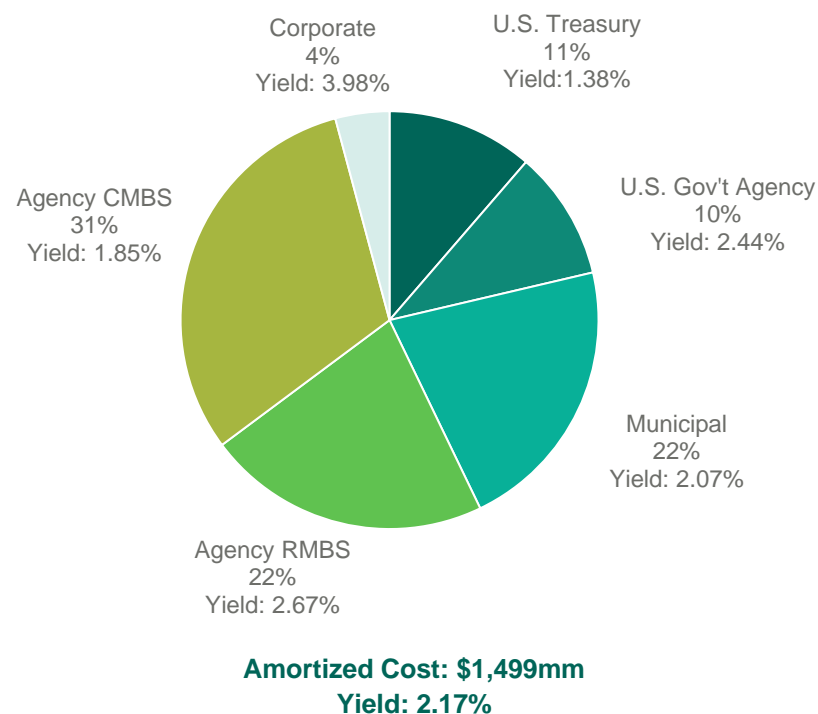
## Overview

- Company's debt securities consist primarily of the following types of fixed income instruments:
  - Agency guaranteed MBS: MBS pass-throughs, CMOs, and CMBS
  - Municipal Bonds: weighted average NRSRO credit rating of AA/Aa2
  - Treasury, Government Agency Debentures, and SBA-backed Full Faith and Credit Debt
  - Corporate Bonds: Investment Grade Corporate and Bank Subordinated Debt
- Investment strategy focused on maximizing returns and managing the Company's asset sensitivity with high credit quality intermediate duration investments
- Company emphasizes predictable cash flows that limit faster prepayments when rates decline or extended durations when rates rise
- AOCI volatility managed through use of HTM designation for securities with higher effective duration

## Key investment portfolio metrics

(\$000)	AFS	HTM	Total
Amortized Cost	\$952,144	\$546,694	\$1,498,838
Fair Value	853,740	481,692	1,335,432
Unrealized Gain/(Loss)	(98,404)	(65,002)	(163,406)
Book Yield	2.06%	2.37%	2.17%
Effective Duration (Years)	3.75	5.49	4.38

## Portfolio Composition



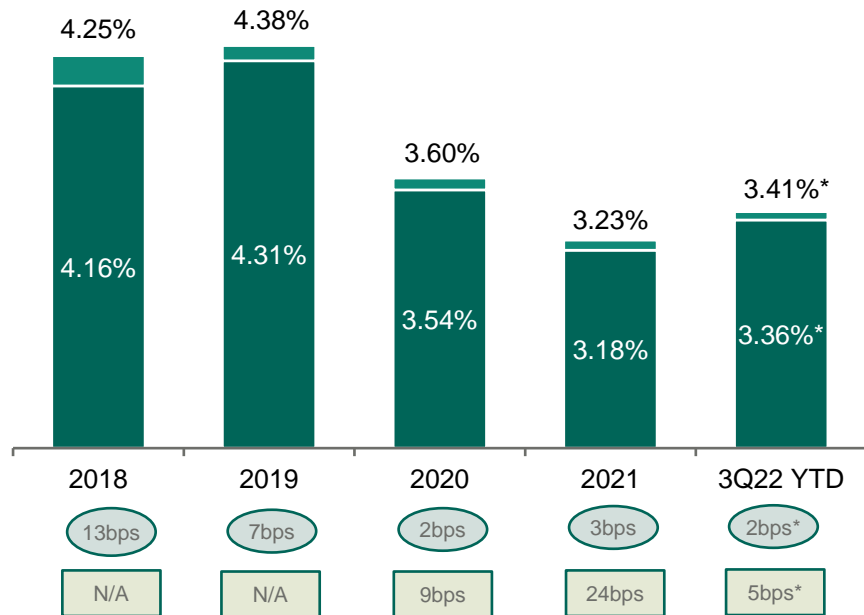
Financial data as of September 30, 2022

# Net Interest Margin

- Third quarter 2022 net interest margin increased 31 basis points from the prior quarter primarily due to higher yields on earning assets
- 40% of the loan portfolio matures or reprices within the next 12 months
- Loan mix is 65% fixed rate and 35% variable rate, and 78% of variable rate loans have floors

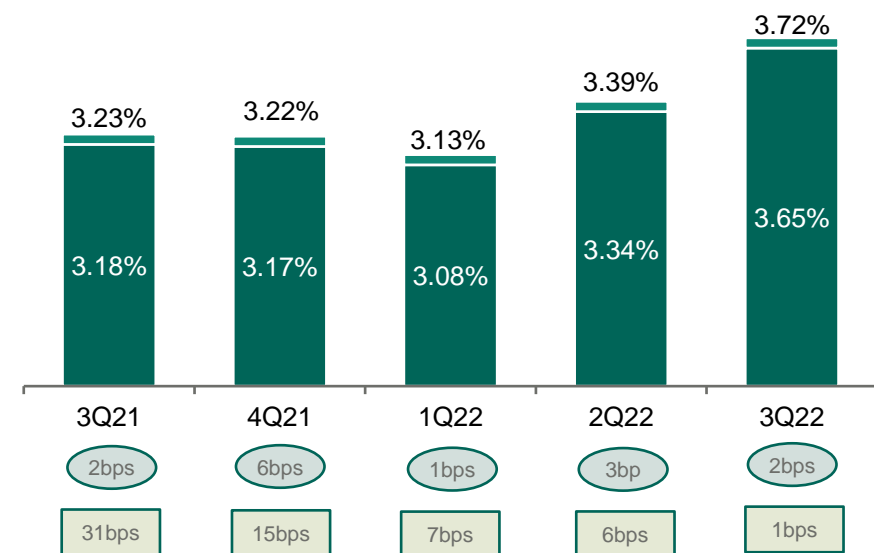
## Annual

- FTE NIM<sup>1</sup>
- GAAP NIM
- Accretion of acquired loan discounts contribution to GAAP NIM
- PPP loan fees contribution to GAAP NIM



## Quarterly

- FTE NIM<sup>1</sup>
- GAAP NIM\*
- Accretion of acquired loan discounts contribution to GAAP NIM\*
- PPP loan fees contribution to GAAP NIM\*



\* Annualized measure; <sup>1</sup> Tax-equivalent basis metric; see "Non-GAAP reconciliations" in the Appendix for reconciliation of non-GAAP financial measures to their most closely comparable GAAP financial measures.

# Wealth Management Overview

## Comprehensive Wealth Management Services

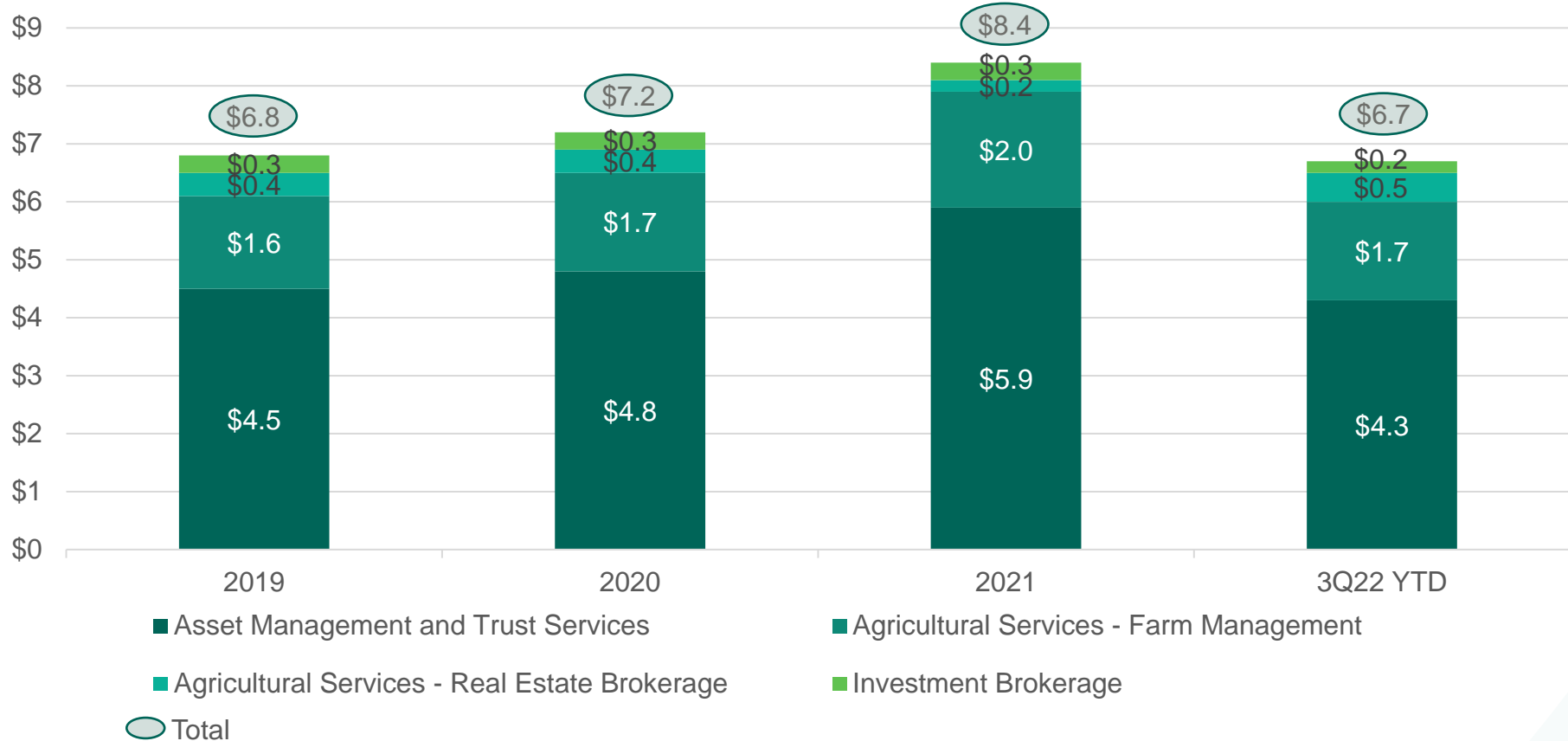
- Proprietary investment management solutions
- Financial planning
- Trust and estate administration

## Agricultural Services

- Farm management services: Over 78,000 acres
- Real estate brokerage including auction services
- Farmland appraisals

## Wealth Management Revenue Trends (\$mm)

Over \$1.8 billion of assets under management or administration as of September 30, 2022

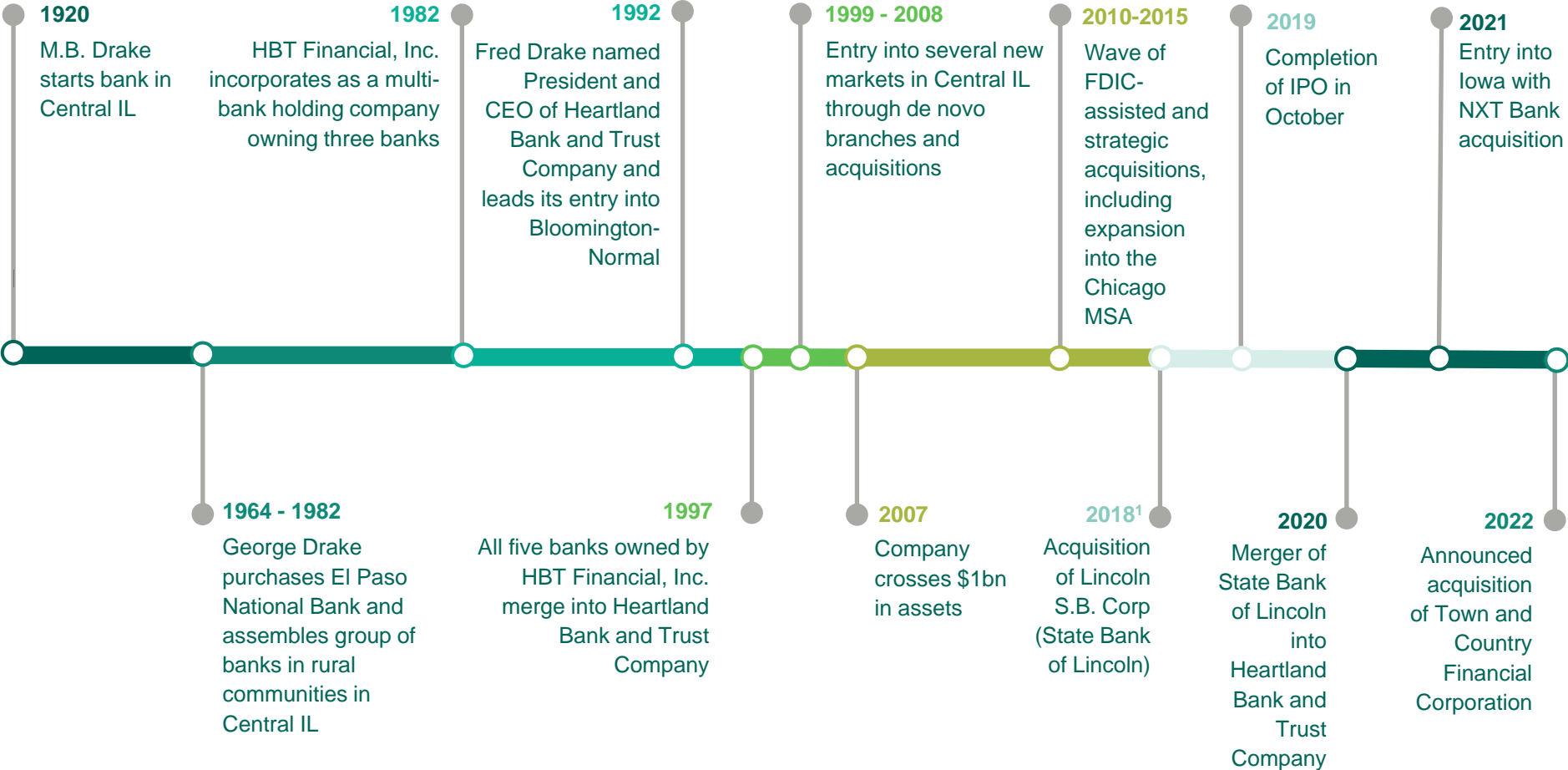


## Near-Term Outlook

---

- Growth in net interest income and disciplined expense control positions the Company to achieve continued strong profitability
- Loan growth in mid to upper single digits on an annualized basis expected in 4Q22
  - Continued growth expected in all markets, although at a slower pace than 3Q22
  - Loan demand remains strongest in CRE and construction
  - Seasonal increase in grain elevator line of credit utilization anticipated in 4Q22
- Expect continued net interest income growth and NIM expansion
  - Average yield on earning assets expected to continue benefiting from variable rate loan repricing, favorable shift in earning asset mix, and improved pricing on new loan production
  - Larger increases in deposit costs expected to reduce pace of NIM expansion going forward
- Non-interest income should be relatively consistent in 4Q22 as unfavorable environment for wealth management and mortgage banking revenue continues
- Noninterest expense anticipated to be relatively consistent in 4Q22 (excluding merger-related expense)
- Financial strength of borrowers and conservatively underwritten portfolio expected to result in continued strong asset quality although provision expense could increase to reflect negative economic forecasts
- Stock repurchase program paused until the vote of Town and Country's shareholders on the merger
- Well-positioned to consider additional accretive acquisition opportunities while completing merger with Town and Country

# Our history – Long track record of organic and acquisitive growth



<sup>1</sup> Although the Lincoln S.B. Corp transaction is identified as an acquisition above, the transaction was accounted for as a change of reporting entity due to its common control with the Company

# Town and Country Financial Corporation Merger Overview

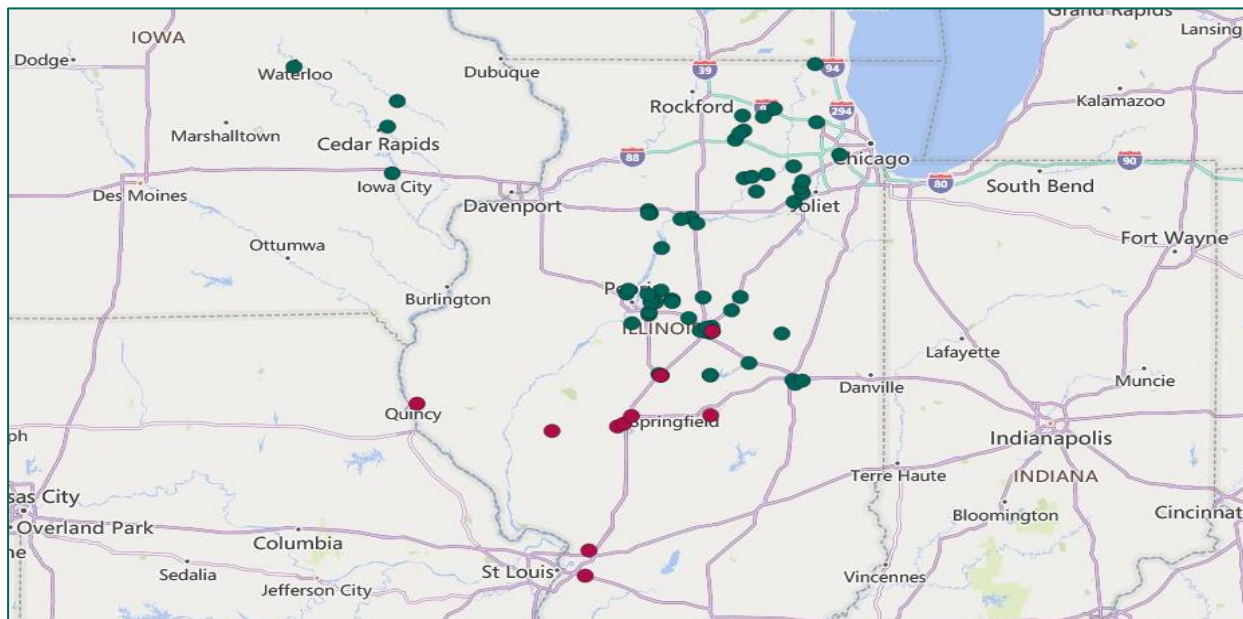
## Key Highlights and Strategic Rationale

- Expands HBT's Illinois footprint while adding exposure to higher growth St. Louis MSA with presence in St. Louis Metro East market
- Adds high performing, highly compatible commercial banking franchise with relationship-based approach, strong credit culture and attractive deposit base
- Provides opportunities to expand customer relationships with broader range of products and services and greater ability to meet larger borrowing needs
- Leverages HBT's excess capital and integration expertise to enhance franchise value and improve ability to generate profitable growth in the future

## Expected Financial Impact

- As of June 30, 2022, Town and Country had \$876 million in assets, \$625 million in loans, and \$738 million in deposits
- Anticipated EPS accretion of 17% in first full year with cost savings (excluding transaction expenses and assuming transaction closes in first quarter of 2023)
- Short TBV dilution earnback period of 2 years (crossover method)
- Adds low-cost deposit base (cost of deposits of 10 bps during 1H22)

## Pro Forma Franchise Footprint

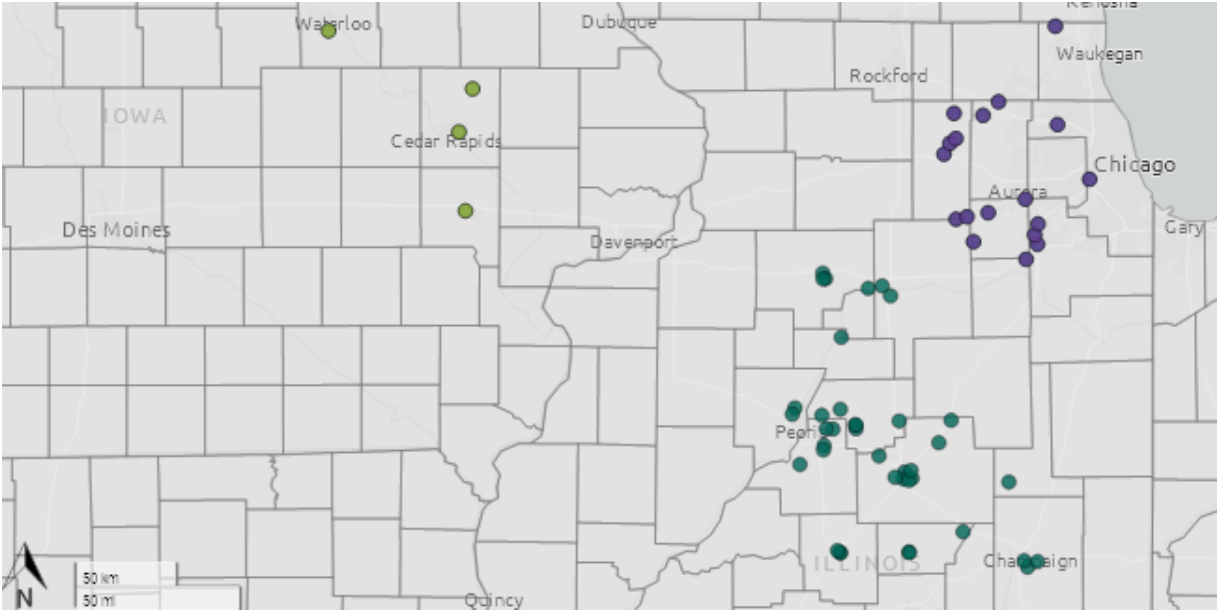


### Full-Service Branches

- TWCF (10)
- HBT (58)

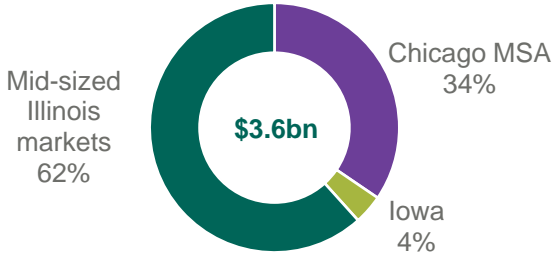
# Our markets

## Full-service branch locations

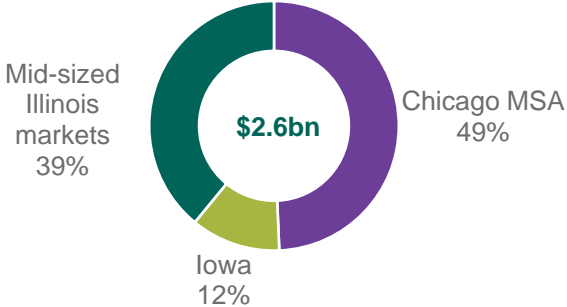


- Illinois branches outside of the Chicago MSA
- Illinois branches in the Chicago MSA
- Iowa branches

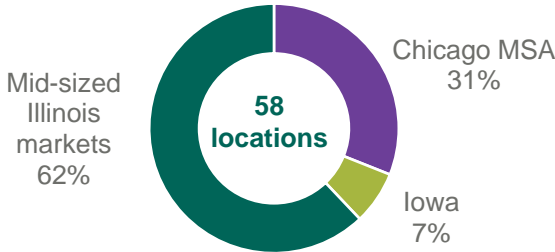
### Deposits



### Loans



### Full-service Branches



Source: S&P Global Market Intelligence; Financial data as of September 30, 2022

# Business strategy

*Small enough to know you, big enough to serve you*

## Preserve strong ties to our communities

- Drake family involved in Central IL banking since 1920
- Management lives and works in our communities
- Community banking and relationship-based approach stems from adherence to our Midwestern values
- Committed to providing products and services to support the unique needs of our customer base
- Nearly all loans originated to borrowers domiciled within 60 miles of a branch

## Deploy excess deposit funding into loan growth opportunities

- Highly defensible market position (Top 2 deposit market share rank in 6 of 7 largest core mid-sized markets in Central Illinois<sup>1</sup>) that contributes to our strong core deposit base and funding advantage
- Continue to deploy our excess deposit funding (71% loan-to-deposit ratio as of 3Q22) into attractive loan opportunities in larger, more diversified markets
- Efficient decision-making process provides a competitive advantage over the larger and more bureaucratic money center and super regional financial institutions that compete in our markets

## Maintain a prudent approach to credit underwriting

- Robust underwriting standards will continue to be a hallmark of the Company
- Maintained sound credit quality and minimal originated problem asset levels during the Great Recession
- Diversified loan portfolio primarily within footprint
- Underwriting continues to be a strength as evidenced by only 4bps NCOs / loans during 2020, (1)bp during 2021, and (6)bps during 3Q22 YTD

## Pursue strategic acquisitions and sustain strong profitability

- Positioned to be the acquirer of choice for many potential partners in and adjacent to our existing markets
- Successful integration of 8 community bank acquisitions in the last 13 years
- Chicago MSA, in particular, has ~100 banking institutions with less than \$1bn in assets
- 1.43% ROAA<sup>2</sup> and 3.23% NIM<sup>3</sup> during 2021; 1.31% ROAA<sup>2</sup> and 3.41% NIM<sup>3</sup> during 3Q22 YTD
- Highly profitable through the Great Recession

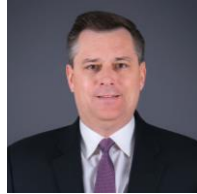
<sup>1</sup> Core mid-sized markets in Central Illinois defined as Illinois markets outside of the Chicago metropolitan statistical area; leading deposit share defined as top three deposit share rank; <sup>2</sup> Metrics based on adjusted net income, which is a non-GAAP metric; for reconciliation with GAAP metrics, see "Non-GAAP reconciliations" in Appendix; <sup>3</sup> Metrics presented on tax equivalent basis; for reconciliation with GAAP metric, see "Non-GAAP reconciliations" in Appendix.



# Experienced executive management team with deep community ties



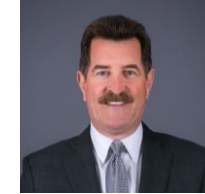
**Fred L. Drake**  
**Chairman and CEO**  
39 years with Company  
42 years in industry



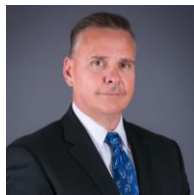
**J. Lance Carter**  
**President and  
Chief Operating Officer**  
21 years with Company  
28 years in industry



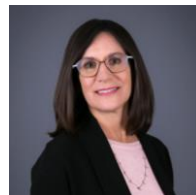
**Matthew J. Doherty**  
**Chief Financial Officer**  
12 years with Company  
30 years in industry



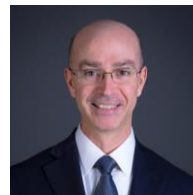
**Patrick F. Busch**  
**Chief Lending Officer,  
President of Heartland Bank**  
27 years with Company  
44 years in industry



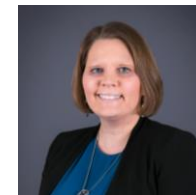
**Lawrence J. Horvath**  
**Senior Regional Lender,  
Heartland Bank**  
12 years with Company  
37 years in industry



**Diane H. Lanier**  
**Chief Retail Officer**  
25 years with Company  
37 years in industry



**Mark W. Scheirer**  
**Chief Credit Officer**  
11 years with Company  
30 years in industry



**Andrea E. Zurkamer**  
**Chief Risk Officer**  
9 years with Company  
22 years in industry



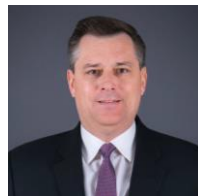
**Peter Chapman**  
**Executive Vice President**  
Joined HBT in Oct. 2022  
28 years in industry

# Talented Board of Directors with deep financial services industry experience



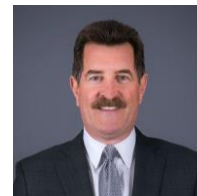
**Fred L. Drake**  
**Chairman**

- Director since 1984
- CEO of HBT Financial
- **39** years with Company
- **42** years in industry



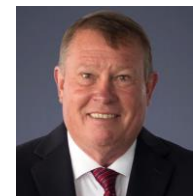
**J. Lance Carter**  
**Director**

- Director since 2011
- President and COO of HBT Financial
- **21** years with Company
- **28** years in industry



**Patrick F. Busch**  
**Director**

- Director since 1998
- Chief Lending Officer of HBT Financial
- **27** years with Company
- **44** years in industry



**Roger A. Baker**  
**Director**

- Director since 2022
- Former Chairman and President of NXT Bancorporation
- Owner, Sinclair Elevator, Inc.
- **15** years in industry



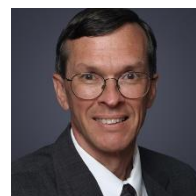
**Dr. C. Alvin Bowman**  
**Director**

- Director since June 2019
- Former President of Illinois State University
- **36** years in higher education



**Eric E. Burwell**  
**Director**

- Director since June 2005
- Owner, Burwell Management Company
- Invests in a variety of real estate, private equity, venture capital and liquid investments



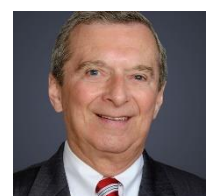
**Allen C. Drake**  
**Director**

- Director since 1981
- Retired EVP with **27** years of experience at Company
- Formerly responsible for Company's lending, administration, technology, personnel, accounting, trust and strategic planning



**Linda J. Koch**  
**Director**

- Director since June 2020
- Former President and CEO of the Illinois Bankers Association
- **36** years in industry



**Gerald E. Pfeiffer**  
**Director**

- Director since June 2019
- Former Partner at CliftonLarsonAllen LLP with **46** years of industry experience
- Former CFO of Bridgeview Bancorp

# Investment highlights



1



**Consistent performance through cycles**

2



**Leading deposit share in mid-sized markets provides funding for stronger loan demand in higher growth areas**

3



**Stable, low-cost deposit base well-positioned for rising rates**

4



**Track record of successfully integrating acquisitions**

5



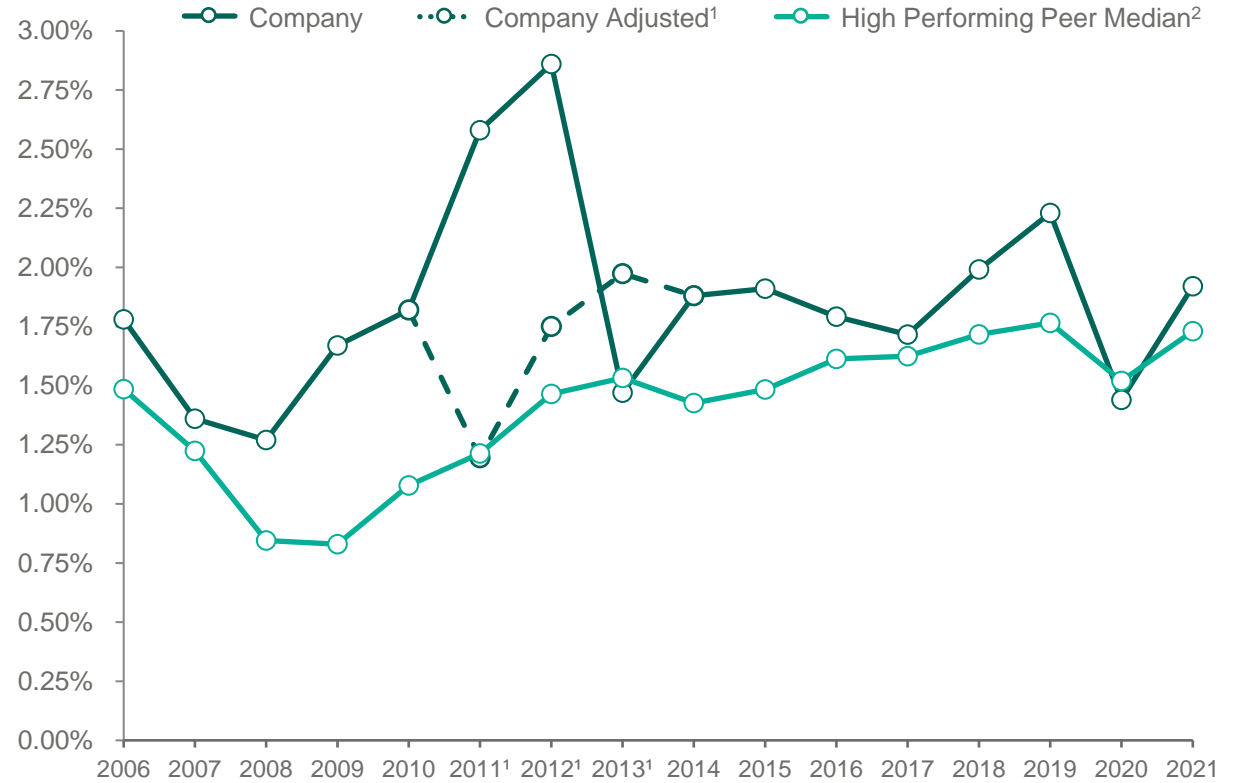
**Prudent risk management**

# 1 Consistent performance through cycles...

## Drivers of profitability

- 1 Strong, low-cost deposits supported by our leading market share in core mid-sized markets
- 2 Relationship-based business model that has allowed us to cultivate and underwrite attractively priced loans
- 3 A robust credit risk management framework to prudently manage credit quality
- 4 Diversified sources of fee income, including in wealth management

## Pre-tax return on average assets (%)

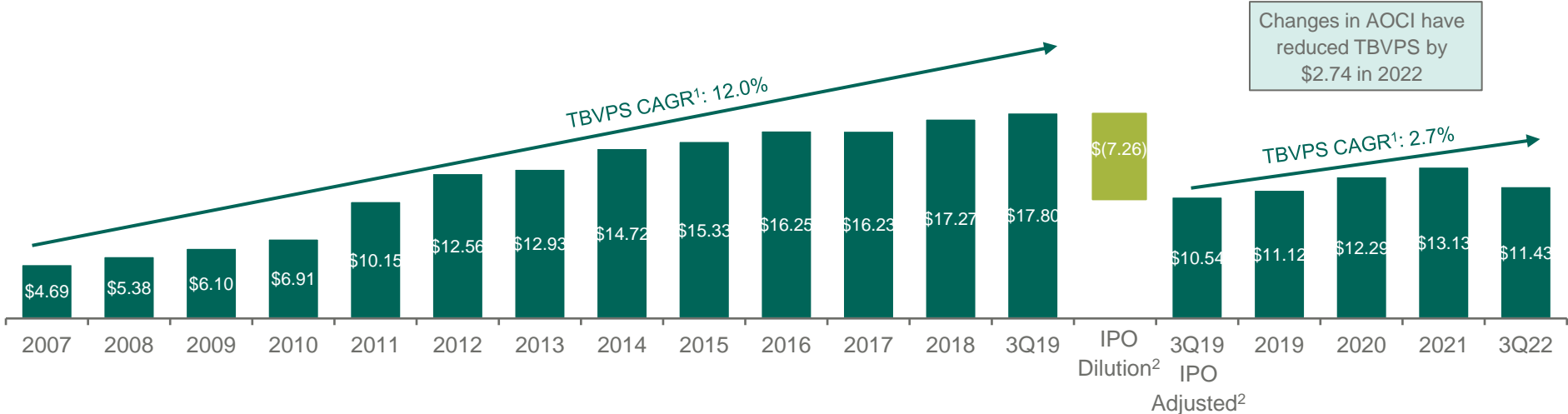


**Consistent outperformance, even during periods of broad economic stress**

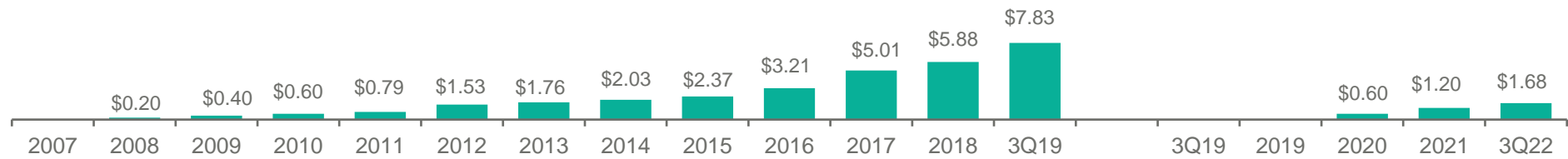
Source: S&P Global Market Intelligence; For 2006 through June 30, 2012, the Company's pre-tax ROAA does not include Lincoln S.B. Corp. and its subsidiaries; <sup>1</sup> Non-GAAP financial measure; HBT pre-tax ROAA adjusted to exclude the following significant non-recurring items in the following years: 2011: \$25.4 million bargain purchase gains; 2012: \$11.4 million bargain purchase gains, \$9.7 million net realized gain on securities, and \$6.7 million net positive adjustments on FDIC indemnification asset and true-up liability; 2013: \$9.1 million net realized loss on securities and \$6.9 million net loss related to the sale of branches; <sup>2</sup> Represents 23 high performing major exchange-traded banks headquartered in the Midwest with \$2-10bn in assets and a 2021 core return on average assets above 1.0%

# 1 . . . drives compelling tangible book value growth

Tangible book value per share over time (\$ per share)<sup>1</sup>



Cumulative effect of dividends paid (\$ per share)<sup>3</sup>



<sup>1</sup> For reconciliation with GAAP metric, see “Non-GAAP reconciliations” in Appendix; <sup>2</sup> In 2019, HBT Financial issued and sold 9,429,794 shares of common stock at a price of \$16 per share. Total proceeds received by the Company, net of offering costs, were \$138.5 million and were used to substantially fund a \$170 million special dividend to stockholders of record prior to the initial public offering. Amount reflects dilution per share attributable to newly issued shares in initial public offering and special dividend payment. For reconciliation with GAAP metric, see “Non-GAAP reconciliations”; <sup>3</sup> Excludes dividends paid to S Corp shareholders for estimated tax liability prior to conversion to C Corp status on October 11, 2019. Excludes \$170 million special dividend funded primarily from IPO proceeds. For reconciliation with GAAP metric, see “Non-GAAP reconciliations” in Appendix

2

# Leading deposit share in mid-sized markets provides funding for stronger loan demand in higher growth areas

## Leading Deposit Market Position

- Top 2 deposit share rank in 6 of 7 largest core mid-sized markets in Central Illinois<sup>1</sup>

### Company market share by county

County	Deposits (\$mm)	Full-Service Branches	Market share <sup>2</sup>	Rank <sup>2</sup>
McLean	\$653	9	16.1%	2
DeKalb	415	6	13.8%	4
Cook	274	2	0.1%	52
Tazewell	267	5	7.2%	2
Bureau	249	3	20.6%	1
Woodford	243	5	26.0%	2
De Witt	199	3	40.9%	1
Logan	187	2	30.3%	1
Other Counties	1,156	23		

Shaded counties denote Company's top mid-sized markets by deposit share

## Loan Growth Opportunities

### Chicago MSA

- Entered market in 2011 with acquisition of Western Springs National Bank
- In-market disruption from recent bank M&A in Chicago MSA has provided attractive source of local talent
- Scale and diversity of Chicago MSA provides continued growth opportunities, both in lending and deposits
- Loan growth in Chicago MSA spread across a variety of commercial asset classes, including multifamily, mixed use, industrial, retail, and office

### Central Illinois

- Deep-rooted market presence expanded through several acquisitions since 2007
- Electric automaker Rivian's manufacturing facility in Normal, Illinois has dramatically increased economic activity throughout the region

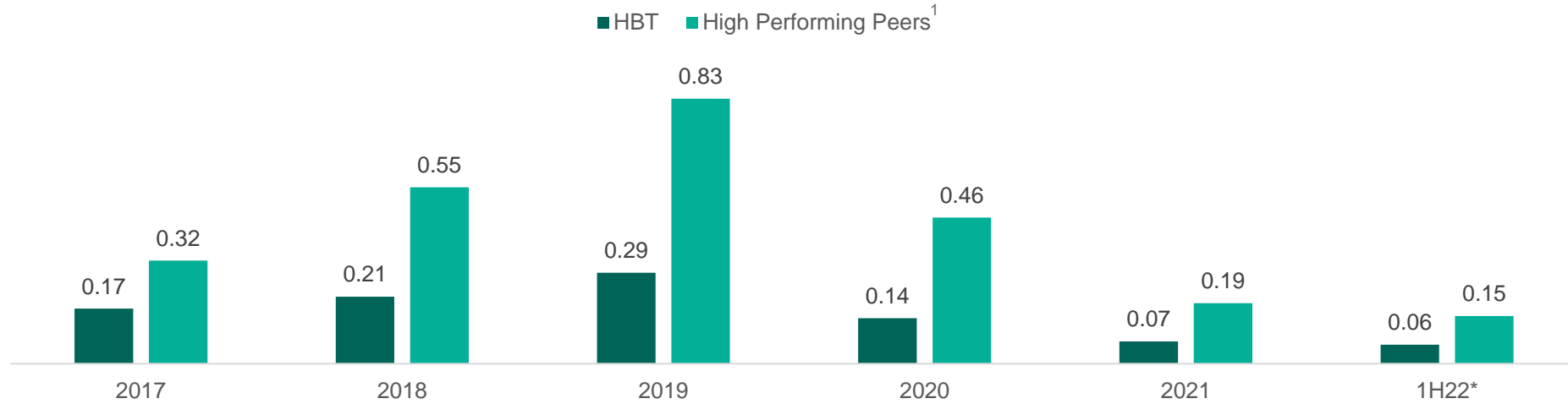
### Iowa

- Entered market in 2021 with acquisition of NXT Bancorporation, Inc.
- Opportunity to accelerate loan growth in Iowa thanks to HBT's larger lending limit and ability to add to talented banking team

<sup>1</sup> Core mid-sized markets in Central Illinois defined as Illinois markets outside of the Chicago metropolitan statistical area; leading deposit share defined as top three deposit share rank; <sup>2</sup> Source: S&P Capital IQ, data as of June 30, 2022

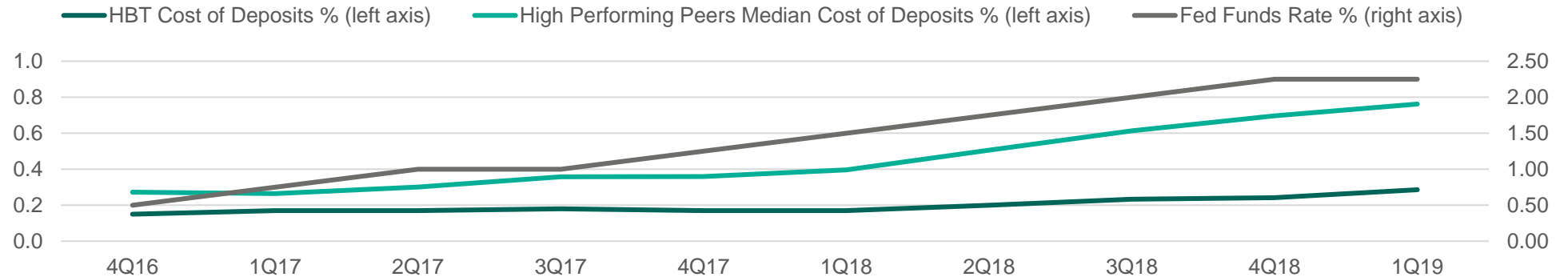
### 3 Stable, low-cost deposit base well-positioned for rising rates

Cost of deposits (%) remains consistently below peers



With a lower deposit beta than peers during the last interest rate tightening cycle

Deposit beta (4Q16 – 1Q19): HBT = 7.7%, High Performing Peers = 28.0%

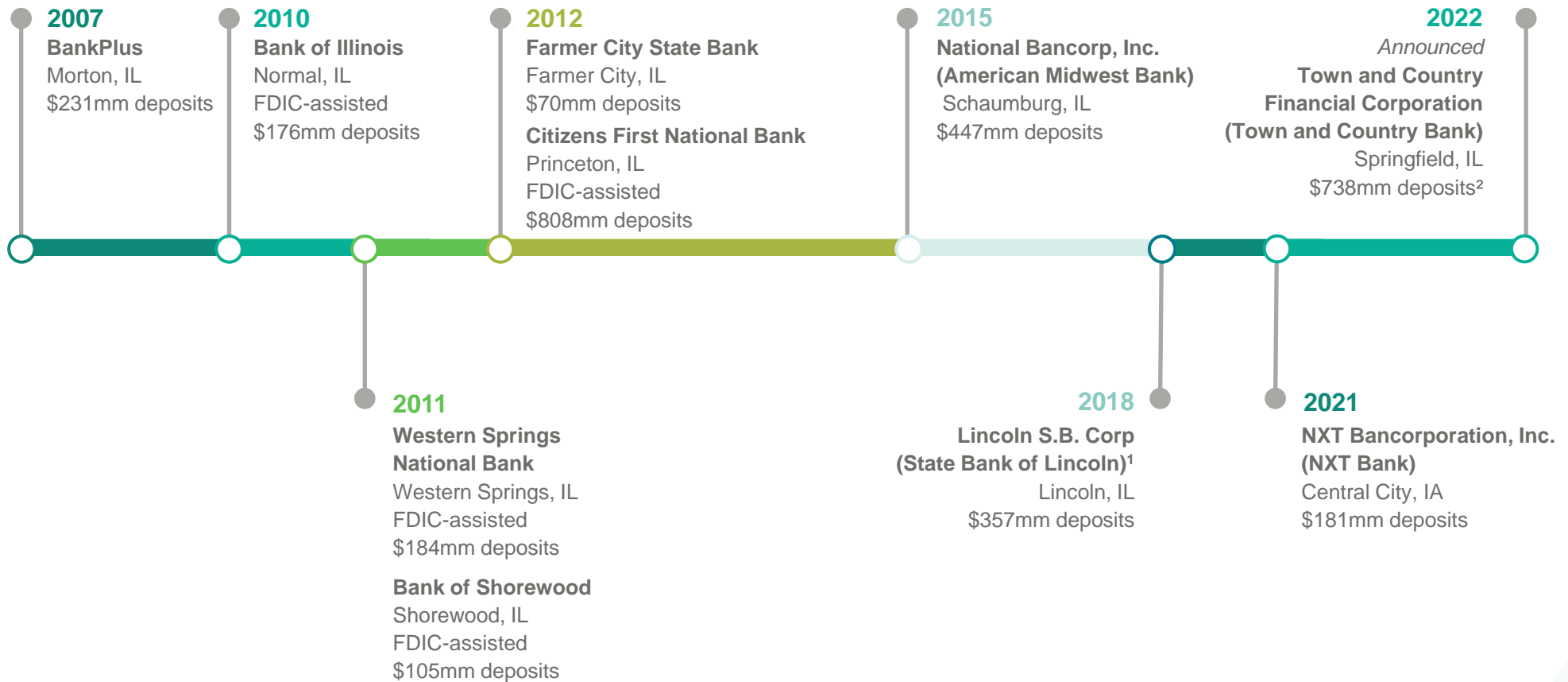


Source: S&P Global Market Intelligence

Note: <sup>1</sup> Represents median of 23 high performing major exchange-traded banks headquartered in the Midwest with \$2-10bn in assets and a 2021 core return on average assets above 1.0%;

\* Annualized measure.

## 4 Track record of successfully integrating acquisitions



<sup>1</sup> Although the Lincoln Acquisition is identified as an acquisition in the above table, the transaction was accounted for as a change of reporting entity due to its common control with Company; <sup>2</sup> Total deposits as of June 30, 2022



# 5 Prudent risk management

## Comprehensive Enterprise Risk Management

### Strategy and Risk Management

- Majority of directors are independent, with varied experiences and backgrounds
- Board of directors has an established Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee and an Enterprise Risk Management (ERM) Committee
- ERM program embodies the “three lines of defense” model and promotes business line risk ownership.
- Independent and robust internal audit structure, reporting directly to our Audit Committee
- Strong compliance culture and compliance management system
- Code of Ethics and other governance documents are available at [ir.hbtfinancial.com](http://ir.hbtfinancial.com)

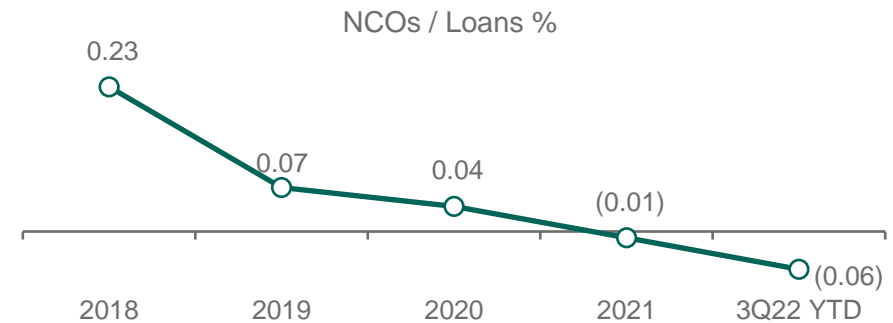
### Data Security & Privacy

- Robust data security program, and under our privacy policy, we do not sell or share customer information with non-affiliated entities.
- Formal company-wide business continuity plan covering all departments, as well as a cybersecurity program that includes internal and outsourced, independent testing of our systems and employees

## Disciplined Credit Risk Management

- Risk management culture instilled by management
- Well-diversified loan portfolio across commercial, regulatory CRE, and residential
- Primarily originated across in-footprint borrowers
- Centralized credit underwriting group that evaluates all exposures over \$500,000 to ensure uniform application of policies and procedures
- Conservative credit culture, strong underwriting criteria, and regular loan portfolio monitoring
- Robust internal loan review process annually reviews more than 40% of loan commitments.

## Historical net charge-offs (%)



# Appendix

---

# Non-GAAP reconciliations

## Adjusted net income and adjusted ROAA

(\$000)	2019	2020	2021	3Q22 YTD
Net income	\$66,865	\$36,845	\$56,271	\$43,316
C-Corp equivalent adjustment <sup>1</sup>	(13,493)	--	--	--
C-Corp equivalent net income <sup>1</sup>	\$53,372	\$36,845	\$56,271	\$43,316
Adjustments:				
Acquisition expenses	--	--	(1,416)	(462)
Branch closure expenses	--	--	(748)	--
Charges related to termination of certain employee benefit plans	(3,796)	(1,457)	--	--
Gains (losses) on sale of closed branch premises	--	--	--	141
Net earnings (losses) from closed or sold operations, including gains on sale <sup>2</sup>	524	--	--	--
Mortgage servicing rights fair value adjustment	(2,400)	(2,584)	1,690	2,446
Total adjustments	(5,672)	(4,041)	(474)	2,125
Tax effect of adjustments	1,617	1,152	(95)	(728)
Less adjustments after tax effect	(4,055)	(2,889)	(569)	1,397
<b>Adjusted net income</b>	<b>\$57,427</b>	<b>\$39,734</b>	<b>\$56,840</b>	<b>\$41,919</b>
Average assets	\$3,233,386	\$3,447,500	\$3,980,538	\$4,278,997
Return on average assets	2.07%	1.07%	1.41%	1.35%*
C Corp equivalent return on average assets	1.65%	N/A	N/A	N/A
<b>Adjusted return on average assets</b>	<b>1.78%</b>	<b>1.15%</b>	<b>1.43%</b>	<b>1.31%*</b>

\* Annualized measure; <sup>1</sup> Reflects adjustment to our historical net income for each period to give effect to the C Corp equivalent provision for income tax for such year. No such adjustment is necessary for periods subsequent to 2019; <sup>2</sup> Closed or sold operations include HB Credit Company, HBT Insurance, and First Community Title Services, Inc.

## Non-GAAP reconciliations (cont'd)

### Average tangible common equity and adjusted ROATCE

(\$000)	2019	2020	2021	3Q22 YTD
Total stockholders' equity	\$341,544	\$350,703	\$380,080	\$388,509
Less: goodwill	(23,620)	(23,620)	(25,057)	(29,322)
Less: core deposit intangible assets	(4,748)	(3,436)	(2,333)	(1,597)
<b>Average tangible common equity</b>	<b>\$313,176</b>	<b>\$323,647</b>	<b>\$352,690</b>	<b>\$357,590</b>
Net income	\$66,865	\$36,845	\$56,271	\$43,316
C Corp equivalent net income <sup>1</sup>	53,372	N/A	N/A	N/A
Adjusted net income	57,427	39,734	56,840	41,919
Return on average stockholders' equity	19.58%	10.51%	14.81%	14.91%*
Return on average tangible common equity	21.35%	11.38%	15.95%	16.20%*
C Corp equivalent return on average stockholders' equity <sup>1</sup>	15.63%	N/A	N/A	N/A
C Corp equivalent return on average tangible common equity <sup>1</sup>	17.04%	N/A	N/A	N/A
Adjusted return on average stockholders' equity	16.81%	11.33%	14.95%	14.43%*
Adjusted return on average tangible common equity	18.34%	12.28%	16.12%	15.67%*

\* Annualized measure; <sup>1</sup> Reflects adjustment to our historical net income for each period to give effect to the C Corp equivalent provision for income tax for such year. No such adjustment is necessary for periods subsequent to 2019.

## Non-GAAP reconciliations (cont'd)

### Net interest income (tax-equivalent basis)

(\$000)	2018	2019	2020	2021	3Q22 YTD
Net interest income	\$129,442	\$133,800	\$117,605	\$122,403	\$103,691
Tax equivalent adjustment	2,661	2,309	1,943	2,028	1,801
<b>Net interest income (tax-equivalent basis)</b>	<b>\$132,103</b>	<b>\$136,109</b>	<b>\$119,548</b>	<b>\$124,431</b>	<b>\$105,492</b>
Average interest-earnings assets	\$3,109,289	\$3,105,863	\$3,318,764	\$3,846,473	\$4,131,221

### Net interest margin (tax-equivalent basis)

(%)	2018	2019	2020	2021	3Q22 YTD
Net interest margin	4.16%	4.31%	3.54%	3.18%	3.36%*
Tax equivalent adjustment	0.09%	0.07%	0.06%	0.05%	0.05%*
<b>Net interest margin (tax-equivalent basis)</b>	<b>4.25%</b>	<b>4.38%</b>	<b>3.60%</b>	<b>3.23%</b>	<b>3.41%*</b>

### Net interest income (tax-equivalent basis)

(\$000)	3Q21	4Q21	1Q22	2Q22	3Q22
Net interest income	\$30,715	\$32,859	\$31,928	\$34,373	\$37,390
Tax equivalent adjustment	508	514	529	598	674
<b>Net interest income (tax-equivalent basis)</b>	<b>\$31,223</b>	<b>\$33,373</b>	<b>\$32,457</b>	<b>\$34,971</b>	<b>\$38,064</b>
Average interest-earnings assets	\$3,831,886	\$4,115,247	\$4,201,793	\$4,133,448	\$4,059,978

### Net interest margin (tax-equivalent basis)

(%)	3Q21	4Q21	1Q22	2Q22	3Q22
Net interest margin	3.18%*	3.17%*	3.08%*	3.34%*	3.65%*
Tax equivalent adjustment	0.05%*	0.05%*	0.05%*	0.05%*	0.07%*
<b>Net interest margin (tax-equivalent basis)</b>	<b>3.23%*</b>	<b>3.22%*</b>	<b>3.13%*</b>	<b>3.39%*</b>	<b>3.72%*</b>

\* Annualized measure.

## Non-GAAP reconciliations (cont'd)

### Efficiency ratio (tax-equivalent basis)

(\$000)	2019	2020	2021	3Q22 YTD
Total noninterest expense	\$91,026	\$91,956	\$91,246	\$71,997
Less: amortization of intangible assets	(1,423)	(1,232)	(1,054)	(733)
<b>Adjusted noninterest expense</b>	<b>\$89,603</b>	<b>\$90,724</b>	<b>\$90,192</b>	<b>\$71,264</b>
Net interest income	\$133,800	\$117,605	\$122,403	\$103,691
Total noninterest income	32,751	34,456	37,328	26,828
<b>Operating revenue</b>	<b>166,551</b>	<b>152,061</b>	<b>159,731</b>	<b>130,519</b>
Tax-equivalent adjustment	2,309	1,943	2,028	1,801
<b>Operating revenue (tax-equivalent basis)</b>	<b>\$168,860</b>	<b>\$154,004</b>	<b>\$161,759</b>	<b>\$132,320</b>
<b>Efficiency ratio</b>	<b>53.80%</b>	<b>59.66%</b>	<b>56.46%</b>	<b>54.60%</b>
<b>Efficiency ratio (tax-equivalent basis)</b>	<b>53.06%</b>	<b>58.91%</b>	<b>55.76%</b>	<b>53.86%</b>

## Non-GAAP reconciliations (cont'd)

### Tangible book value per share and cumulative effect of dividends (2007 to 3Q19)

(\$mm)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	3Q19
<b>Tangible book value per share</b>													
Total equity	\$109	\$120	\$130	\$143	\$197	\$262	\$257	\$287	\$311	\$326	\$324	\$340	\$349
Less goodwill	(23)	(23)	(23)	(23)	(23)	(23)	(12)	(12)	(24)	(24)	(24)	(24)	(24)
Less core deposit intangible	(9)	(9)	(7)	(7)	(7)	(15)	(11)	(9)	(11)	(9)	(7)	(5)	(4)
<b>Tangible common equity</b>	<b>\$77</b>	<b>\$88</b>	<b>\$99</b>	<b>\$113</b>	<b>\$167</b>	<b>\$224</b>	<b>\$233</b>	<b>\$265</b>	<b>\$276</b>	<b>\$294</b>	<b>\$293</b>	<b>\$311</b>	<b>\$321</b>
Shares outstanding (mm)	16.47	16.28	16.30	16.33	16.45	17.84	18.03	18.03	18.02	18.07	18.07	18.03	18.03
Book value per share	\$6.65	\$7.36	\$7.95	\$8.73	\$12.00	\$14.68	\$14.23	\$15.92	\$17.26	\$18.05	\$17.92	\$18.88	\$19.36
<b>Tangible book value per share</b>	<b>\$4.69</b>	<b>\$5.38</b>	<b>\$6.10</b>	<b>\$6.91</b>	<b>\$10.15</b>	<b>\$12.56</b>	<b>\$12.93</b>	<b>\$14.72</b>	<b>\$15.33</b>	<b>\$16.25</b>	<b>\$16.23</b>	<b>\$17.27</b>	<b>\$17.80</b>
<b>TBVS CAGR (%)</b>													<b>12.0%</b>
<b>Cumulative effect of dividends per share</b>													
Cumulative regular dividends	\$--	\$3	\$7	\$10	\$13	\$17	\$22	\$26	\$33	\$38	\$46	\$54	\$62
Cumulative special dividends	--	--	--	--	--	10	10	10	10	20	45	52	79
<b>Cumulative effect of dividends</b>	<b>\$--</b>	<b>\$3</b>	<b>\$7</b>	<b>\$10</b>	<b>\$13</b>	<b>\$27</b>	<b>\$32</b>	<b>\$36</b>	<b>\$43</b>	<b>\$58</b>	<b>\$91</b>	<b>\$106</b>	<b>\$141</b>
Shares outstanding (mm)	16.47	16.28	16.30	16.33	16.45	17.84	18.03	18.03	18.02	18.07	18.07	18.03	18.03
<b>Cumulative effect of dividends per share</b>	<b>\$--</b>	<b>\$0.20</b>	<b>\$0.40</b>	<b>\$0.60</b>	<b>\$0.79</b>	<b>\$1.53</b>	<b>\$1.77</b>	<b>\$2.02</b>	<b>\$2.36</b>	<b>\$3.21</b>	<b>\$5.01</b>	<b>\$5.88</b>	<b>\$7.83</b>

## Non-GAAP reconciliations (cont'd)

### IPO adjusted tangible book value per share

(\$000)	3Q19
<b>Tangible common equity</b>	
Total equity	\$348,936
Less goodwill	(23,620)
Less core deposit intangible	(4,366)
<b>Tangible common equity</b>	<b>320,950</b>
Net proceeds from initial public offering	138,493
Use of proceeds from initial public offering (special dividend)	(169,999)
<b>IPO adjusted tangible common equity</b>	<b>\$289,444</b>
Shares outstanding	18,027,512
New shares issued during initial public offering	9,429,794
Shares outstanding, following the initial public offering	27,457,306
Tangible book value per share	\$17.80
Dilution per share attributable to new investors and special dividend payment	(7.26)
<b>IPO adjusted tangible book value per share</b>	<b>\$10.54</b>

### Tangible book value per share (IPO adjusted 3Q19 to 3Q22)

(\$mm)	IPO Adjusted 3Q19	2019	2020	2021	3Q22
<b>Tangible book value per share</b>					
Total equity		\$333	\$364	\$412	\$359
Less goodwill		(24)	(24)	(29)	(29)
Less core deposit intangible		(4)	(3)	(2)	(1)
<b>Tangible common equity</b>		<b>\$305</b>	<b>\$338</b>	<b>\$381</b>	<b>\$329</b>
Shares outstanding (mm)		27.46	27.46	28.99	28.75
Book value per share		\$12.12	\$13.25	\$14.21	\$12.49
<b>Tangible book value per share</b>	<b>\$10.54</b>	<b>\$11.12</b>	<b>\$12.29</b>	<b>\$13.13</b>	<b>\$11.43</b>
<b>TBVPS CAGR (%)</b>					<b>2.7%</b>



## Non-GAAP reconciliations (cont'd)

### Tangible common equity to tangible assets

(\$000)	2019	2020	2021	3Q22
<b>Tangible common equity</b>				
Total equity	\$332,918	\$363,917	\$411,881	\$359,073
Less goodwill	(23,620)	(23,620)	(29,322)	(29,322)
Less core deposit intangible	(4,030)	(2,798)	(1,943)	(1,210)
<b>Tangible common equity</b>	<b>\$305,268</b>	<b>\$337,499</b>	<b>\$380,616</b>	<b>\$328,541</b>
<b>Tangible assets</b>				
Total assets	\$3,245,103	\$3,666,567	\$4,314,254	\$4,213,324
Less goodwill	(23,620)	(23,620)	(29,322)	(29,322)
Less core deposit intangible	(4,030)	(2,798)	(1,943)	(1,210)
<b>Tangible assets</b>	<b>\$3,217,453</b>	<b>\$3,640,149</b>	<b>\$4,282,989</b>	<b>\$4,182,792</b>
Total stockholders' equity to total assets	10.26%	9.93%	9.55%	8.52%
Tangible common equity to tangible assets	9.49%	9.27%	8.89%	7.85%

## Non-GAAP reconciliations (cont'd)

### Core deposits

(\$000)	2019	2020	2021	3Q22
Total deposits	\$2,776,855	\$3,130,534	\$3,738,185	\$3,643,443
Less time deposits of \$250,000 or more	(44,754)	(26,687)	(59,512)	(25,829)
Less brokered deposits	--	--	(4,238)	--
<b>Core deposits</b>	<b>\$2,732,101</b>	<b>\$3,103,847</b>	<b>\$3,674,435</b>	<b>\$3,617,614</b>
Core deposits to total deposits	98.39%	99.15%	98.29%	99.29%

**HBT Financial, Inc.**