# HBT Financial, Inc.

July 24, 2023

## Q2 2023 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” or “HBT”) 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 (including the Russian invasion of Ukraine), 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 (including the Company’s adoption of CECL methodology); (iv) changes in state and federal laws, regulations and governmental policies concerning the Company’s general business and any changes in response to the recent failures of other banks; (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, including from non-bank competitors such as credit unions and “fintech” companies, 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) fluctuations in the value of securities held in our securities portfolio; (xiv) concentrations within our loan portfolio, large loans to certain borrowers, and large deposits from certain clients; (xv) the concentration of large deposits from certain clients who have balances above current FDIC insurance limits and may withdraw deposits to diversify their exposure; (xvi) the level of non-performing assets on our balance sheets; (xvii) interruptions involving our information technology and communications systems or third-party servicers; (xviii) breaches or failures of our information security controls or cybersecurity-related incidents, and (xix) the ability of the Company to manage the risks associated with the foregoing as well as anticipated. 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.

## *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.

# Q2 2023 Highlights

**Strong profitability**

- Net income of $18.5 million, or $0.58 per diluted share; return on average assets (ROAA) of 1.49% and return on average tangible common equity (ROATCE)[1] of 19.91%
- Adjusted net income[1] of $18.8 million, or $0.58 per diluted share; adjusted ROAA[1] of 1.51% and adjusted ROATCE[1] of 20.23%

**Diversified deposit base and excellent asset quality**

- Maintained a strong net interest margin of 4.16% and a net interest margin (tax equivalent basis)[1] of 4.22%, both down only 4 basis points compared to Q1 2023
- Cost of funds increased 24 basis points, to 0.71%, and total cost of deposits increased 17 basis points, to 0.41%, while average yield on earning assets increased by 19 basis points, to 4.83%
- Maintained excellent asset quality with the ratio of nonperforming assets to total assets of 0.21% and net recoveries to average loans of (0.01)%
- Total loans increased $49.1 million, or 1.5%, compared to Q1 2023

**M&A continues to contribute to value of HBT franchise**

- Full impact of addition of Town and Country operations reflected in Q2 2023 results
  - Successfully completed core system conversion in April 2023
  - Substantially all cost saves realized beginning in May 2023

[1] See "Non-GAAP reconciliations" in the Appendix for reconciliation of non-GAAP financial measures to their most closely comparable GAAP financial measures

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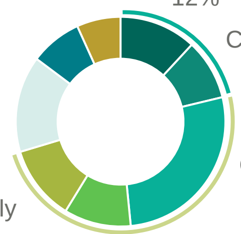
# Company Snapshot

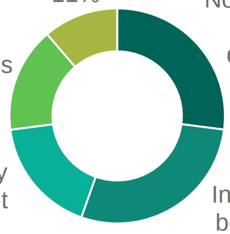
## Overview

- ✓ Company incorporated in 1982 from base of family-owned banks and completed its IPO in October 2019
- ✓ Headquartered in Bloomington, Illinois, with operations throughout Illinois and Eastern Iowa
- ✓ Strong, granular, and low-cost deposit franchise with 41bps cost of deposits, 97% core deposits[1]
- ✓ Conservative credit culture, with net recoveries to average loans of 8bps for the year ended December 31, 2022 and 1bp for 6 months ended June 30, 2023
- ✓ High profitability sustained through cycles

### Loan composition




### Deposit composition




## Financial highlights ($mm)

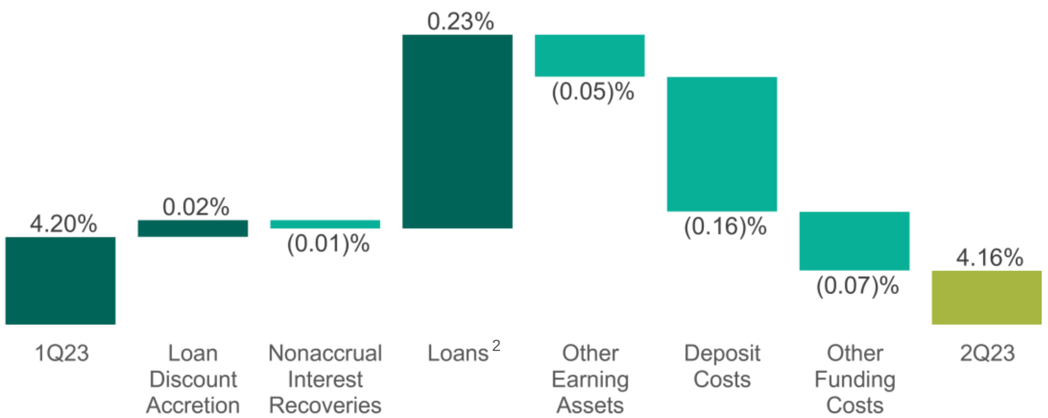
| | As of or for the period ended | 2020 | 2021 | 2022 | 1H23 |
|---|---|---|---|---|---|
| Balance sheet | Total assets | $3,667 | $4,314 | $4,287 | $4,976 |
| | Total loans | 2,247 | 2,500 | 2,620 | 3,245 |
| | Total deposits | 3,131 | 3,738 | 3,587 | 4,165 |
| | Core deposits (%)[1] | 99.1% | 98.3% | 99.2% | 96.9% |
| | Loans-to-deposits | 71.8% | 66.9% | 73.0% | 77.9% |
| | CET1 (%) | 13.1% | 13.4% | 13.1% | 11.8% |
| | TCE / TA[1] | 9.3% | 8.9% | 8.1% | 7.5% |
| Key performance indicators | Adjusted ROAA[1] | 1.15% | 1.43% | 1.31% | 1.60%* |
| | Adjusted ROATCE[1] | 12.3% | 16.1% | 15.8% | 21.36%* |
| | NIM (FTE)[1] | 3.60% | 3.23% | 3.60% | 4.24%* |
| | Yield on loans | 4.69% | 4.68% | 4.91% | 5.89%* |
| | Cost of deposits | 0.14% | 0.07% | 0.07% | 0.33%* |
| | Cost of funds | 0.21% | 0.16% | 0.19% | 0.59%* |
| | Efficiency ratio (FTE)[1] | 58.9% | 55.8% | 56.9% | 60.0% |
| Credit | NCOs / loans | 0.04% | (0.01)% | (0.08)% | (0.01)%* |
| | ACL / loans | 1.42% | 0.96% | 0.97% | 1.17% |
| | NPLs / loans | 0.44% | 0.11% | 0.08% | 0.23% |
| | NPAs / loans + OREO | 0.63% | 0.24% | 0.20% | 0.33% |

Note: Financial data as of and for the three months ended June 30, 2023 unless otherwise indicated; * Annualized measure; [1] Non-GAAP financial measure. See "Non-GAAP Reconciliations" in the Appendix for reconciliation of non-GAAP financial measures to their most closely comparable GAAP financial measures.

# Earnings Overview

| ($000) | 2Q23 | Non-GAAP Adjustments[1] | Adjusted 2Q23[1] |
|---|---|---|---|
| Interest and dividend income | $56,768 | -- | $56,768 |
| Interest expense | 7,896 | -- | 7,896 |
| Net interest income | 48,872 | -- | 48,872 |
| Provision for credit losses | (230) | -- | (230) |
| Net interest income after provision for credit losses | 49,102 | -- | 49,102 |
| Noninterest income | 9,914 | (216) | 9,698 |
| Noninterest expense | 33,973 | (627) | 33,346 |
| Income before income tax expense | 25,043 | 411 | 25,454 |
| Income tax expense | 6,570 | 112 | 6,682 |
| **Net income** | **$18,473** | **299** | **18,772** |

## 2Q23 NIM Analysis*




## Highlights Relative to Previous Quarter

- Net interest income benefited from a full quarter's impact of the Town and Country merger and asset repricing, but was partially offset by increased funding costs
- Net interest margin decreased 4 basis points to 4.16%
- Increased reserve requirements driven by growth in loans and unfunded loan commitments more than offset by decrease in specific reserves and improved economic forecast
- Noninterest income increased by $2.5 million, primarily attributable to absence of $1.0 million realized loss on sale of securities included in first quarter of 2023 results and a $0.8 million change in the mortgage servicing rights fair value adjustment
- Excluding acquisition-related expenses, noninterest expense increased by $4.6 million primarily attributable to $1.6 million of legal fees and accruals related to pending legal matters previously disclosed, the second quarter of 2023 results including a full quarter's impact of Town and Country's operations, and annual raises which took effect in March 2023

* Annualized measures; [1] Non-GAAP financial measure. See "Non-GAAP Reconciliations" in the Appendix for reconciliation of non-GAAP financial measures to their most closely comparable GAAP financial measures; [2] Reflects contribution of loan interest income to net interest margin, excluding loan discount accretion and nonaccrual interest recoveries.

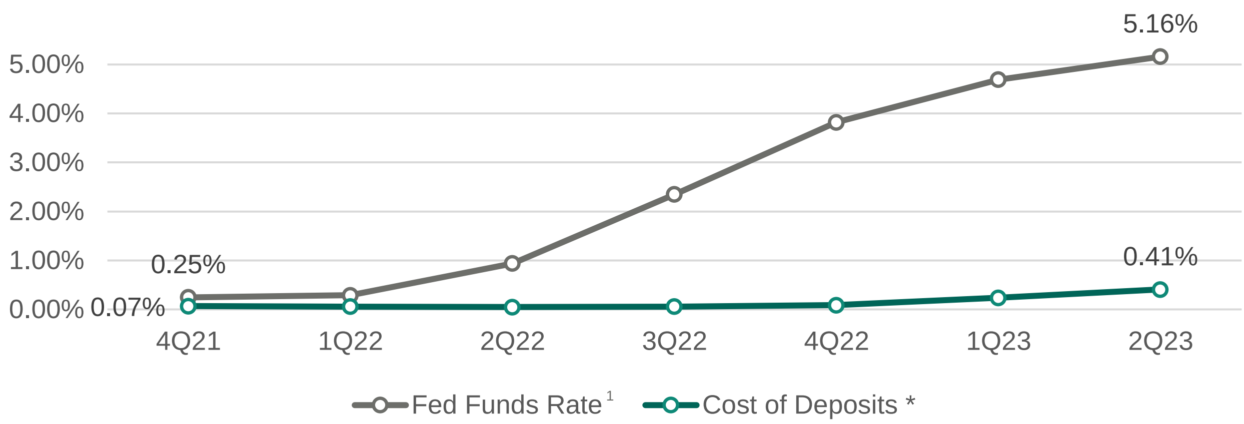
# Deposits Overview

## Deposit Base Highlights

- Highly granular deposit base with cost increases in line with expectations during the second quarter of 2023
- Top 100 depositors, by balance, make up 13% of our deposit base, and the top 200 depositors make up 16%
- Account balances consist of 67% retail, 23% business, and 10% public funds as of June 30, 2023
- Uninsured and uncollateralized deposits estimated to be $535 million, or 13% of total deposits, as of June 30, 2023

| | Interest Costs* 2Q23 | Spot Interest Rates[2] As of 6/30/23 |
|---|---|---|
| Interest-bearing demand | 0.22% | 0.30% |
| Money market | 0.90% | 1.33% |
| Savings | 0.11% | 0.11% |
| Time | 1.74% | 2.12% |
| **Total interest-bearing deposits** | **0.57%** | **0.79%** |
| **Total deposits** | **0.41%** | **0.58%** |

**Deposit beta (4Q21 to 2Q23):** 6.9%




Source: St. Louis FRED

* Annualized measure; [1] Represents quarterly average of federal funds target rate upper limit; [2] Weighted average spot interest rates do not include impact of purchase accounting adjustment amortization

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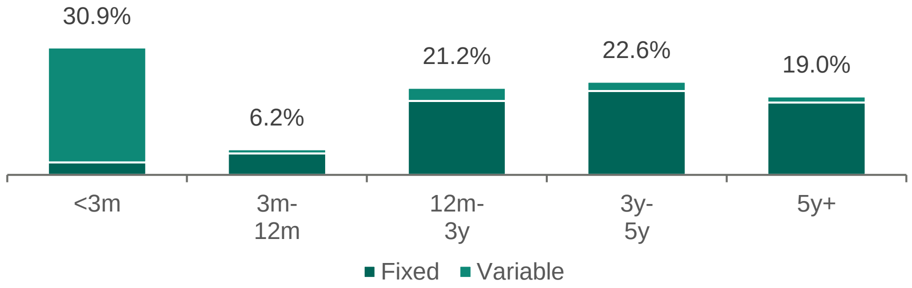
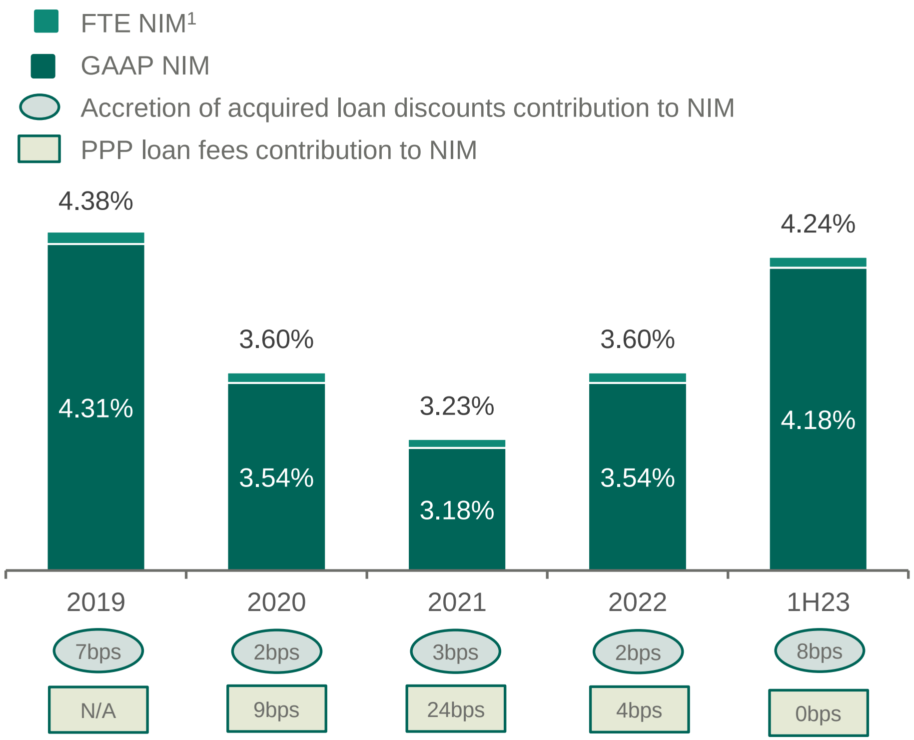
# Net Interest Margin

- Second quarter 2023 net interest margin decreased 4 basis points from the prior quarter, primarily attributable to higher funding costs which outpaced an increase in asset yields
- 37% of the loan portfolio matures or reprices within the next 12 months
- Loan mix is 64% fixed rate and 36% variable rate, and 70% of variable rate loans have floors

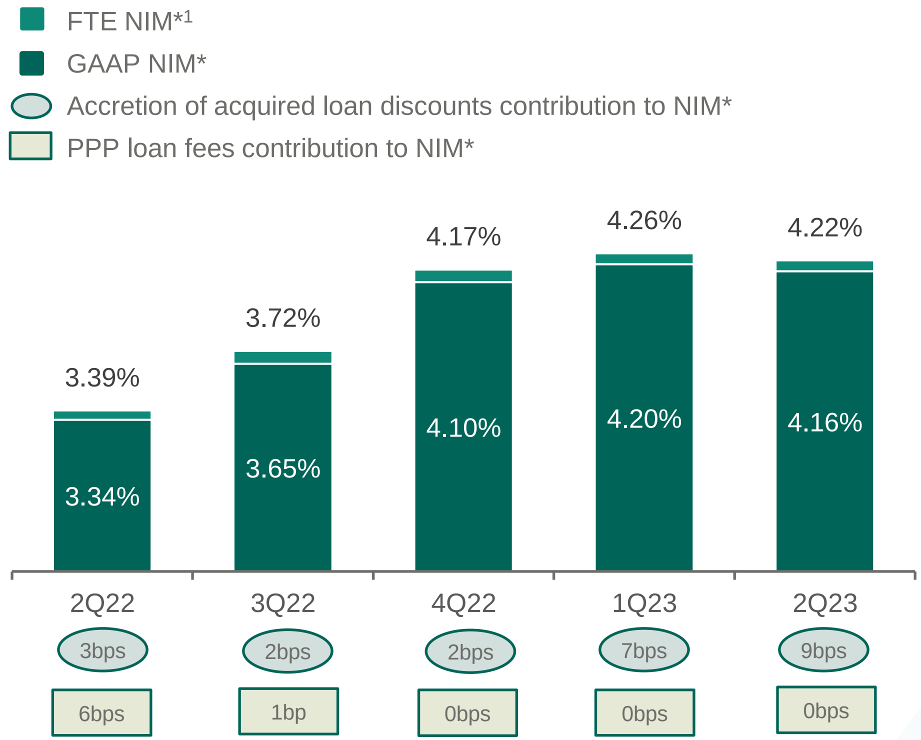
**Percentage of Loans Maturing or Repricing**




**Annual**




**Quarterly**

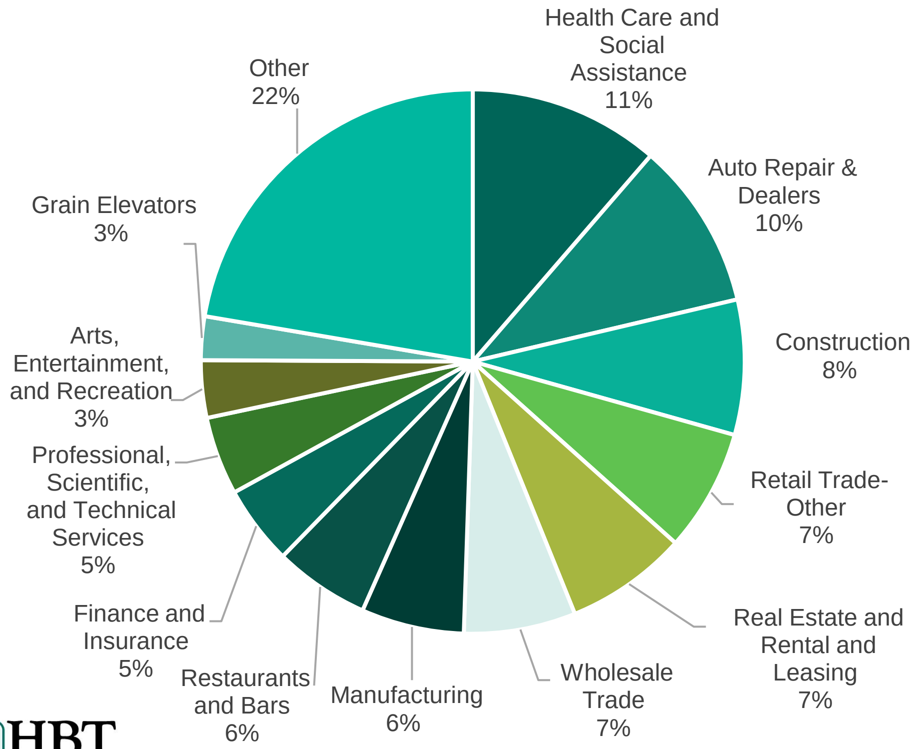



* Annualized measure; [1] Tax-equivalent basis metric; see "Non-GAAP reconciliations" in the Appendix for reconciliation of non-GAAP financial measures to their most closely comparable GAAP financial measures.

# Loan Portfolio Overview: Commercial and Commercial Real Estate

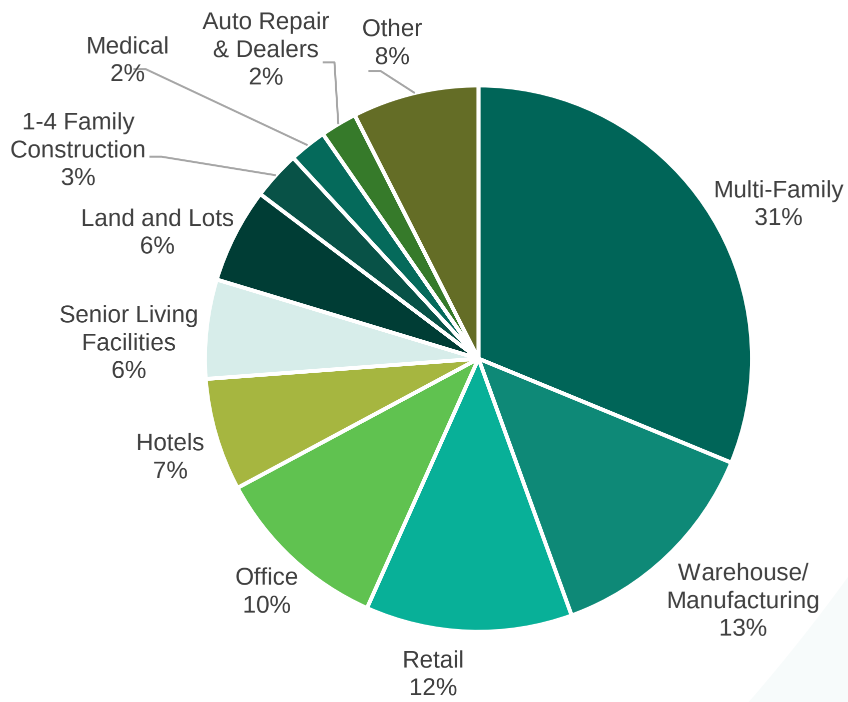
## Commercial Loan Portfolio

- $386 million C&I loans outstanding as of June 30, 2023
  - 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[1]
- $304 million owner-occupied CRE outstanding as of June 30, 2023
  - 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

- $1.59 billion portfolio as of June 30, 2023
  - $883 million in non-owner occupied CRE primarily supported by rental cash flow of the underlying properties
  - $335 million in construction and land development loans primarily to developers to sell upon completion or for long-term investment
  - $376 million in multi-family loans secured by 5+ unit apartment buildings
- Office CRE exposure characterized by solid credit metrics as of June 30, 2023 with only 2.1% rated pass-watch, none rated substandard, and none past due 30 days or more




[1] Market area defined as within 60 miles of a branch

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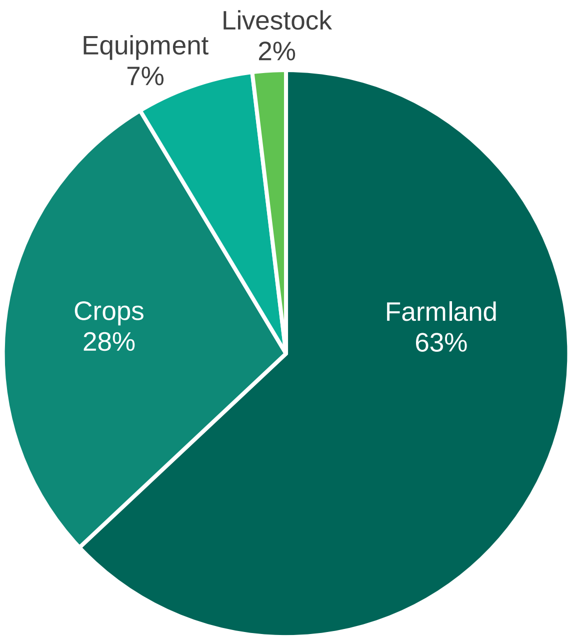
# Loan Portfolio Overview: Selected Portfolios

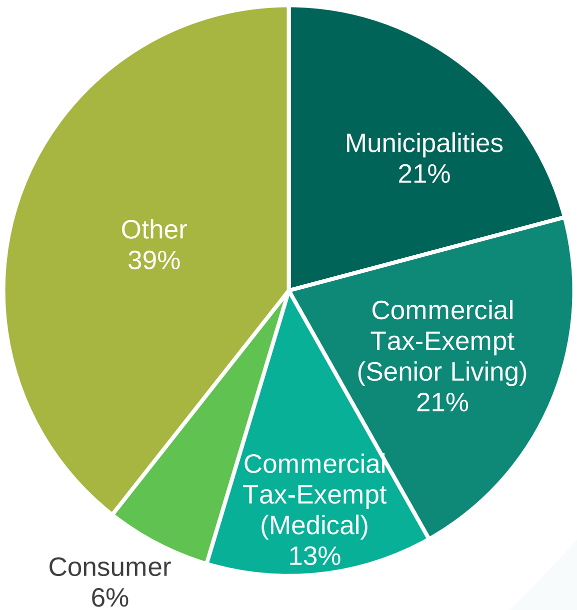
## Agriculture and Farmland

- $260 million portfolio as of June 30, 2023
- Borrower operations focus primarily on corn and soybean production
- 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 59.9%
- 1.3% is rated substandard as of June 30, 2023
- Over 70% of agricultural borrowers have been with the Company for at least 10 years, and over half for more than 20 years



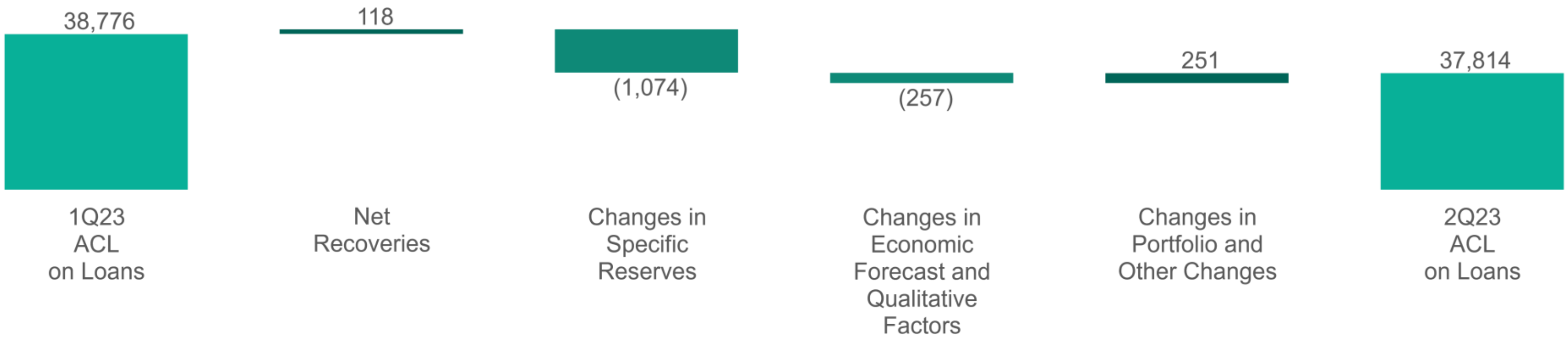

## Municipal, Consumer and Other

- $220 million portfolio as of June 30, 2023
  - 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
  - $46.1 million portfolio with $4.6 million average loan size
  - Weighted average LTV of 83.1%
  - 34.4% is rated substandard
- Commercial Tax-Exempt – Medical
  - $28.2 million portfolio with $2.2 million average loan size
  - Weighted average LTV of 39.0%
  - No loans are rated substandard



# Loan Portfolio Overview: ACL and Asset Quality

## 2Q23 ACL Activity ($000)




### CECL Methodology and Oversight

- Discounted cash flow method utilized for majority of loan segments, except weighted average remaining maturity method used for consumer loans
- Credit loss drivers determined by regression analysis includes company and peer loss data and macroeconomic variables, including unemployment and GDP
- ACL / Loans of 1.17% as of June 30, 2023
- ACL Committee provides model governance and oversight

### ACL on Unfunded Commitments and Debt Securities

- ACL on unfunded lending-related commitments increased by $0.7 million to $4.1 million during the second quarter of 2023
- ACL on AFS debt securities increased by $0.2 million to $0.8 million during the second quarter of 2023, related to one bank subordinated debt security

| Watch List and Nonaccrual Loans ($000) | As of 6/30/23 | As of 3/31/23 | Change |
|---|---|---|---|
| Pass-Watch | $93,442 | $72,047 | $21,395 |
| Substandard | 72,756 | 92,702 | (19,946) |
| Nonaccrual | 7,534 | 6,508 | 1,026 |

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# Wealth Management Overview

### Comprehensive Wealth Management Services

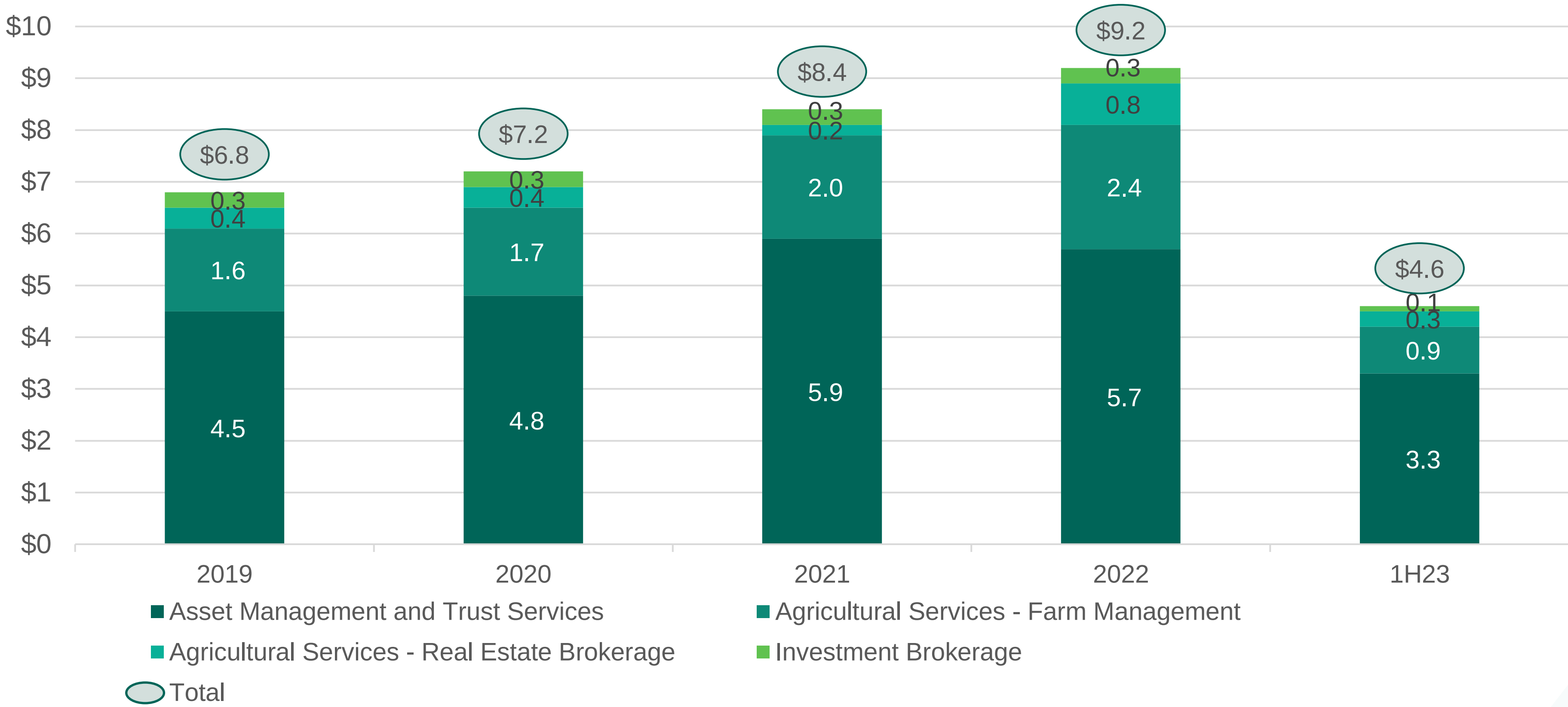
- Proprietary investment management solutions
- Financial planning
- Trust and estate administration

### Agricultural Services

- Farm management services: Over 77,000 acres managed
- Real estate brokerage including auction services
- Farmland appraisals

### Wealth Management Revenue Trends ($mm)

**Over $2.3 billion of assets under management or administration as of June 30, 2023**

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# Securities Portfolio Overview

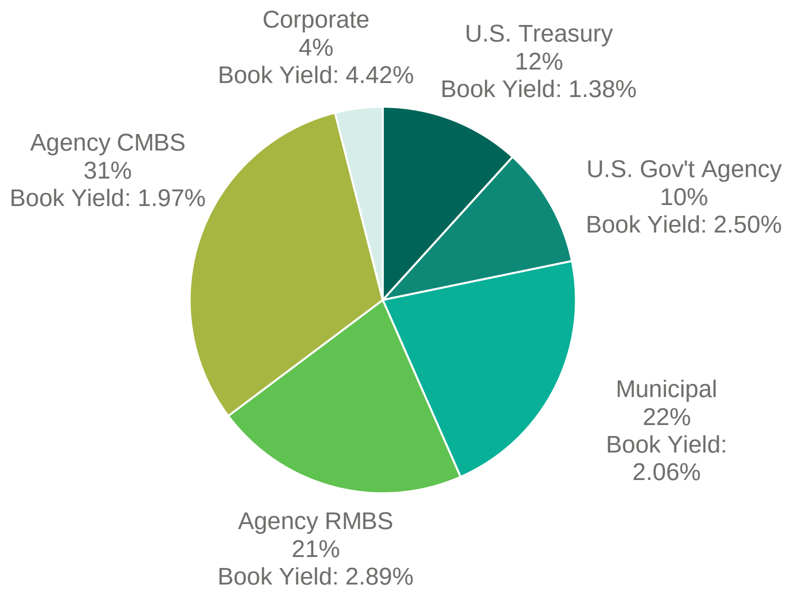
## Securities Overview

- 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

## Key investment portfolio metrics

| ($000) | AFS | HTM | Total |
|---|---|---|---|
| Amortized Cost | $913,908 | $533,231 | $1,447,139 |
| Unrealized Gain/(Loss) | (90,320) | (63,310) | (153,630) |
| Allowance for Credit Losses | (800) | -- | (800) |
| Fair Value | 822,788 | 469,921 | 1,292,709 |
| Book Yield | 2.16% | 2.45% | 2.27% |
| Effective Duration (Years) | 3.41 | 5.20 | 4.06 |

### Portfolio Composition

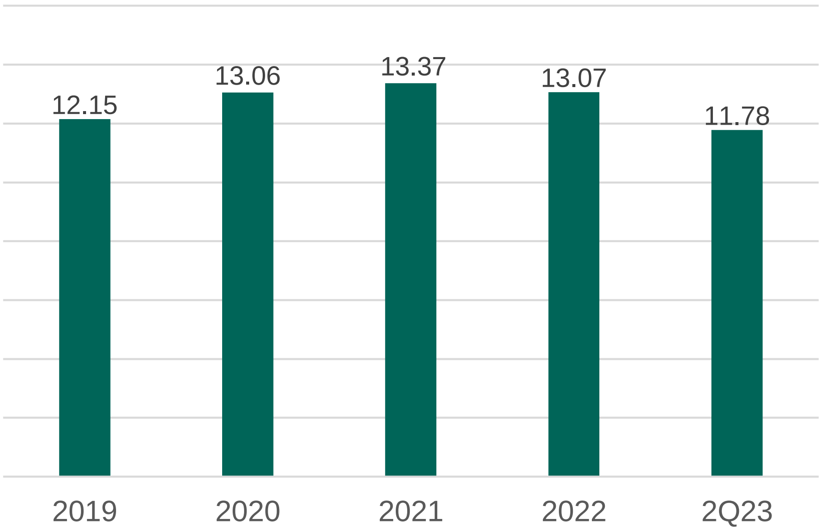



**Amortized Cost: $1,447mm**
**Book Yield: 2.27%**

Financial data as of June 30, 2023, unless otherwise indicated

# Capital and Liquidity Overview

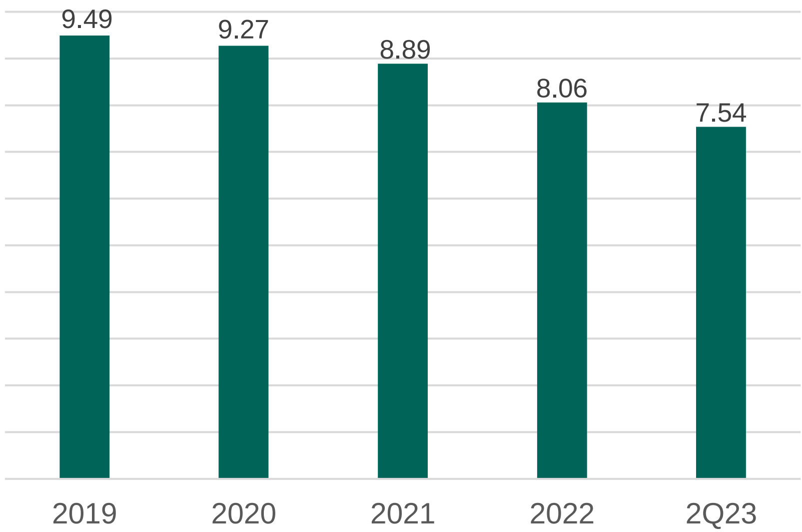
## CET 1 Risk-based Capital Ratio (%)




## Capital and Liquidity Highlights

- Overall capital levels remain strong and well above regulatory requirements.
- Tangible common equity to tangible assets decreased during the first half of 2023 primarily as a result of the Town and Country acquisition and remains well above internal targets
- If all unrealized losses on debt securities, regardless of accounting classification, were included in tangible equity, tangible common equity to tangible assets would be 6.67%
- With the loan to deposit ratio at 78%, there is more than sufficient on-balance sheet liquidity that is also supplemented by multiple untapped liquidity sources

## Tangible Common Equity to Tangible Assets (%)[1]




## Liquidity Sources ($000)

| Liquidity Sources | As of 6/30/23 |
|---|---|
| Balance of Cash and Cash Equivalents | $109,808 |
| Market Value of Unpledged Securities | 872,642 |
| Available FHLB Advance Capacity[2] | 487,899 |
| Available Fed Fund Lines of Credit | 80,000 |
| **Total Estimated Sources of Liquidity** | **$1,550,349** |

[1] Non-GAAP financial measure. See "Non-GAAP Reconciliations" in the Appendix for reconciliation of non-GAAP financial measures to their most closely comparable GAAP financial measures.; [2] Represents FHLB advance capacity based on loans currently pledged. Additional capacity of approximately $409 million would be available by pledging additional eligible loans.

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# Near-Term Outlook

- Completed Town and Country core conversion and substantially all cost savings have been fully realized as of May 2023
- Loan growth in mid-single digits on an annualized basis expected for remainder of 2023
- Excluding brokered deposits, deposits are up through July 20, 2023; however, we anticipate some further decrease during the remainder of 2023 as well as a mix shift towards higher cost products
- Investment portfolio is expected to provide $25 million to $35 million of principal cash flows a quarter for the remainder of 2023 with proceeds used to fund loan growth and/or decrease FHLB borrowings
- NIM is expected to continue to decline modestly for the remainder of 2023 albeit at a higher rate than 2Q2023
- Noninterest income is expected to be marginally higher with seasonably higher mortgage income in 3Q2023
- Noninterest expense should stabilize between $30 million and $32 million
    - The legal settlement accrual and related attorney expenses in 2Q2023 will be nonrecurring
    - Annual merit increases were largely absorbed in 2Q2023
- Asset quality expected to remain solid although increasing unemployment and a declining economy, if any were to occur, could cause increased provisions
- Stock repurchase program will continue to be used opportunistically with $9.3 million available under the current plan
- Current capital levels and stock valuation compared to peers support M&A but environment and valuation expectations currently present a challenge

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

**1920**
M.B. Drake starts bank in Central IL

**1964 - 1982**
George Drake purchases El Paso National Bank and assembles group of banks in rural communities in Central IL

**1982**
HBT Financial, Inc. incorporates as a multi-bank holding company owning three banks

**1992**
Fred Drake named President and CEO of Heartland Bank and Trust Company and leads its entry into Bloomington-Normal

**1997**
All five banks owned by HBT Financial, Inc. merge into Heartland Bank and Trust Company

**1999 - 2008**
Entry into several new markets in Central IL through de novo branches and acquisitions

**2007**
Company crosses $1bn in assets

**2010-2015**
Wave of FDIC-assisted and strategic acquisitions, including expansion into the Chicago MSA

**2018**
Acquisition[1] of Lincoln S.B. Corp (State Bank of Lincoln)

**2019**
Completion of IPO in October

**2020**
Merger of State Bank of Lincoln into Heartland Bank and Trust Company

**2021**
Entry into Iowa with NXT Bank acquisition

**2023**
Completed acquisition of Town and Country Financial Corporation

[1] 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

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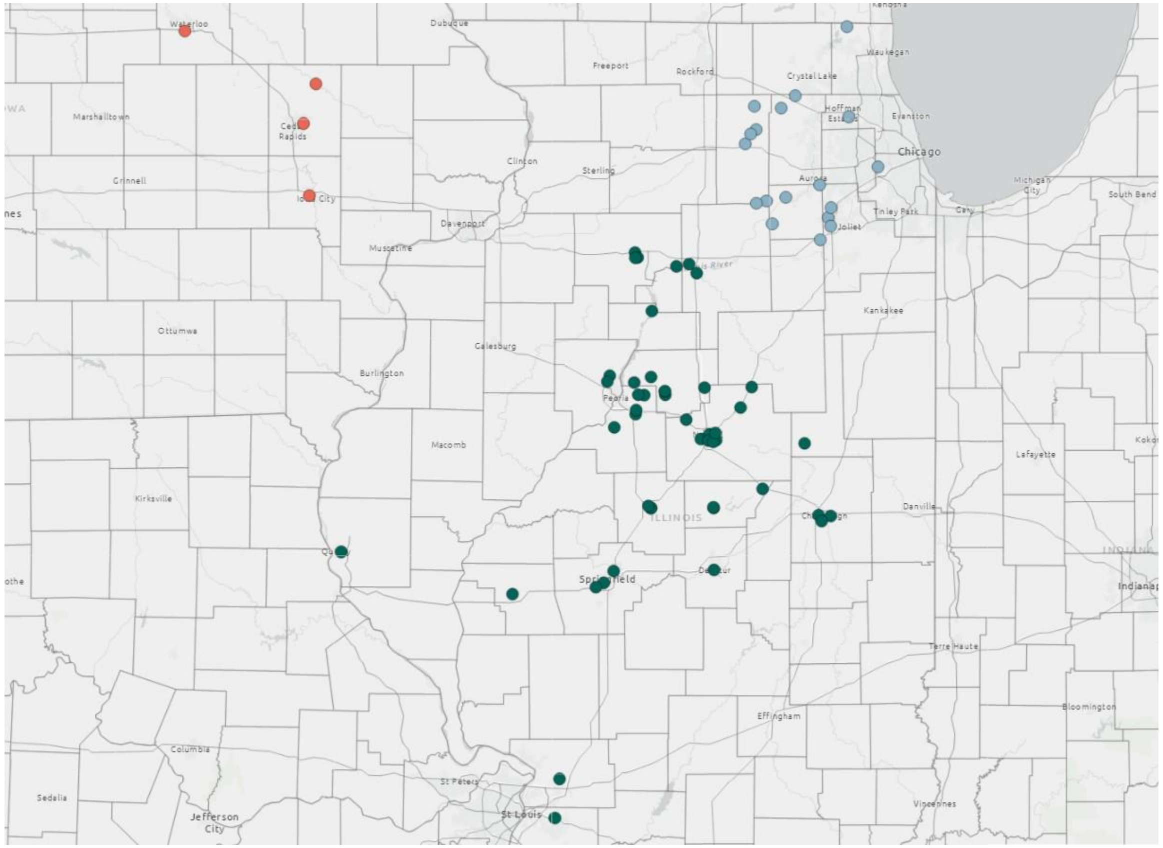
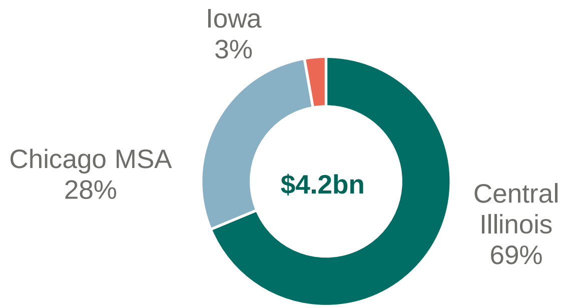
# Our Markets

## Full-service branch locations

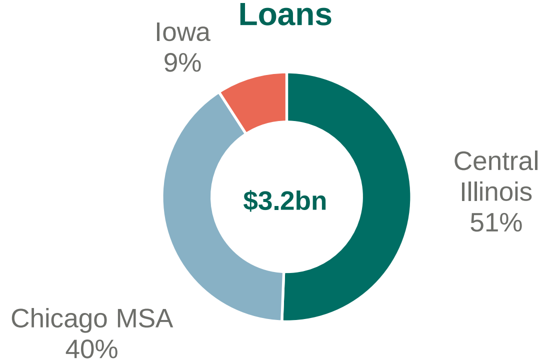



● Central Illinois branches
● Chicago MSA branches
● Iowa branches

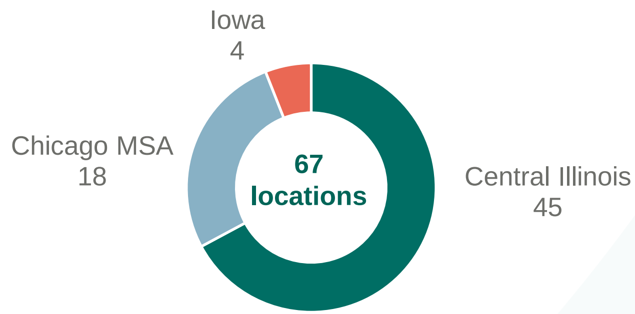
### Deposits




### Loans




### Full-service Branches




Source: S&P Capital IQ; Financial data as of June 30, 2023

# 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
- Vast majority of 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 share rank in 6 of 8 largest Central Illinois markets in which the Company operates[1]) that contributes to our strong core deposit base and funding advantage
- Continue to deploy our excess deposit funding (78% loan-to-deposit ratio as of 2Q23) 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 NCOs / loans of (0.01)% during 2021, (0.08)% during 2022, and (0.01)% during 1H23; NPLs / loans of 0.11% at 4Q21, 0.08% at 4Q22, and 0.23% at 2Q23

**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 10 community bank acquisitions[2] since 2007
- Chicago MSA, in particular, has ~80 banking institutions with less than $2bn in assets
- 1.43% ROAA[3] and 3.23% NIM[4] during 2021; 1.31% ROAA[3] and 3.60% NIM[4] during 2022; 1.60% ROAA[3] and 4.24% NIM[4] during 1H23
- Highly profitable through the Great Recession

[1] Source: S&P Capital IQ, data as of June 30, 2022; [2] Includes merger with Lincoln S.B. Corp in 2018, although the transaction was accounted for as a change of reporting entity due to its common control with Company; [3] Metrics based on adjusted net income, which is a non-GAAP metric; for reconciliation with GAAP metrics, see “Non-GAAP reconciliations” in Appendix; [4] 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**
**Executive Chairman**
**40** years with Company
**43** years in industry

**J. Lance Carter**
**President and**
**Chief Executive Officer**
**21** years with Company
**29** years in industry

**Peter Chapman**
**Chief Financial Officer**
Joined HBT in Oct. 2022
**29** years in industry

**Lawrence J. Horvath**
**Chief Lending Officer**
**13** years with Company
**37** years in industry

**Diane H. Lanier**
**Chief Retail Officer**
**26** years with Company
**38** years in industry

**Mark W. Scheirer**
**Chief Credit Officer**
**12** years with Company
**31** years in industry

**Andrea E. Zurkamer**
**Chief Risk Officer**
**10** years with Company
**23** years in industry

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# Talented Board of Directors with deep financial services industry experience

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

- Director since 1984
- **40** years with Company
- **43** years in industry

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

- Director since 2011
- President and CEO of HBT Financial and Heartland Bank
- **21** years with Company
- **29** years in industry

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

- Director since 1998
- Vice Chairman of Heartland Bank
- **28** years with Company
- **45** 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 2019
- Former President of Illinois State University
- **36** years in higher education

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

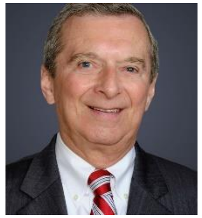
- Director since 2005
- Owner, Burwell Management Company
- Invests in a variety of real estate, private equity, venture capital and liquid investments

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



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

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

# Investment Highlights

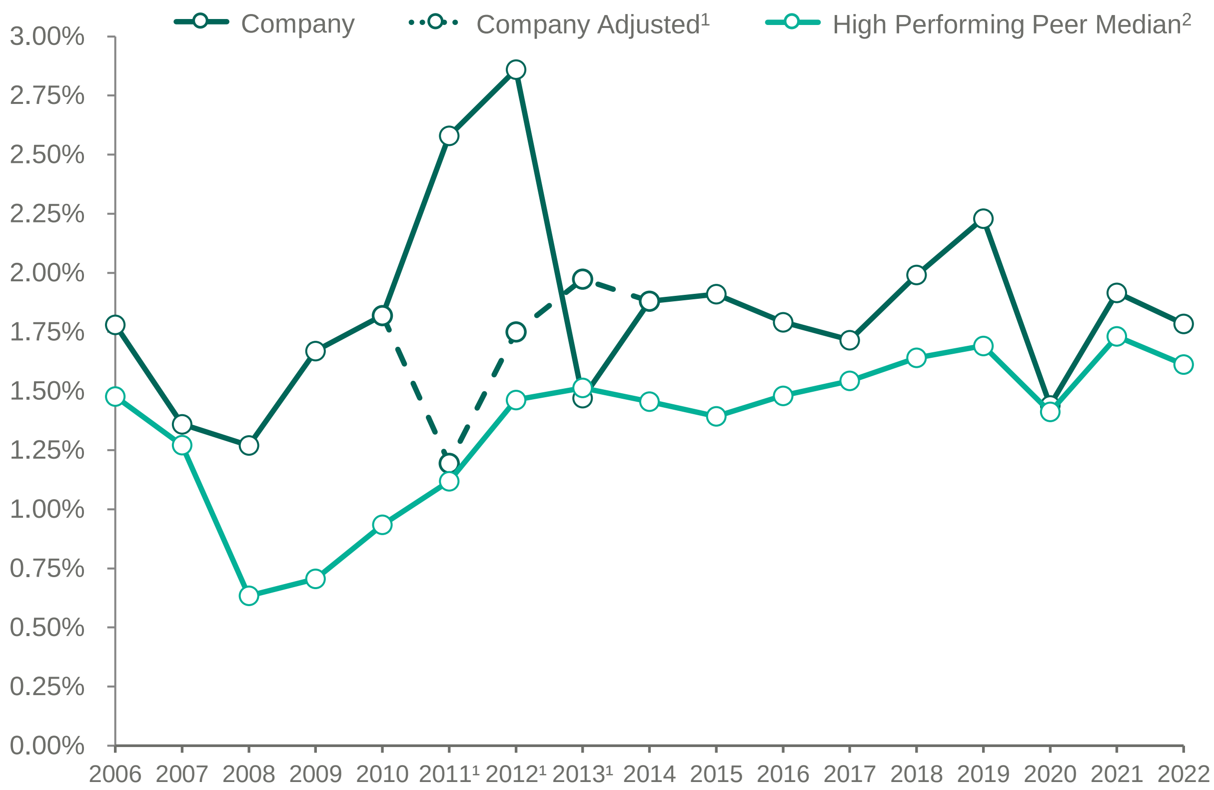
1. **Consistent performance through cycles drives long-term tangible book value growth**
2. **Strong, granular, low-cost deposit base provides funding for loan growth opportunities**
3. **Track record of successfully integrating acquisitions**
4. **Prudent risk management**

# 1 Consistent performance through cycles. . .

## Drivers of profitability

1. Strong, low-cost deposits supported by our leading market share in our Central Illinois 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 Capital IQ as available on July 13, 2023; For 2006 through June 30, 2012, the Company's pre-tax ROAA does not include Lincoln S.B. Corp. and its subsidiaries; [1] 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; [2] Represents 35 high performing major exchange-traded banks headquartered in the Midwest with $2-10bn in assets and a 2022 core return on average assets above 1.0%

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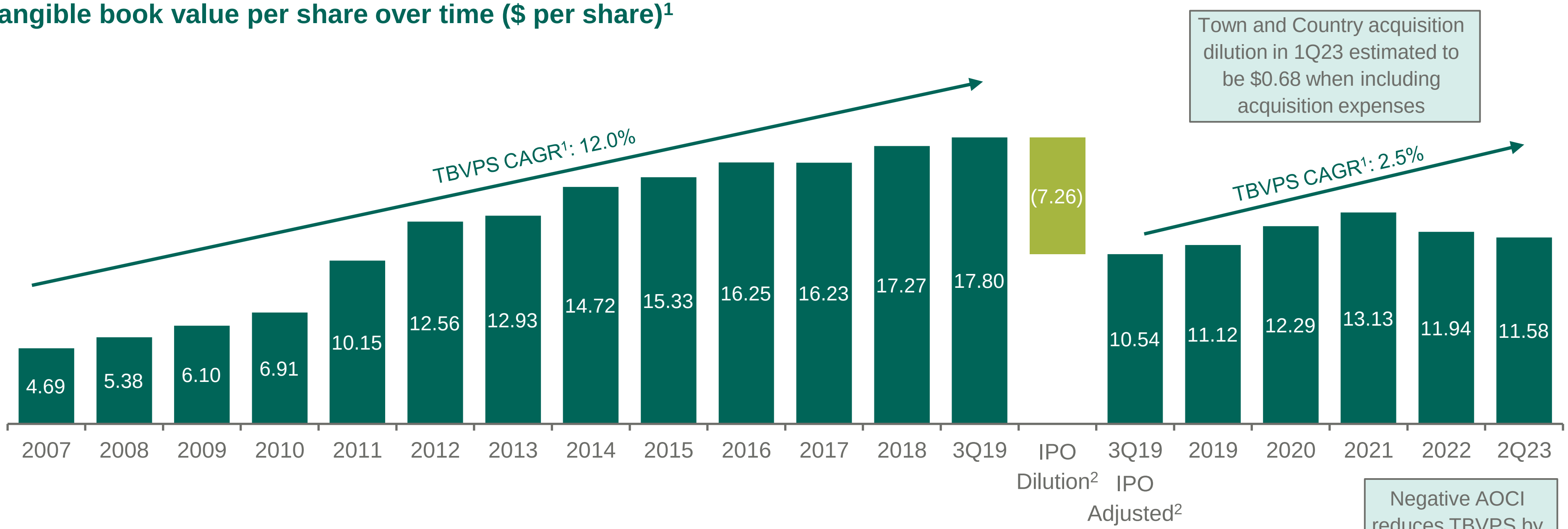
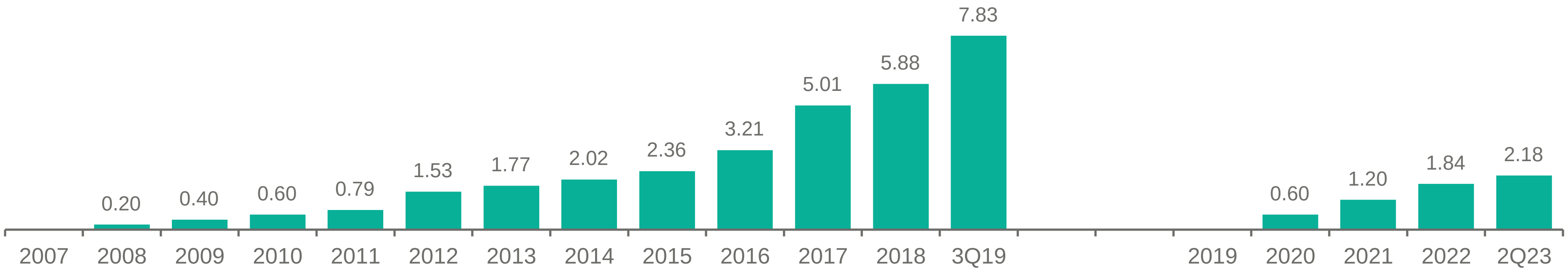
# 1 . . . drives long-term tangible book value growth

**Tangible book value per share over time ($ per share)[1]**




**Cumulative effect of dividends paid ($ per share)[3]**




[1] For reconciliation with GAAP metric, see "Non-GAAP reconciliations" in Appendix; [2] 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"; [3] 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.

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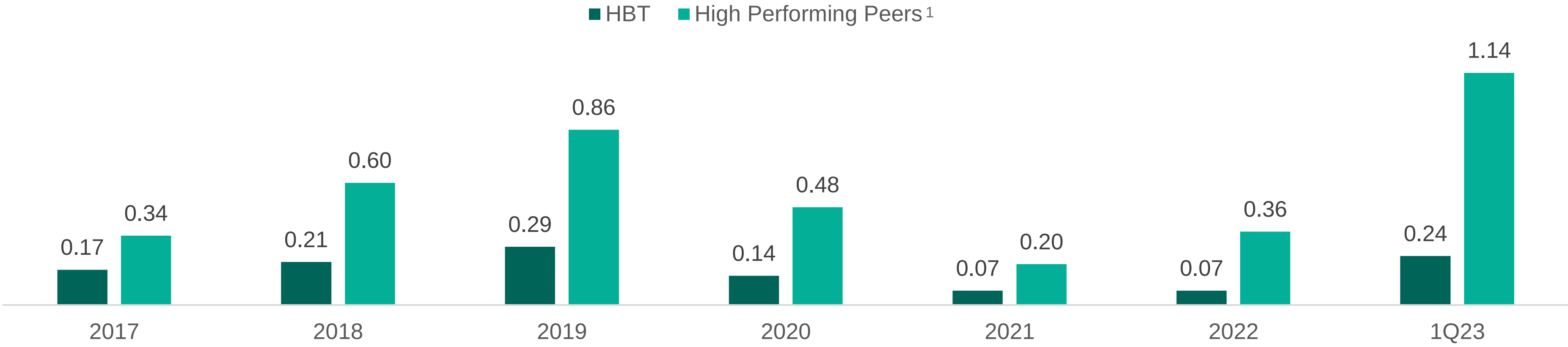
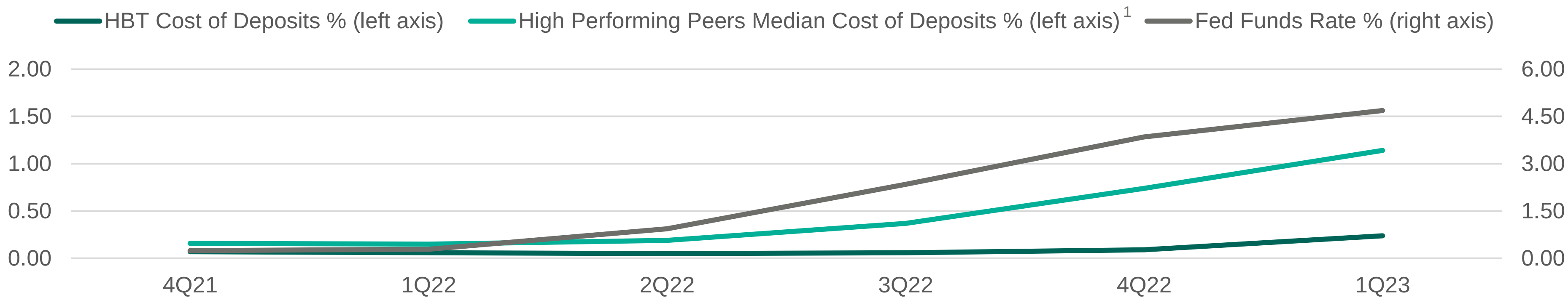
# 2 Strong, granular, low-cost deposit base. . .

## Cost of deposits (%) remains consistently below peers




## With a lower deposit beta than peers since beginning of current interest rate tightening cycle

**Deposit beta (4Q21 – 1Q23): HBT** = 3.8%, **High Performing Peers** [1] = 22.1%




Source: S&P Capital IQ as available on July 13, 2023; [1] Represents median of 35 high performing major exchange-traded banks headquartered in the Midwest with $2-10bn in assets and a 2022 core return on average assets above 1.0%

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# 2 . . . provides funding for loan growth opportunities

## Leading Deposit Market Position

- Top 2 deposit share rank in 6 of 8 largest Central Illinois markets in which the Company operates[1]
- Deposit base is long tenured and granular across a variety of product types dispersed across our geography
- Proactive campaign to reach out to top 250 largest deposit customers has been run to solidify these relationships
- Detailed deposit pricing guidance is available to all consumer and commercial staff to assist in pricing discussions with customers

### Deposit Base Characteristics[2]

| As of 6/30/23 | Number of Accounts (000) | Average Balance ($000) | Weighted Average Age (Years) |
|---|---|---|---|
| Noninterest-bearing | 72 | $16 | 14.9 |
| Interest-bearing demand | 61 | 19 | 18.9 |
| Money market | 6 | 125 | 11.2 |
| Savings | 48 | 14 | 16.5 |
| Time | 14 | 33 | 6.1 |
| **Total deposits** | **201** | **21** | **14.7** |

## 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
- Central Illinois markets have been resilient during previous economic downturns
- Town and Country merger should enhance loan growth through access to new markets and opportunities to expand customer relationships with HBT's greater ability to meet larger borrowing needs

### Iowa

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

[1] Source: S&P Capital IQ, data as of June 30, 2022; leading deposit share defined as top 3 deposit share rank; [2] Excludes overdrawn deposit accounts

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# 3 Track record of successfully integrating acquisitions

**2007**
**BankPlus**
Morton, IL
$231mm deposits

**2010**
**Bank of Illinois**
Normal, IL
FDIC-assisted
$176mm deposits

**2011**
**Western Springs National Bank**
Western Springs, IL
FDIC-assisted
$184mm deposits

**Bank of Shorewood**
Shorewood, IL
FDIC-assisted
$105mm deposits

**2012**
**Farmer City State Bank**
Farmer City, IL
$70mm deposits

**Citizens First National Bank**
Princeton, IL
FDIC-assisted
$808mm deposits

**2015**
**National Bancorp, Inc. (American Midwest Bank)**
Schaumburg, IL
$447mm deposits

**2018**
**Lincoln S.B. Corp (State Bank of Lincoln)[1]**
Lincoln, IL
$357mm deposits

**2021**
**NXT Bancorporation, Inc. (NXT Bank)**
Central City, IA
$182mm deposits

**2023**
**Town and Country Financial Corporation (Town and Country Bank)**
Springfield, IL
$720mm deposits

[1] 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

# 4 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

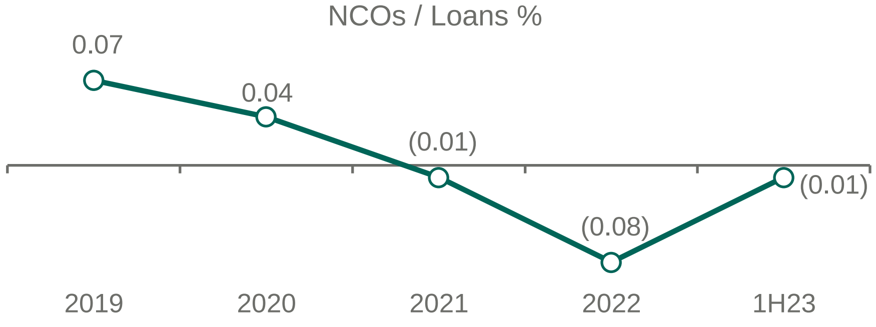
### Data Security & Privacy

- 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 $750,000 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 (%)



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# Appendix

# Non-GAAP Reconciliations

## Adjusted net income and adjusted ROAA

| ($000) | 2020 | 2021 | 2022 | 1H23 |
|---|---|---|---|---|
| Net income | $36,845 | $56,271 | $56,456 | $27,681 |
| Adjustments: | | | | |
| Acquisition expenses [1] | -- | (1,416) | (1,092) | (13,691) |
| Branch closure expenses | -- | (748) | -- | -- |
| Charges related to termination of certain employee benefit plans | (1,457) | -- | -- | -- |
| Gains (losses) on sale of closed branch premises | -- | -- | 141 | 75 |
| Realized losses on sale of securities | -- | -- | -- | (1,007) |
| Mortgage servicing rights fair value adjustment | (2,584) | 1,690 | 2,153 | (483) |
| Total adjustments | (4,041) | (474) | 1,202 | (15,106) |
| Tax effect of adjustments | 1,152 | (95) | (551) | 4,156 |
| Less: adjustments after tax effect | (2,889) | (569) | 651 | (10,950) |
| **Adjusted net income** | **$39,734** | **$56,840** | **$55,805** | **$38,631** |
| Average assets | $3,447,500 | $3,980,538 | $4,269,873 | $4,871,245 |
| Return on average assets | 1.07% | 1.41% | 1.32% | 1.15%* |
| **Adjusted return on average assets** | **1.15%** | **1.43%** | **1.31%** | **1.60%*** |

* Annualized measure; [1] Includes recognition of an allowance for credit losses on non-PCD loans of $5.2 million and an allowance for credit losses on unfunded commitments of $0.7 million subsequent to the Town and Country merger during first quarter of 2023.

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# Non-GAAP Reconciliations (cont'd)

## ROATCE, adjusted return on average stockholders' equity, and adjusted ROATCE

| ($000) | 2020 | 2021 | 2022 | 1H23 |
|---|---|---|---|---|
| Total stockholders' equity | $350,703 | $380,080 | $383,306 | $438,448 |
| Less: goodwill | (23,620) | (25,057) | (29,322) | (54,643) |
| Less: core deposit intangible assets | (3,436) | (2,333) | (1,480) | (19,097) |
| **Average tangible common equity** | **$323,647** | **$352,690** | **$352,504** | **$364,708** |
| Net income | $36,845 | $56,271 | $56,456 | $27,681 |
| Adjusted net income | 39,734 | 56,840 | 55,805 | 38,631 |
| Return on average stockholders' equity | 10.51% | 14.81% | 14.73% | 12.73%* |
| Return on average tangible common equity | 11.38% | 15.95% | 16.02% | 15.31%* |
| Adjusted return on average stockholders' equity | 11.33% | 14.95% | 14.56% | 17.77%* |
| Adjusted return on average tangible common equity | 12.28% | 16.12% | 15.83% | 21.36%* |

* Annualized measure

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# Non-GAAP Reconciliations (cont'd)

## Net interest income (tax-equivalent basis)

| ($000) | 2019 | 2020 | 2021 | 2022 | 1H23 |
|---|---|---|---|---|---|
| Net interest income | $133,800 | $117,605 | $122,403 | $145,874 | $95,709 |
| Tax equivalent adjustment | 2,309 | 1,943 | 2,028 | 2,499 | 1,417 |
| **Net interest income (tax-equivalent basis)** | **$136,109** | **$119,548** | **$124,431** | **$148,373** | **$97,126** |
| Average interest-earnings assets | $3,105,863 | $3,318,764 | $3,846,473 | $4,118,124 | $4,620,341 |

## Net interest margin (tax-equivalent basis)

| (%) | 2019 | 2020 | 2021 | 2022 | 1H23 |
|---|---|---|---|---|---|
| Net interest margin | 4.31% | 3.54% | 3.18% | 3.54% | 4.18% |
| Tax equivalent adjustment | 0.07% | 0.06% | 0.05% | 0.06% | 0.06% |
| **Net interest margin (tax-equivalent basis)** | **4.38%** | **3.60%** | **3.23%** | **3.60%** | **4.24%** |

## Net interest income (tax-equivalent basis)

| ($000) | 2Q22 | 3Q22 | 4Q22 | 1Q23 | 2Q23 |
|---|---|---|---|---|---|
| Net interest income | $34,373 | $37,390 | $42,183 | $46,837 | $48,872 |
| Tax equivalent adjustment | 598 | 674 | 698 | 702 | 715 |
| **Net interest income (tax-equivalent basis)** | **$34,971** | **$38,064** | **$42,881** | **$47,539** | **$49,587** |
| Average interest-earnings assets | $4,133,448 | $4,059,978 | $4,079,261 | $4,523,721 | $4,715,897 |

## Net interest margin (tax-equivalent basis)

| (%) | 2Q22 | 3Q22 | 4Q22 | 1Q23 | 2Q23 |
|---|---|---|---|---|---|
| Net interest margin | 3.34%* | 3.65%* | 4.10%* | 4.20%* | 4.16%* |
| Tax equivalent adjustment | 0.05%* | 0.07%* | 0.07%* | 0.06%* | 0.06%* |
| **Net interest margin (tax-equivalent basis)** | **3.39%*** | **3.72%*** | **4.17%*** | **4.26%*** | **4.22%*** |

* Annualized measure.

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# Non-GAAP Reconciliations (cont'd)

## Efficiency ratio (tax-equivalent basis)

| ($000) | 2020 | 2021 | 2022 | 1H23 |
|---|---|---|---|---|
| Total noninterest expense | $91,956 | $91,246 | $105,107 | $69,906 |
| Less: amortization of intangible assets | (1,232) | (1,054) | (873) | (1,230) |
| **Adjusted noninterest expense** | **$90,724** | **$90,192** | **$104,234** | **$68,676** |
| Net interest income | $117,605 | $122,403 | $145,874 | $95,709 |
| Total noninterest income | 34,456 | 37,328 | 34,717 | 17,351 |
| **Operating revenue** | **152,061** | **159,731** | **180,591** | **113,060** |
| Tax-equivalent adjustment | 1,943 | 2,028 | 2,499 | 1,417 |
| **Operating revenue (tax-equivalent basis)** | **$154,004** | **$161,759** | **$183,090** | **$114,477** |
| **Efficiency ratio** | **59.66%** | **56.46%** | **57.72%** | **60.74%** |
| **Efficiency ratio (tax-equivalent basis)** | **58.91%** | **55.76%** | **56.93%** | **59.99%** |

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# 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Tangible book value per share** | | | | | | | | | | | | | |
| 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) |
| **Tangible common equity** | **$77** | **$88** | **$99** | **$113** | **$167** | **$224** | **$233** | **$265** | **$276** | **$294** | **$293** | **$311** | **$321** |
| 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 |
| **Tangible book value per share** | **$4.69** | **$5.38** | **$6.10** | **$6.91** | **$10.15** | **$12.56** | **$12.93** | **$14.72** | **$15.33** | **$16.25** | **$16.23** | **$17.27** | **$17.80** |
| ***TBVPS CAGR (%)*** | | | | | | | | | | | | | ***12.0%*** |
| **Cumulative effect of dividends per share** | | | | | | | | | | | | | |
| Cumulative regular dividends | $-- | $3 | $7 | $10 | $13 | $17 | $22 | $26 | $33 | $38 | $46 | $54 | $62 |
| Cumulative special dividends | -- | -- | -- | -- | -- | 10 | 10 | 10 | 10 | 20 | 45 | 52 | 79 |
| **Cumulative effect of dividends** | **$--** | **$3** | **$7** | **$10** | **$13** | **$27** | **$32** | **$36** | **$43** | **$58** | **$91** | **$106** | **$141** |
| Shares outstanding (mm) | 16.47 | 16.28 | 16.30 | 16.33 | 16.45 | 17.84 | 18.03 | 18.03 | 18.02 | 18.07 | 18.07 | 18.03 | 18.03 |
| **Cumulative effect of dividends per share** | **$--** | **$0.20** | **$0.40** | **$0.60** | **$0.79** | **$1.53** | **$1.77** | **$2.02** | **$2.36** | **$3.21** | **$5.01** | **$5.88** | **$7.83** |

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# Non-GAAP Reconciliations (cont'd)

## IPO adjusted tangible book value per share

| ($000) | 3Q19 |
|---|---|
| **Tangible common equity** | |
| Total equity | $348,936 |
| Less: goodwill | (23,620) |
| Less: core deposit intangible | (4,366) |
| **Tangible common equity** | **320,950** |
| Net proceeds from initial public offering | 138,493 |
| Use of proceeds from initial public offering (special dividend) | (169,999) |
| **IPO adjusted tangible common equity** | **$289,444** |
| 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) |
| **IPO adjusted tangible book value per share** | **$10.54** |

## Tangible book value per share (IPO adjusted 3Q19 to 2Q23)

| ($mm) | IPO Adjusted 3Q19 | 2019 | 2020 | 2021 | 2022 | 2Q23 |
|---|---|---|---|---|---|---|
| **Tangible book value per share** | | | | | | |
| Total equity | | $333 | $364 | $412 | $374 | $451 |
| Less: goodwill | | (24) | (24) | (29) | (29) | (60) |
| Less: core deposit intangible | | (4) | (3) | (2) | (1) | (22) |
| **Tangible common equity** | | **$305** | **$338** | **$381** | **$343** | **$369** |
| Shares outstanding (mm) | | 27.46 | 27.46 | 28.99 | 28.75 | 31.9 |
| Book value per share | | $12.12 | $13.25 | $14.21 | $12.99 | $14.15 |
| **Tangible book value per share** | **$10.54** | **$11.12** | **$12.29** | **$13.13** | **$11.94** | **$11.58** |
| ***TBVPS CAGR (%)*** | | | | | | ***2.5%*** |

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# Non-GAAP Reconciliations (cont'd)

## Tangible common equity to tangible assets

| ($000) | 2019 | 2020 | 2021 | 2022 | 2Q23 |
|---|---|---|---|---|---|
| **Tangible common equity** | | | | | |
| Total equity | $332,918 | $363,917 | $411,881 | $373,632 | $450,852 |
| Less: goodwill | (23,620) | (23,620) | (29,322) | (29,322) | (59,876) |
| Less: core deposit intangible | (4,030) | (2,798) | (1,943) | (1,070) | (22,122) |
| **Tangible common equity** | **$305,268** | **$337,499** | **$380,616** | **$343,240** | **$368,854** |
| **Tangible assets** | | | | | |
| Total assets | $3,245,103 | $3,666,567 | $4,314,254 | $4,286,734 | $4,975,810 |
| Less: goodwill | (23,620) | (23,620) | (29,322) | (29,322) | (59,876) |
| Less: core deposit intangible | (4,030) | (2,798) | (1,943) | (1,070) | (22,122) |
| **Tangible assets** | **$3,217,453** | **$3,640,149** | **$4,282,989** | **$4,256,342** | **$4,893,812** |
| Total stockholders' equity to total assets | 10.26% | 9.93% | 9.55% | 8.72% | 9.06% |
| Tangible common equity to tangible assets | 9.49% | 9.27% | 8.89% | 8.06% | 7.54% |

# Non-GAAP Reconciliations (cont'd)

## Core deposits

| ($000) | 2020 | 2021 | 2022 | 2Q23 |
|---|---|---|---|---|
| Total deposits | $3,130,534 | $3,738,185 | $3,587,024 | $4,164,523 |
| Less: time deposits of $250,000 or more | (26,687) | (59,512) | (27,158) | (78,705) |
| Less: brokered deposits | -- | (4,238) | -- | (51,010) |
| **Core deposits** | **$3,103,847** | **$3,674,435** | **$3,559,866** | **$4,034,808** |
| Core deposits to total deposits | 99.15% | 98.29% | 99.24% | 96.89% |

HBT Financial

# HBT Financial, Inc.