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## DELTA REPORT

### 10-Q

HBT FINANCIAL, INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

**TOTAL DELTAS** 1994

■ CHANGES	264
■ DELETIONS	632
■ ADDITIONS	1098

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2023** **March 31, 2024**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 001-39085

**HBT Financial, Inc.**

(Exact name of registrant as specified in its charter)

Delaware

37-1117216

(I.R.S. Employer  
Identification No.)

(State or other jurisdiction of incorporation or organization)

401 North Hershey Rd  
Bloomington, Illinois 61704

**(888) 897-2276 (309) 662-4444**

(Address of principal executive offices,  
including zip code)

(Registrant's telephone number,  
including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	HBT	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input checked="" type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.  Yes  No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of **October 24, 2023** **April 24, 2024**, there were **31,710,005** **31,591,466** shares outstanding of the registrant's common stock, \$0.01 par value.

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#### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this **quarterly report** **Quarterly Report** are forward-looking statements. Forward-looking statements may include statements relating to our plans, strategies and expectations, the economic impact of the COVID-19 pandemic and our future financial results, near-term loan growth, net interest margin, mortgage banking profits, wealth management fees, expenses, asset quality, capital levels, continued earnings, and liquidity. Forward-looking statements are generally identifiable by use of the words "believe," "may," "will," "should," "could," "expect," "estimate," "intend," "anticipate," "project," "plan" or similar expressions. Forward-looking statements are frequently based on assumptions that may or may not materialize and are subject to numerous uncertainties that could cause actual results to differ materially from those anticipated in the forward-looking statements. Factors that could cause actual results to differ materially from the results anticipated or projected and which could materially and adversely affect our operating results, financial condition or prospects include, but are not limited to:

- the strength of the local, state, national, and international economies (including effects of inflationary pressures and supply chain constraints);
- 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 Israeli-Palestinian conflict and 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;
- changes in accounting policies and practices, as may be adopted by state and federal regulatory agencies, the Financial Accounting Standards Board (the "FASB") or the Public Company Accounting Oversight Board (including the Company's adoption of the current expected credit losses ("CECL") methodology); Board;
- 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; banks or as a result of the upcoming 2024 presidential election;
- changes in interest rates and prepayment rates of the Company's assets (including the impact effects of LIBOR phase-out and the recent and potential additional significant interest rate increases by the Federal Reserve) since 2020;
- 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;
- changes in technology and the ability to develop and maintain secure and reliable electronic systems;
- 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;
- the loss of key executives or employees;
- changes in consumer spending;
- unexpected outcomes of existing or new litigation involving the Company;
- the economic impact of exceptional weather occurrences such as tornadoes, floods and blizzards;
- fluctuations in the value of securities held in our securities portfolio;

- concentrations within our loan portfolio, large loans to certain borrowers, and large deposits from certain clients;
- the concentration of large deposits from certain clients who have balances above current FDIC insurance limits and who may withdraw deposits to diversify their exposure;
- the level of non-performing assets on our balance sheets;
- interruptions involving our information technology and communications systems or third-party servicers;
- breaches or failures of our information security controls or cybersecurity-related incidents;
- our asset quality and any loan charge-offs;
- the composition of our loan portfolio;
- the effects of changes in interest rates on our net interest income, net interest margin, our investments, our loan originations, and our modeling estimates relating to interest rate changes;
- our access to sources of liquidity and capital to address our liquidity needs;
- our inability to receive dividends from the Bank, pay dividends to our common stockholders or satisfy obligations as they become due;
- the effects of problems encountered by other financial institutions;
- our ability to achieve organic loan and deposit growth and the composition of such growth;
- our ability to successfully develop and commercialize new or enhanced products and services;
- current and future business, economic and market conditions in the United States ("U.S.") generally or in the States of Illinois and Iowa in particular;

- the geographic concentration of our operations in the States of Illinois and Iowa;
- our ability to attract and retain customer deposits;
- our ability to maintain the Bank's reputation;
- possible impairment of our goodwill and other intangible assets;
- our prior status as an S corporation;
- possible changes in trade, monetary and fiscal policies of, and other activities undertaken by, governments, agencies, central banks and similar organizations;

- the effectiveness of our risk management and internal disclosure controls and procedures;
- market perceptions associated with certain aspects of our business;
- our ability to meet our obligations as a public company, including our obligations under Section 404 of the Sarbanes-Oxley Act of 2002;
- damage to our reputation from any of the factors described above;
- our success at managing the risks involved in the foregoing items; and
- the factors discussed in "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" or elsewhere in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, filed with the Securities and Exchange ("SEC") Commission on March 8, 2023 March 6, 2024.

These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Forward-looking statements speak only as of the date they are made. We do not undertake any obligation to update any forward-looking statement in the future, or to reflect circumstances and events that occur after the date on which the forward-looking statement was made.

## PART I. FINANCIAL INFORMATION

### ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

#### HBT FINANCIAL, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

(Unaudited)					
(Unaudited)					
(dollars in thousands, except per share data)					
(dollars in thousands, except per share data)	(dollars in thousands, except per share data)	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
<b>ASSETS</b>	<b>ASSETS</b>				
Cash and due from banks					

Cash and due from banks			
Cash and due from banks	Cash and due from banks	\$ 24,757	\$ 18,970
Interest-bearing deposits with banks	Interest-bearing deposits with banks	87,156	95,189
Cash and cash equivalents	Cash and cash equivalents	111,913	114,159
Interest-bearing time deposits with banks	Interest-bearing time deposits with banks	500	—
Interest-bearing time deposits with banks			
Interest-bearing time deposits with banks			
Debt securities available-for-sale, at fair value	Debt securities available-for-sale, at fair value	753,163	843,524
Debt securities held-to-maturity (fair value of \$450,313 at 2023 and \$478,801 at 2022)		527,144	541,600
Debt securities held-to-maturity (fair value of \$458,640 at 2024 and \$466,496 at 2023)			
Equity securities with readily determinable fair value	Equity securities with readily determinable fair value	3,106	3,029
Equity securities with no readily determinable fair value	Equity securities with no readily determinable fair value	2,300	1,977
Restricted stock, at cost	Restricted stock, at cost	11,165	7,965
Loans held for sale	Loans held for sale	3,563	615
Loans, before allowance for credit losses	Loans, before allowance for credit losses	3,342,786	2,620,253
Loans, before allowance for credit losses			
Loans, before allowance for credit losses			
Allowance for credit losses	Allowance for credit losses	(38,863)	(25,333)
Loans, net of allowance for credit losses	Loans, net of allowance for credit losses	3,303,923	2,594,920
Bank owned life insurance			
Bank owned life insurance			
Bank owned life insurance	Bank owned life insurance	23,747	7,557
Bank premises and equipment, net	Bank premises and equipment, net	64,713	50,469

Bank premises held for sale	Bank premises held for sale	35	235
Foreclosed assets	Foreclosed assets	1,519	3,030
Goodwill	Goodwill	59,820	29,322
Intangible assets, net	Intangible assets, net	21,402	1,070
Mortgage servicing rights, at fair value	Mortgage servicing rights, at fair value	20,156	10,147
Investments in unconsolidated subsidiaries	Investments in unconsolidated subsidiaries	1,614	1,165
Accrued interest receivable	Accrued interest receivable	23,447	19,506
Other assets	Other assets	58,538	56,444
<b>Total assets</b>	<b>Total assets</b>	<b>\$4,991,768</b>	<b>\$4,286,734</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Liabilities</b>			
<b>Liabilities</b>	<b>Liabilities</b>		
Deposits:	Deposits:		
Deposits:			
Deposits:			
Noninterest-bearing	Noninterest-bearing	\$1,086,877	\$ 994,954
Interest-bearing	Interest-bearing	3,111,191	2,592,070
<b>Total deposits</b>	<b>Total deposits</b>	<b>4,198,068</b>	<b>3,587,024</b>
Securities sold under agreements to repurchase			
Securities sold under agreements to repurchase			
Securities sold under agreements to repurchase			
Securities sold under agreements to repurchase	Securities sold under agreements to repurchase	28,900	43,081
Federal Home Loan Bank advances	Federal Home Loan Bank advances	177,650	160,000
Subordinated notes	Subordinated notes	39,454	39,395
Junior subordinated debentures issued to capital trusts	Junior subordinated debentures issued to capital trusts	52,774	37,780
Other liabilities	Other liabilities	38,671	45,822
<b>Total liabilities</b>	<b>Total liabilities</b>	<b>4,535,517</b>	<b>3,913,102</b>
<b>COMMITMENTS AND CONTINGENCIES (Note 15)</b>			

<b>COMMITMENTS AND CONTINGENCIES (Note 14)</b>			
<b>COMMITMENTS AND CONTINGENCIES (Note 14)</b>			
<b>COMMITMENTS AND CONTINGENCIES (Note 14)</b>			
<b>Stockholders' Equity</b>	<b>Stockholders' Equity</b>		
<b>Equity</b>	<b>Equity</b>		
<b>Stockholders' Equity</b>			
Preferred stock, \$0.01 par value; 25,000,000 shares authorized; none issued or outstanding	Preferred stock, \$0.01 par value; 25,000,000 shares authorized; none issued or outstanding	—	—
Common stock, \$0.01 par value; 125,000,000 shares authorized; shares issued of 32,730,698 at 2023 and 29,308,491 at 2022; shares outstanding of 31,774,140 at 2023 and 28,752,626 at 2022	327	293	
Preferred stock, \$0.01 par value; 25,000,000 shares authorized; none issued or outstanding			
Preferred stock, \$0.01 par value; 25,000,000 shares authorized; none issued or outstanding			
Common stock, \$0.01 par value; 125,000,000 shares authorized; shares issued of 32,827,039 at 2024 and 32,730,698 at 2023; shares outstanding of 31,612,888 at 2024 and 31,695,828 at 2023			
<b>Surplus</b>	<b>Surplus</b>	295,483	222,783
Retained earnings	Retained earnings	256,050	232,004
Accumulated other comprehensive income (loss)	Accumulated other comprehensive income (loss)	(78,432)	(71,759)
Treasury stock at cost, 956,558 shares at 2023 and 555,865 at 2022		(17,177)	(9,689)
Treasury stock at cost, 1,214,151 shares at 2024 and 1,034,870 at 2023			
<b>Total stockholders' equity</b>	<b>Total stockholders' equity</b>	456,251	373,632
<b>Total liabilities and stockholders' equity</b>	<b>Total liabilities and stockholders' equity</b>	<u>\$4,991,768</u>	<u>\$4,286,734</u>

See accompanying Notes to Consolidated Financial Statements (Unaudited)

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**(Unaudited)**

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(dollars in thousands, except per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>INTEREST AND DIVIDEND INCOME</b>				
Loans, including fees:				
Taxable	\$ 49,640	\$ 29,855	\$ 138,948	\$ 84,504
Federally tax exempt	1,072	842	3,064	2,183
Securities:				
Taxable	6,451	6,635	19,585	16,947
Federally tax exempt	978	1,207	3,337	3,385
Interest-bearing deposits in bank	714	458	2,234	1,037
Other interest and dividend income	186	17	420	50
<b>Total interest and dividend income</b>	<b>59,041</b>	<b>39,014</b>	<b>167,588</b>	<b>108,106</b>
<b>INTEREST EXPENSE</b>				
Deposits	7,211	587	13,908	1,662
Securities sold under agreements to repurchase	35	9	107	26
Borrowings	2,108	85	5,594	87
Subordinated notes	470	470	1,409	1,409
Junior subordinated debentures issued to capital trusts	938	473	2,582	1,231
<b>Total interest expense</b>	<b>10,762</b>	<b>1,624</b>	<b>23,600</b>	<b>4,415</b>
<b>Net interest income</b>	<b>48,279</b>	<b>37,390</b>	<b>143,988</b>	<b>103,691</b>
<b>PROVISION FOR CREDIT LOSSES</b>				
	480	386	6,460	(53)
<b>Net interest income after provision for credit losses</b>	<b>47,799</b>	<b>37,004</b>	<b>137,528</b>	<b>103,744</b>
<b>NONINTEREST INCOME</b>				
Card income	2,763	2,569	8,326	7,687
Wealth management fees	2,381	2,059	6,998	6,670
Service charges on deposit accounts	2,040	1,927	5,830	5,371
Mortgage servicing	1,169	697	3,522	2,016
Mortgage servicing rights fair value adjustment	23	351	(460)	2,446
Gains on sale of mortgage loans	476	354	1,125	1,267
Realized gains (losses) on sales of securities	(813)	—	(1,820)	—
Unrealized gains (losses) on equity securities	(46)	(107)	(61)	(447)
Gains (losses) on foreclosed assets	550	(225)	443	(192)
Gains (losses) on other assets	52	(31)	161	119
Income on bank owned life insurance	153	41	415	122
Other noninterest income	742	599	2,362	1,769
<b>Total noninterest income</b>	<b>9,490</b>	<b>8,234</b>	<b>26,841</b>	<b>26,828</b>
<b>NONINTEREST EXPENSE</b>				
Salaries	15,644	12,752	51,715	38,489
Employee benefits	2,616	1,771	7,658	6,199
Occupancy of bank premises	2,573	1,979	7,460	5,780
Furniture and equipment	667	668	2,135	1,843
Data processing	2,581	1,631	9,787	5,274
Marketing and customer relations	1,679	880	3,874	2,936
Amortization of intangible assets	720	243	1,950	733
FDIC insurance	512	302	1,705	888
Loan collection and servicing	345	336	971	771
Foreclosed assets	76	97	234	260
Other noninterest expense	3,258	3,339	13,088	8,824
<b>Total noninterest expense</b>	<b>30,671</b>	<b>23,998</b>	<b>100,577</b>	<b>71,997</b>

INCOME BEFORE INCOME TAX EXPENSE	26,618	21,240	63,792	58,575
INCOME TAX EXPENSE	6,903	5,613	16,396	15,259
NET INCOME	\$ 19,715	\$ 15,627	\$ 47,396	\$ 43,316
EARNINGS PER SHARE - BASIC	\$ 0.62	\$ 0.54	\$ 1.50	\$ 1.50
EARNINGS PER SHARE - DILUTED	\$ 0.62	\$ 0.54	\$ 1.49	\$ 1.49
WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING	31,829,250	28,787,662	31,598,650	28,887,757

	Three Months Ended March 31,	
	2024	2023
<b>INTEREST AND DIVIDEND INCOME</b>		
Loans, including fees:		
Taxable	\$ 51,926	\$ 42,159
Federally tax exempt	1,094	952
Securities:		
Taxable	6,250	6,616
Federally tax exempt	597	1,197
Interest-bearing deposits in bank	1,952	739
Other interest and dividend income	142	116
<b>Total interest and dividend income</b>	<b>61,961</b>	<b>51,779</b>
<b>INTEREST EXPENSE</b>		
Deposits	13,593	2,374
Securities sold under agreements to repurchase	152	38
Borrowings	125	1,297
Subordinated notes	470	470
Junior subordinated debentures issued to capital trusts	933	763
<b>Total interest expense</b>	<b>15,273</b>	<b>4,942</b>
<b>Net interest income</b>	<b>46,688</b>	<b>46,837</b>
<b>PROVISION FOR CREDIT LOSSES</b>		
<b>Net interest income after provision for credit losses</b>	<b>46,161</b>	<b>40,627</b>
<b>NONINTEREST INCOME</b>		
Card income	2,616	2,658
Wealth management fees	2,547	2,338
Service charges on deposit accounts	1,869	1,871
Mortgage servicing	1,055	1,099
Mortgage servicing rights fair value adjustment	80	(624)
Gains on sale of mortgage loans	298	276
Realized gains (losses) on sales of securities	(3,382)	(1,007)
Unrealized gains (losses) on equity securities	(16)	(22)
Gains (losses) on foreclosed assets	87	(10)
Gains (losses) on other assets	(635)	—
Income on bank owned life insurance	164	115
Other noninterest income	943	743
<b>Total noninterest income</b>	<b>5,626</b>	<b>7,437</b>
<b>NONINTEREST EXPENSE</b>		
Salaries	16,657	19,411
Employee benefits	2,805	2,335
Occupancy of bank premises	2,582	2,102
Furniture and equipment	550	659

Data processing	2,925	4,323
Marketing and customer relations	996	836
Amortization of intangible assets	710	510
FDIC insurance	560	563
Loan collection and servicing	452	278
Foreclosed assets	49	61
Other noninterest expense	2,982	4,855
<b>Total noninterest expense</b>	<b>31,268</b>	<b>35,933</b>
<b>INCOME BEFORE INCOME TAX EXPENSE</b>	<b>20,519</b>	<b>12,131</b>
<b>INCOME TAX EXPENSE</b>	<b>5,261</b>	<b>2,923</b>
<b>NET INCOME</b>	<b>\$ 15,258</b>	<b>\$ 9,208</b>
<b>EARNINGS PER SHARE - BASIC</b>	<b>\$ 0.48</b>	<b>\$ 0.30</b>
<b>EARNINGS PER SHARE - DILUTED</b>	<b>\$ 0.48</b>	<b>\$ 0.30</b>
<b>WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING</b>	<b>31,662,954</b>	<b>30,977,204</b>

See accompanying Notes to Consolidated Financial Statements (Unaudited)

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**(Unaudited)**

(dollars in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>NET INCOME</b>	\$ 19,715	\$ 15,627	\$ 47,396	\$ 43,316
<b>OTHER COMPREHENSIVE LOSS</b>				
Unrealized losses on debt securities available-for-sale	(11,326)	(35,358)	(12,521)	(112,931)
Reclassification adjustment for losses on securities available-for-sale realized in income	13	—	1,820	—
Reclassification adjustment for amortization of net unrealized losses on debt securities transferred to held-to-maturity	518	504	1,483	1,234
Unrealized gains on derivative instruments	58	374	219	1,117
Reclassification adjustment for net settlements on derivative instruments	(131)	14	(334)	177
<b>Total other comprehensive loss, before tax</b>	(10,868)	(34,466)	(9,333)	(110,403)
Income tax benefit	(3,098)	(9,824)	(2,660)	(31,470)
<b>Total other comprehensive loss</b>	(7,770)	(24,642)	(6,673)	(78,933)
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>\$ 11,945</b>	<b>\$ (9,015)</b>	<b>\$ 40,723</b>	<b>\$ (35,617)</b>

(dollars in thousands)	Three Months Ended March 31,	
	2024	2023
<b>NET INCOME</b>	\$ 15,258	\$ 9,208
<b>OTHER COMPREHENSIVE INCOME</b>		
Unrealized gains (losses) on debt securities available-for-sale	(2,255)	11,443
Reclassification adjustment for losses on sale of debt securities available-for-sale realized in income	3,382	1,607
Reclassification adjustment for amortization of net unrealized losses on debt securities transferred to held-to-maturity	501	490
Unrealized gains (losses) on derivative instruments	64	(40)
Reclassification adjustment for net settlements on derivative instruments	(132)	(94)

<b>Total other comprehensive income, before tax</b>	1,560	13,406
Income tax expense	445	3,822
<b>Total other comprehensive income</b>	1,115	9,584
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>\$ 16,373</b>	<b>\$ 18,792</b>

See accompanying Notes to Consolidated Financial Statements (Unaudited)

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**(Unaudited)**

(dollars in thousands, except per share data)	Common Stock				Accumulated Other Comprehensive Income (Loss)			Total Stockholders' Equity	
	Shares Outstanding	Amount	Surplus	Retained Earnings				Treasury Stock	
<b>Balance, June 30, 2023</b>	31,865,868	\$ 327	\$ 294,875	\$ 241,777	\$ (70,662)	\$ (15,465)	\$ 450,852		
Net income	—	—	—	19,715	—	—	19,715		
Other comprehensive loss	—	—	—	—	(7,770)	—	(7,770)		
Stock-based compensation	—	—	608	—	—	—	608		
Repurchase of common stock	(91,728)	—	—	—	—	—	(1,712)	(1,712)	
Cash dividends and dividend equivalents (\$0.17 per share)	—	—	—	(5,442)	—	—	(5,442)		
<b>Balance, September 30, 2023</b>	<b>31,774,140</b>	<b>\$ 327</b>	<b>\$ 295,483</b>	<b>\$ 256,050</b>	<b>\$ (78,432)</b>	<b>\$ (17,177)</b>	<b>\$ 456,251</b>		
<b>Balance, June 30, 2022</b>	<b>28,831,197</b>	<b>\$ 293</b>	<b>\$ 222,087</b>	<b>\$ 212,506</b>	<b>\$ (52,820)</b>	<b>\$ (8,257)</b>	<b>\$ 373,809</b>		
Net income	—	—	—	15,627	—	—	15,627		
Other comprehensive loss	—	—	—	—	(24,642)	—	(24,642)		
Stock-based compensation	—	—	349	—	—	—	349		
Repurchase of common stock	(78,571)	—	—	—	—	—	(1,432)	(1,432)	
Cash dividends and dividend equivalents (\$0.16 per share)	—	—	—	(4,638)	—	—	(4,638)		
<b>Balance, September 30, 2022</b>	<b>28,752,626</b>	<b>\$ 293</b>	<b>\$ 222,436</b>	<b>\$ 223,495</b>	<b>\$ (77,462)</b>	<b>\$ (9,689)</b>	<b>\$ 359,073</b>		

See accompanying Notes to Consolidated Financial Statements (Unaudited)

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (CONTINUED)**  
**(Unaudited)**

(dollars in thousands, except per share data)	Common Stock				Common Stock			Accumulated Other Comprehensive Income (Loss)		Total Stockholders' Equity
	Common Stock	Common Stock	Common Stock	Common Stock	Accumulated Other Comprehensive Income (Loss)					
<b>Balance, December 31, 2023</b>										
<b>Balance, December 31, 2023</b>										
<b>Balance, December 31, 2023</b>										

Cumulative effect of change in accounting principle (ASU 2023-02)							
Net income							
Other comprehensive income							
Stock-based compensation							
Issuance of common stock upon vesting of restricted stock units, net of tax withholdings							
Repurchase of common stock							
Repurchase of common stock							
Repurchase of common stock							
Cash dividends and dividend equivalents (\$0.19 per share)							
	Common Stock			Accumulated Other			Total
(dollars in thousands, except per share data)	Shares	Outstanding	Amount	Retained Earnings	Comprehensive Income (Loss)	Treasury Stock	Stockholders' Equity
<b>Balance, March 31, 2024</b>							
<b>Balance, March 31, 2024</b>							
<b>Balance, March 31, 2024</b>							
<b>Balance, December 31, 2022</b>							
<b>Balance, December 31, 2022</b>							
<b>Balance, December 31, 2022</b>							
<b>Balance, December 31, 2022</b>							
Cumulative effect of change in accounting principle (ASU 2016-2016-13) (13)	—	—	—	(6,922)	—	—	(6,922)
Net income	Net income	—	—	—	47,396	—	47,396
Other comprehensive loss		—	—	—	(6,673)	—	(6,673)
Other comprehensive income							
Stock-based compensation	Stock-based compensation	—	—	1,559	—	—	1,559

Issuance of common stock upon vesting of restricted stock units, net of tax withholdings	43,607	—	(181)	—	—	—	(181)
Issuance of common stock in Town and Country acquisition	3,378,600	34	71,322	—	—	—	71,356
Repurchase of common stock	(400,693)	—	—	—	—	(7,488)	(7,488)
Cash dividends and dividend equivalents (\$0.51 per share)	—	—	—	(16,428)	—	—	(16,428)
Cash dividends and dividend equivalents (\$0.17 per share)							
<b>Balance, September 30, 2023</b>	<b>31,774,140</b>	<b>\$ 327</b>	<b>\$295,483</b>	<b>\$256,050</b>	<b>\$ (78,432)</b>	<b>\$ (17,177)</b>	<b>\$ 456,251</b>
<b>Balance, December 31, 2021</b>	<b>28,986,061</b>	<b>\$ 293</b>	<b>\$220,891</b>	<b>\$194,132</b>	<b>\$ 1,471</b>	<b>\$ (4,906)</b>	<b>\$ 411,881</b>
Net income	—	—	—	43,316	—	—	43,316
Other comprehensive loss	—	—	—	—	(78,933)	—	(78,933)
Stock-based compensation	—	—	1,602	—	—	—	1,602
Issuance of common stock upon vesting of restricted stock units, net of tax withholdings	31,944	—	(57)	—	—	—	(57)
Repurchase of common stock	(265,379)	—	—	—	—	(4,783)	(4,783)
Cash dividends and dividend equivalents (\$0.48 per share)	—	—	—	(13,953)	—	—	(13,953)
<b>Balance, March 31, 2023</b>	<b>28,752,626</b>	<b>\$ 293</b>	<b>\$222,436</b>	<b>\$223,495</b>	<b>\$ (77,462)</b>	<b>\$ (9,689)</b>	<b>\$ 359,073</b>
<b>Balance, March 31, 2023</b>							

See accompanying Notes to Consolidated Financial Statements (Unaudited)

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

Nine Months Ended September 30,	
Three Months Ended March 31,	
Three Months Ended March 31,	
Three Months Ended March 31,	

(dollars in thousands)	(dollars in thousands)	2023	2022
<b>CASH FLOWS</b>			
FROM OPERATING ACTIVITIES			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income			
Net income			
Net income	Net income	\$ 47,396	\$ 43,316
Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:		
Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	Depreciation expense	2,362	2,296
Provision for credit losses	Provision for credit losses	6,460	(53)
Provision for credit losses	Provision for credit losses		
Net amortization of debt securities	Net amortization of debt securities	4,391	5,337
Deferred income tax expense (benefit)	Deferred income tax expense (benefit)	2,492	(245)
Deferred income tax expense (benefit)	Deferred income tax expense (benefit)		
Stock-based compensation	Stock-based compensation		
Stock-based compensation	Stock-based compensation	1,559	1,602

Net accretion of discount and deferred loan fees on loans	Net accretion of discount and deferred loan fees on loans	(5,312)	(4,320)
Net accretion of discount and deferred loan fees on loans			
Net accretion of discount and deferred loan fees on loans			
Net realized loss on sales of securities			
Net realized loss on sales of securities			
Net realized loss on sales of securities	Net realized loss on sales of securities	1,820	—
Net unrealized loss on equity securities	Net unrealized loss on equity securities	61	447
Net loss (gain) on disposals of bank premises and equipment		(84)	8
Net gain on sales of bank premises held for sale		(75)	(187)
Net unrealized loss on equity securities			
Net unrealized loss on equity securities			
Net loss on disposals of bank premises and equipment			
Net loss on disposals of bank premises and equipment			
Net loss on disposals of bank premises and equipment			
Impairment losses on bank premises held for sale			
Impairment losses on bank premises held for sale			
Impairment losses on bank premises held for sale	Impairment losses on bank premises held for sale	—	61
Net gain on sales of foreclosed assets	Net gain on sales of foreclosed assets	(632)	(118)
Net gain on sales of foreclosed assets			
Net gain on sales of foreclosed assets			
Write-down of foreclosed assets			
Write-down of foreclosed assets			

Write-down of foreclosed assets	Write-down of foreclosed assets	189	310
Amortization of intangibles	Amortization of intangibles	1,950	733
Amortization of intangibles			
Amortization of intangibles			
Decrease (increase) in mortgage servicing rights			
Decrease (increase) in mortgage servicing rights			
Decrease (increase) in mortgage servicing rights	Decrease (increase) in mortgage servicing rights	460	(2,446)
Amortization of discount and issuance costs on subordinated notes and debentures	Amortization of discount and issuance costs on subordinated notes and debentures	104	109
Amortization of discount and issuance costs on subordinated notes and debentures			
Amortization of discount and issuance costs on subordinated notes and debentures			
Amortization of discount on Federal Home Loan Bank advances	Amortization of discount on Federal Home Loan Bank advances	275	—
Amortization of premium on interest-bearing time deposits with banks	Amortization of premium on interest-bearing time deposits with banks	—	5
Amortization of discount on Federal Home Loan Bank advances			
Amortization of discount on Federal Home Loan Bank advances			
Amortization of premium on time deposits			
Amortization of premium on time deposits			
Amortization of premium on time deposits	Amortization of premium on time deposits	(330)	(164)

Mortgage loans originated for sale	Mortgage loans originated for sale	(53,187)	(50,467)
------------------------------------	------------------------------------	----------	----------

Mortgage loans originated for sale

Mortgage loans originated for sale

Proceeds from sale of mortgage loans

Proceeds from sale of mortgage loans

Proceeds from sale of mortgage loans	Proceeds from sale of mortgage loans	52,976	54,379
Net gain on sale of mortgage loans	Net gain on sale of mortgage loans	(1,125)	(1,267)

Net gain on sale of mortgage loans

Net gain on sale of mortgage loans

Increase in cash surrender value of bank owned life insurance	Increase in cash surrender value of bank owned life insurance	(408)	(122)
Increase in accrued interest receivable		(828)	(1,980)
Decrease in other assets		12,530	289

Increase in cash surrender value of bank owned life insurance

Increase in cash surrender value of bank owned life insurance

Decrease in accrued interest receivable

Decrease in accrued interest receivable

Decrease in accrued interest receivable

Decrease (increase) in other assets

Decrease (increase) in other assets

Decrease (increase) in other assets

Increase (decrease) in other liabilities	Increase (decrease) in other liabilities	(20,198)	1,583
--	--	----------	-------

Increase (decrease) in other liabilities

liabilities

Net cash provided by operating activities	Net cash provided by operating activities	52,846	49,106
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from maturities of interest-bearing time deposits with banks	Proceeds from maturities of interest-bearing time deposits with banks	249	485
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of interest-bearing time deposits with banks	Purchase of interest-bearing time deposits with banks	(500)	—
Proceeds from sales of securities available-for-sale	Proceeds from sales of securities available-for-sale	185,280	—
Purchase of interest-bearing time deposits with banks	Purchase of interest-bearing time deposits with banks		
Proceeds from sales of securities	Proceeds from sales of securities		
Proceeds from sales of securities	Proceeds from sales of securities		
Proceeds from paydowns, maturities, and calls of debt securities	Proceeds from paydowns, maturities, and calls of debt securities	74,616	129,629
Purchase of securities	Purchase of securities	(3,010)	(368,794)
Purchase of securities	Purchase of securities		
Purchase of loans	Purchase of loans	(49,859)	—
Net increase in loans	Net increase in loans	(32,506)	(74,769)

Purchase of loans			
Purchase of loans			
Net decrease in loans			
Net decrease in loans			
Net decrease in loans			
Purchase of restricted stock			
Purchase of restricted stock			
Purchase of restricted stock	Purchase of restricted stock	(20,143)	(1,311)
Proceeds from redemption of restricted stock	Proceeds from redemption of restricted stock	19,765	—
Proceeds from redemption of restricted stock			
Proceeds from redemption of restricted stock			
Purchases of bank premises and equipment			
Purchases of bank premises and equipment			
Purchases of bank premises and equipment	Purchases of bank premises and equipment	(1,951)	(683)
Proceeds from sales of bank premises and equipment	Proceeds from sales of bank premises and equipment	222	8
Proceeds from sales of bank premises held for sale		310	1,297
Proceeds from sales of bank premises and equipment			
Proceeds from sales of bank premises and equipment			
Proceeds from sales of foreclosed assets			
Proceeds from sales of foreclosed assets			
Proceeds from sales of foreclosed assets	Proceeds from sales of foreclosed assets	3,274	476
Net cash paid for acquisition of Town and Country	Net cash paid for acquisition of Town and Country	(14,454)	—
<b>Net cash provided by (used in) investing activities</b>		161,293	(313,662)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net decrease in deposits		(109,043)	(94,578)
Net decrease in repurchase agreements		(14,181)	(13,126)
Net decrease (increase) in Federal Home Loan Bank advances		(69,064)	60,000

Taxes paid related to the vesting of restricted stock units	(181)	(57)
Repurchase of common stock	(7,488)	(4,783)
Cash dividends and dividend equivalents paid	<u>(16,428)</u>	<u>(13,953)</u>
<b>Net cash used in financing activities</b>	<b>(216,385)</b>	<b>(66,497)</b>
Net cash paid for acquisition of Town and Country		
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,246)</b>	<b>(331,053)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>114,159</b>	<b>409,268</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>\$111,913</b>	<b>\$ 78,215</b>
Net cash paid for acquisition of Town and Country		
Net cash provided by investing activities		
Net cash provided by investing activities		
Net cash provided by investing activities		

See accompanying Notes to Consolidated Financial Statements (Unaudited)

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**  
**(Unaudited)**

			<b>Three Months</b>	
			<b>Ended March 31,</b>	
			<b>Three Months</b>	
			<b>Ended March 31,</b>	
			<b>Three Months</b>	
			<b>Ended March 31,</b>	
<i>(dollars in thousands)</i>				
				<b>Nine Months</b>
				<b>Ended September 30,</b>
<i>(dollars in thousands)</i>	<b>2023</b>	<b>2022</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Net increase (decrease) in deposits				
Net increase (decrease) in deposits				
Net increase (decrease) in deposits				

Net decrease in repurchase agreements
Net decrease in repurchase agreements
Net decrease in repurchase agreements
Net decrease in Federal Home Loan Bank advances
Net decrease in Federal Home Loan Bank advances
Net decrease in Federal Home Loan Bank advances
Taxes paid related to the vesting of restricted stock units
Taxes paid related to the vesting of restricted stock units
Taxes paid related to the vesting of restricted stock units
Repurchase of common stock
Repurchase of common stock
Repurchase of common stock
Cash dividends and dividend equivalents paid
Cash dividends and dividend equivalents paid
Cash dividends and dividend equivalents paid
<b>Net cash used in financing activities</b>
<b>Net cash used in financing activities</b>
<b>Net cash used in financing activities</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>

**SUPPLEMENTAL SUPPLEMENTAL****DISCLOSURES DISCLOSURES****OF CASH FLOW OF CASH FLOW****INFORMATION INFORMATION**

Cash paid for	Cash paid for		
interest	interest	\$21,788	\$ 4,851
Cash paid for income taxes		\$15,867	\$13,805

Cash paid for interest

Cash paid for interest

Net refunds received for income taxes

Net refunds received for income taxes

Net refunds received for income taxes

**SUPPLEMENTAL DISCLOSURES****OF NONCASH INVESTING****ACTIVITIES****SUPPLEMENTAL DISCLOSURES****OF NONCASH INVESTING****ACTIVITIES****SUPPLEMENTAL SUPPLEMENTAL****DISCLOSURES DISCLOSURES****OF NONCASH OF NONCASH****INVESTING INVESTING****ACTIVITIES ACTIVITIES**

Transfers of	Transfers of		
loans to	loans to		
foreclosed	foreclosed		

assets	assets	\$ 1,049	\$ 27
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Transfers of loans to foreclosed assets

Transfers of loans to foreclosed assets

Transfers of	Transfers of		
bank premises	bank premises		
and equipment	and equipment		
to bank	to bank		

premises held	premises held		
for sale	for sale	\$ 35	\$ —

for sale			
----------	--	--	--

Transfers of bank premises and equipment to bank premises held for sale

Transfers of bank premises and equipment to bank premises held for sale

See accompanying Notes to Consolidated Financial Statements (Unaudited)

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**NOTE 1 – ACCOUNTING POLICIES**

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## Basis of Presentation

HBT Financial, Inc. ("HBT Financial" or the "Company") is headquartered in Bloomington, Illinois and is the holding company for Heartland Bank and Trust Company ("Heartland Bank" or the "Bank"). The Bank provides a comprehensive suite of **business, commercial, wealth management and retail banking** financial products and services to **individuals, consumers, businesses, and municipal entities** throughout Illinois and **Eastern Iowa**. Additionally, the Company is subject to the regulations of certain federal and state agencies and undergoes periodic examinations by those regulatory agencies.

The unaudited consolidated financial statements, including the notes thereto, have been prepared in accordance with accounting principles generally accepted in the U.S. ("GAAP") interim reporting requirements. Certain information in footnote disclosures normally included in financial statements prepared in accordance with GAAP has been condensed or omitted pursuant to rules and regulations of the SEC. These interim unaudited consolidated financial statements and notes thereto should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes included in the Company's Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**, filed with the SEC on **March 8, 2023** **March 6, 2024**.

The unaudited consolidated financial statements include all normal, recurring adjustments necessary for a fair presentation of the results for the interim periods. The results for interim periods are not necessarily indicative of results for a full year.

The Company qualifies as an "emerging growth company" as defined by the Jumpstart Our Business Startups Act ("JOBS Act"). The JOBS Act permits emerging growth companies an extended transition period for complying with new or revised accounting standards affecting public companies. The Company may remain an emerging growth company until the earliest to occur of: (1) the end of the fiscal year following the fifth anniversary of the completion of our initial public offering, which is December 31, 2024, (2) the last day of the fiscal year in which the Company has \$1.235 billion or more in annual revenues, (3) the date on which the Company is deemed to be a "large accelerated filer" under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or (4) the date on which the Company has, during the previous three year period, issued, publicly or privately, more than \$1.0 billion in non-convertible debt securities. The Company has elected to use the extended transition period until the Company is no longer an emerging growth company or until the Company chooses to affirmatively and irrevocably opt out of the extended transition period. As a result, the Company's financial statements may not be comparable to companies that comply with new or revised accounting pronouncements applicable to public companies.

## Use of Estimates

The accompanying consolidated financial statements have been prepared in conformity with GAAP. In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and the reported results of operations for the periods then ended.

Actual results could differ significantly from those estimates. Material estimates that are particularly susceptible to significant changes in the near term relate to the determination of the allowance for credit losses.

## Low Income Housing Tax Credits

The Company holds an ownership interest in a limited liability company, as a limited partner, that invests in affordable housing projects. This investment is designed to generate a return primarily through the realization of federal tax credits and deductions, which may be subject to recapture by taxing authorities if compliance requirements are not met. The Company accounts for its low income housing investments using the proportional amortization method.

## HBT FINANCIAL, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

The Company's investment in the qualified affordable housing project meets the definition of a variable interest entity ("VIE") as the entity is structured such that the limited partner investors lack substantive voting rights. The managing member has both the power to direct the activities that most significantly impact the economic performance of the entity and the obligation to absorb losses or the right to receive benefits that could be significant to the entity. Accordingly, the Company is not the primary beneficiary and fair value is not required to consolidate this entity. The Company's maximum exposure to loss is limited to the carrying amount of **assets acquired and liabilities assumed in business combinations**, the investment, which was \$7.5 million as of March 31, 2024.

## Segment Reporting

The Company's operations consist of one reportable segment. The Company's chief operating decision maker evaluates the operations of the Company using consolidated information for purposes of allocating resources and assessing performance.

## HBT FINANCIAL, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

## Reclassifications

Certain prior period amounts have been reclassified to conform to the current period presentation without any impact on the reported amounts of net income or stockholders' equity.

## Subsequent Events

In preparing these consolidated financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued.

### Impact of Recently Adopted Accounting Standards

On January 1, 2023, the Company adopted Accounting Standards Update ("ASU") 2016-13, ASU 2023-02, *Financial Instruments - Credit Losses Investments—Equity Method and Joint Ventures (Topic 323): Measurement* 323. ASU 2023-02 permits an election to use the proportional amortization method to account for equity investments made primarily for the purpose of Credit Losses on Financial Instruments, as amended, receiving income tax credits and other income tax benefits, regardless of the tax credit program from which replaces the incurred loss methodology with an expected loss methodology, commonly referred to as income tax credits are received, provided that certain conditions are met. The proportional amortization method results in the current expected credit losses ("CECL") methodology. The measurement cost of expected credit losses under the CECL methodology is applicable to financial assets measured at investment being amortized cost, including loan receivables and debt securities held-to-maturity. It also applies to off-balance sheet credit exposures not accounted for as insurance, such as loan commitments and letters of credit. In addition, Accounting Standards Codification ("ASC") 326 made changes in proportion to the accounting for debt securities available-for-sale. One such change is to require credit losses be income tax credits and other income tax benefits received, with the amortization of the investment and the income tax credits being presented as an allowance rather than net in the income statement as a write-down on debt securities available-for-sale management does not intend to sell or believes that it is more likely than not they will be required to sell.

component of income tax expense. The Company adopted ASC 326 ASU 2023-02 using the modified retrospective method for all financial assets measured at amortized cost and off-balance sheet credit exposures. Results for reporting periods beginning after December 31, 2022 are presented under ASC 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP method. The Company recorded a net decrease \$0.1 million increase to retained earnings and decrease to deferred tax liability, as well as a \$7.2 million increase to other assets and other liabilities, as a result of \$6.9 million as the adoption.

In June 2022, the FASB issued ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of January 1, 2023 for the cumulative effect of adopting ASC 326. The following table illustrates the impact of ASC 326 Equity Securities Subject to Contractual Sale Restrictions*. ASU 2022-03 clarifies that a contractual restriction on the allowance sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value and that contractual sale restrictions cannot be recognized and measured as a separate unit of account. The amendments in this update are effective for credit losses:

(dollars in thousands)	January 1, 2023		
	Pre-ASC 326 Adoption	Impact of ASC 326 Adoption	As Reported under ASC 326
<b>Assets:</b>			
Allowance for credit losses on loans			
Commercial and industrial	\$ 3,279	\$ (822)	\$ 2,457
Commercial real estate - owner occupied	1,193	587	1,780
Commercial real estate - non-owner occupied	6,721	501	7,222
Construction and land development	4,223	1,969	6,192
Multi-family	1,472	85	1,557
One-to-four family residential	1,759	797	2,556
Agricultural and farmland	796	1,567	2,363
Municipal, consumer, and other	5,890	2,299	8,189
<b>Allowance for credit losses on loans</b>	<b>\$ 25,333</b>	<b>\$ 6,983</b>	<b>\$ 32,316</b>
<b>Liabilities:</b>			
Allowance for credit losses on unfunded commitments	\$ —	\$ 2,899	\$ 2,899

years beginning after December 15, 2023, including interim periods within those years. This standard did not have an impact on the Company's consolidated results of operations or financial position.

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Uaudited)

In March 2022, the FASB issued ASU 2022-01, *Derivatives and Hedging (Topic 815): Fair Value Hedging – Portfolio Layer Method*. ASU 2022-01 replaces the current last-of-layer hedge accounting method with an expanded portfolio layer method that permits multiple hedged layers of a single closed portfolio. The Company scope of the portfolio layer method is also adopted ASC 326 using expanded to include non-prepayable financial assets. ASU 2022-01 also provides additional guidance on the accounting for and disclosure of hedge basis adjustments that are applicable to the portfolio layer method, and specifies how hedge basis adjustments should be considered when determining credit losses for the assets included in the closed portfolio. Amendments related to hedge basis adjustments which are included in this standard apply on a modified retrospective basis by means of a

cumulative-effect adjustment to the opening balance of retained earnings on the initial application date. Amendments related to hedge basis adjustments which are included in this standard apply on a modified retrospective basis by means of a cumulative-effect adjustment to the opening balance of retained earnings on the initial application date. Amendments related to disclosure which are included in this standard may be applied on a prospective basis from the date of adoption for purchase credit deteriorated ("PCD") financial assets that were previously classified as purchased credit impaired ("PCI") and accounted for under ASC 310-30. In accordance with ASC 326, management did not reassess whether PCI assets met basis from the criteria of PCD assets as of initial application date, or on a retrospective basis to each prior period presented after the date of adoption. On January 1, 2023, the amortized cost basis adoption of the PCD assets were adjusted to reflect the addition of \$0.2 million to the allowance for credit losses. The remaining noncredit discount will be accreted into interest income at the effective interest rate as of January 1, 2023.

On January 1, 2023, the Company also adopted ASU 2022-02, *Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures*. ASU 2022-02 eliminates the recognition and measurement guidance for troubled debt restructurings ("TDRs") by creditors in ASC 310-40. This ASU also enhances disclosure requirements for certain loan restructurings by creditors when a borrower is experiencing financial difficulty. Specifically, rather than applying the recognition and measurement guidance for TDRs, an entity will apply refinancing and restructuring guidance to determine whether a modification or other form of restructuring results in a new loan or a continuation of an existing loan. Additionally, the amendments in ASU 2022-02 require a public business entity 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to disclosure current-period gross write-offs by year of origination Accounting for financing receivables and net investments Hedging Activities*. The amendments in leases in the existing vintage disclosures, this update are effective for years beginning after December 15, 2023, including interim periods within those years. Early adoption is permitted. This standard did not have a material impact on the Company's consolidated results of operations or financial position.

#### Recent Accounting Pronouncements

In June 2022, November 2023, the FASB issued ASU 2022-03, 2023-07, *Fair Value Measurement Segment Reporting (Topic 820) 280: Fair Value Measurement of Equity Securities Subject Improvements to Contractual Sale Restrictions Reportable Segment Disclosures*. ASU 2022-03 clarifies that a contractual restriction on 2023-07 expands disclosure requirements for significant segment expenses under Topic 280. The amendments require public entities to disclose significant expense categories for each reportable segment, other segment items, the sale of an equity security is not considered part of the unit chief operating decision-maker, and interim disclosures of account certain segment-related information previously required only on an annual basis. The amendments clarify that entities reporting single segments must disclose both the new and existing segment disclosures under Topic 280, and a public entity is permitted to disclose multiple measures of the equity security and, therefore, is not considered in measuring fair value and that contractual sale restrictions cannot be recognized and measured as a separate unit of account segment profit or loss if certain criteria are met. The amendments in this update are effective for years annual periods beginning after December 15, 2023, including and interim periods within those years. This standard is not expected to have a material impact on the Company's consolidated results of operations or financial position.

In March 2022, the FASB issued ASU 2022-01, *Derivatives and Hedging (Topic 815): Fair Value Hedging – Portfolio Layer Method* fiscal years beginning after December 31, 2024. ASU 2022-01 replaces the current last-of-layer hedge accounting method with an expanded portfolio layer method that permits multiple hedged layers of a single closed portfolio. The scope of the portfolio layer method is also expanded to include non-prepayable financial assets. ASU 2022-01 also provides additional guidance on the accounting for and disclosure of hedge basis adjustments that are applicable to the portfolio layer method, and specifies how hedge basis adjustments should be considered when determining credit losses for the assets included in the closed portfolio. Amendments related to hedge basis adjustments which are included in this standard apply on a modified retrospective basis by means of a cumulative-effect adjustment to the opening balance of retained earnings on the initial application date. Amendments related to hedge basis adjustments which are included in this standard apply on a modified retrospective basis by means of a cumulative-effect adjustment to the opening balance of retained earnings on the initial application date. Amendments related to disclosure which are included in this standard may 2023-07 must be applied on a prospective basis from the initial application date, or on a retrospective basis to each prior period presented after the date of adoption of the amendments in ASU 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*. The amendments in this update are effective for years beginning after December 15, 2023, including interim periods within those years. This standard is not expected to have a material impact on the Company's consolidated results of operations or financial position.

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In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. ASU 2020-04 provides optional expedites and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform, if certain criteria are met. In January 2021, the FASB also issued ASU 2021-01, *Reference Rate Reform (Topic 848): Scope*, which refined the scope for certain optional expedites and exceptions for contract modifications and hedge accounting to apply to derivative contracts and certain hedging relationships affected by the discounting transition. Entities may apply the provisions as of the beginning of the reporting period when the election is made and are available until December 31, 2024. The Company is currently evaluating the effect that this standard will have on the consolidated results of operations and financial position.

In March December 2023, the FASB issued ASU 2023-02, 2023-09, *Investments—Equity Method and Joint Ventures Income Taxes (Topic 323) 740: Improvements to Income Tax Disclosures*. ASU 2023-02 permits an election to use the proportional amortization method to account for equity investments made primarily for the purpose of receiving 2023-09 expands income tax credits and other disclosure requirements. The amendments require annual disclosure of certain information relating to the rate reconciliation, income taxes paid by jurisdiction, income (loss) from continuing operations before income tax benefits, regardless of the tax credit program from which the expense (benefit) disaggregated between domestic and foreign, income tax credits are received, provided that expense (benefit) from continuing operations disaggregated by federal (national), state, and foreign. The amendments also eliminate certain conditions are met. The proportional amortization method results in the cost of the investment being amortized in proportion requirements relating to the income tax credits and other income unrecognized tax benefits received, with the amortization of the investment and the income certain deferred tax credits being presented net disclosure relating to subsidiaries and corporate joint ventures. The amendments in the income statement as a component of income tax expense, this update are

effective for years beginning after December 15, 2024. ASU 2023-02 must be applied on a prospective basis, but retrospective or modified retrospective basis, and application is applicable for the Company beginning after December 15, 2023. Early adoption is permitted. The Company is currently evaluating not expected to have a material impact on the effect that this standard will have on the Company's consolidated results of operations and/or financial position.

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**NOTE 2 – ACQUISITIONS**

**Town and Country Financial Corporation**

On February 1, 2023, HBT Financial acquired 100% of the issued and outstanding common stock of Town and Country Financial Corporation ("Town and Country"), the holding company for Town and Country Bank, pursuant to an Agreement and Plan of Merger dated August 23, 2022. Under the Agreement and Plan of Merger, Town and Country merged with and into HBT Financial, with HBT Financial as the surviving entity, immediately followed by the merger of Town and Country Bank with and into Heartland Bank, with Heartland Bank as the surviving entity.

At the effective time of the merger, each share of Town and Country was converted into the right to receive, subject to the election and proration procedures as provided in the Merger Agreement, one of the following: (i) 1.9010 shares of HBT Financial's common stock, or (ii) \$35.66 in cash, or (iii) a combination of cash and HBT Financial common stock. Total consideration consisted of 3,378,600 shares of HBT Financial's common stock and \$38.0 million in cash. In lieu of fractional shares, holders of Town and Country common stock received cash. Based upon the closing price of HBT Financial common stock of \$21.12 on February 1, 2023, the aggregate transaction value was approximately \$109.4 million.

This transaction was accounted for using the acquisition method of accounting and, accordingly, assets acquired, liabilities assumed, and consideration exchanged were recorded at estimated fair values on the date of acquisition. Fair values are subject to refinement for up to one year after the closing date of February 1, 2023. Measurement period adjustments of \$0.1 million were recorded in the third quarter of 2023 as more information became available regarding Town and Country's tax assets and liabilities. Goodwill of \$30.5 million was recorded in the acquisition, which reflects expected synergies from combining the operations of HBT Financial and Town and Country, and is nondeductible for tax purposes.

The acquisition of Town and Country further enhanced HBT Financial's footprint in central Illinois, and expanded our footprint into metro-east St. Louis. No expenses were incurred related to the acquisition of Town and Country for the three months ended March 31, 2024. During the three and nine months ended September 30, 2023 and 2022, March 31, 2023, HBT Financial incurred the following expenses related to the acquisition of Town and Country:

		Three Months Ended		Nine Months Ended	
(dollars in thousands)		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
(dollars in thousands)	(dollars in thousands)				
<b>PROVISION FOR CREDIT LOSSES</b>	<b>PROVISION FOR CREDIT LOSSES</b>	\$	—	\$ 5,924	\$ —
<b>PROVISION FOR CREDIT LOSSES</b>					
<b>PROVISION FOR CREDIT LOSSES</b>					
<b>NONINTEREST EXPENSE</b>	<b>NONINTEREST EXPENSE</b>				
<b>NONINTEREST EXPENSE</b>					
Salaries					
Salaries					
Salaries	Salaries	—	—	3,584	—
Furniture and equipment		—	—	39	—
Data processing	Data processing	—	—	2,031	—
Data processing					
Data processing					
Marketing and customer relations					
Marketing and customer relations					
Marketing and customer relations	Marketing and customer relations	—	—	24	—
Loan collection and servicing		—	—	125	—
Legal fees and other noninterest expense					

<b>Legal fees and other noninterest expense</b>					
Legal fees and other noninterest expense	Legal fees and other noninterest expense	—	462	1,964	462
<b>Total noninterest expense</b>	<b>Total noninterest expense</b>	—	462	7,767	462
<b>Total acquisition-related expenses</b>		\$ —	\$ 462	\$ 13,691	\$ 462
<b>Total noninterest expense</b>					
<b>Total noninterest expense</b>					
<b>Total Town and Country acquisition-related expenses</b>					
<b>Total Town and Country acquisition-related expenses</b>					
<b>Total Town and Country acquisition-related expenses</b>					

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The fair value of the assets acquired and liabilities assumed from Town and Country on the acquisition date of February 1, 2023 were as follows (dollars in thousands):

		<b>Fair Value</b>			<b>Fair Value</b>
<b>Assets acquired:</b>	<b>Assets acquired:</b>				
Cash and cash equivalents					
Cash and cash equivalents					
Cash and cash equivalents	Cash and cash equivalents	\$ 23,542			23,542
Interest-bearing time deposits with banks	Interest-bearing time deposits with banks	249	Interest-bearing time deposits with banks		249
Debt securities	Debt securities	167,869	Debt securities		167,869
Equity securities	Equity securities	90	Equity securities		301
Restricted stock	Restricted stock	2,822	Restricted stock		2,822
Loans held for sale	Loans held for sale	1,612	Loans held for sale		1,612
Loans, before allowance for credit losses	Loans, before allowance for credit losses	635,376			
Loans, before allowance for credit losses					
Loans, before allowance for credit losses					635,376
Allowance for credit losses	Allowance for credit losses	(1,247)			
Loans, net of allowance for credit losses	Loans, net of allowance for credit losses	634,129	Loans, net of allowance for credit losses		634,129
Bank owned life insurance					
Bank owned life insurance					

Bank owned life insurance	Bank owned life insurance	15,782		15,782
Bank premises and equipment	Bank premises and equipment	14,828	Bank premises and equipment	14,828
Foreclosed assets	Foreclosed assets	271	Foreclosed assets	271
Intangible assets	Intangible assets	22,282	Intangible assets	22,282
Mortgage servicing rights	Mortgage servicing rights	10,469	Mortgage servicing rights	10,469
Investments in unconsolidated subsidiaries	Investments in unconsolidated subsidiaries	449	Investments in unconsolidated subsidiaries	449
Accrued interest receivable	Accrued interest receivable	3,113	Accrued interest receivable	3,113
Other assets	Other assets	9,151	Other assets	8,940
<b>Total assets acquired</b>	<b>Total assets acquired</b>	<b>906,658</b>	<b>Total assets acquired</b>	<b>906,658</b>
<b>Liabilities assumed:</b>	<b>Liabilities assumed:</b>			
<b>Liabilities assumed:</b>				
Deposits	Deposits	720,417		720,417
Deposits	Deposits	720,417		720,417
FHLB advances	FHLB advances	86,439	FHLB advances	86,439
Junior subordinated debentures	Junior subordinated debentures	14,949	Junior subordinated debentures	14,949
Other liabilities	Other liabilities	5,999	Other liabilities	5,999
<b>Total liabilities assumed</b>	<b>Total liabilities assumed</b>	<b>827,804</b>	<b>Total liabilities assumed</b>	<b>827,804</b>
<b>Net assets acquired</b>	<b>Net assets acquired</b>	<b>\$ 78,854</b>	<b>Net assets acquired</b>	<b>\$ 78,854</b>
<b>Consideration paid:</b>	<b>Consideration paid:</b>			
Consideration paid:				
Cash	Cash	\$ 37,996		37,996
Cash	Cash	\$ 37,996		37,996
Common stock	Common stock	71,356	Common stock	71,356
<b>Total consideration paid</b>	<b>Total consideration paid</b>	<b>\$ 109,352</b>	<b>Total consideration paid</b>	<b>\$ 109,352</b>
Goodwill	Goodwill	\$ 30,498		\$ 30,498
Goodwill	Goodwill	\$ 30,498		\$ 30,498

#### HBT FINANCIAL, INC. AND SUBSIDIARIES

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Of the loans acquired, there were \$89.8 million which exhibited more-than-insignificant credit deterioration on the acquisition date. The following table provides a summary of these PCD loans at acquisition (dollars in thousands):

Unpaid principal balance	\$ 89,822
Allowance for credit losses at acquisition	(1,247)
Non-credit discount	(2,218)
<b>Purchase price</b>	<b>\$ 86,357</b>

Additionally, subsequent to the Town and Country acquisition, HBT Financial recognized 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 through an increase to the provision for credit losses.

The following table provides the pro forma information for the results of operations for the three and nine months ended **September 30, 2023 and 2022, March 31, 2023** as if the acquisition of Town and Country had occurred on January 1, 2022. The pro forma results combine the historical results of Town and Country into HBT Financial's consolidated statements of income, including the impact of certain acquisition accounting adjustments, which include loan discount accretion, intangible assets amortization, deposit premium amortization, and borrowing premium amortization. The pro forma results have been prepared for comparative purposes only and are not necessarily indicative of the results that would have been obtained had the acquisition actually occurred on January 1, 2022. No assumptions have been applied to the pro forma results of operations regarding possible revenue enhancements, provision for credit losses, expense efficiencies or asset dispositions. The acquisition-related expenses that have been recognized are included in net income in the following table.

Pro				Pro Forma
Forma		Pro Forma	Pro Forma	
		Three Months	Nine Months Ended	
		Ended September 30,	September 30,	
(dollars in thousands, except per share data)				
(dollars in thousands, except per share data)				
(dollars in thousands, except per share data)	(dollars in thousands, except per share data)	2023	2022	2023
Total revenues	Total revenues			Three Months Ended March 31, 2023
(net interest income and noninterest income)	\$57,459	\$56,902	\$174,015	\$164,845 Total revenues (net interest income and noninterest income)
Net income	Net income	19,497	18,207	47,697 52,617 Net income
Earnings per share - basic	Earnings per share - basic	0.61	0.57	1.49 1.63 Earnings per share - basic
Earnings per share - diluted	Earnings per share - diluted	0.61	0.56	1.49 1.63 Earnings per share - diluted
				0.31
				0.31

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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**NOTE 3 – SECURITIES**

## Debt Securities

The amortized cost and fair values of debt securities, with gross unrealized gains and losses and allowance for credit losses, are as follows:

		September 30, 2023					March 31, 2024					
(dollars in thousands)	(dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value	(dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	
<b>Available-for-sale:</b>	<b>Available-for-sale:</b>											
U.S. Treasury	U.S. Treasury	\$169,751	\$ —	\$ (15,357)	\$ —	\$ 154,394	\$149,697	\$ —	\$ (11,511)	\$ —	\$ —	
U.S. government agency	U.S. government agency	55,483	—	(4,768)	—	50,715	53,836	—	(3,377)	—	—	
Municipal	Municipal	231,444	1	(36,244)	—	195,201	156,403	1	(21,756)	—	—	
Mortgage-backed:	Mortgage-backed:											
Agency residential	Agency residential	197,549	9	(20,508)	—	177,050						
Agency residential	Agency residential						183,553	51	(15,058)			
Agency commercial	Agency commercial	142,920	2	(18,593)	—	124,329	138,873	2	(14,400)	—	—	
Corporate	Corporate	57,649	—	(6,175)	—	51,474	57,694	—	(4,988)	—	—	
<b>Total available-for-sale</b>	<b>Total available-for-sale</b>	<b>\$854,796</b>	<b>\$ 12</b>	<b>\$ (101,645)</b>	<b>\$ —</b>	<b>\$ 753,163</b>	<b>\$ 740,056</b>	<b>\$ 54</b>	<b>\$ (71,090)</b>	<b>\$ —</b>	<b>\$ —</b>	
		September 30, 2023					March 31, 2024					
(dollars in thousands)	(dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value	(dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	
<b>Held-to-maturity:</b>	<b>Held-to-maturity:</b>											
U.S. government agency	U.S. government agency	\$ 88,442	\$ —	\$ (12,392)	\$ 76,050	\$ —	\$ 88,454	\$ —	\$ (8,977)	\$ —	\$ 79,477	
Municipal	Municipal	39,344	6	(1,686)	37,664	—	Municipal	38,459	158	(351)	38,266	38,266
Mortgage-backed:	Mortgage-backed:											
Agency residential	Agency residential	98,115	—	(9,281)	88,834	—						
Agency residential	Agency residential						93,737	—	(6,497)	—	87,240	

Agency commercial	Agency commercial	301,243	—	(53,478)	247,765	—	Agency commercial	296,822	—	(43,165)	253,657	—
<b>Total held-to-maturity</b>	<b>Total held-to-maturity</b>	<b>\$527,144</b>	<b>\$ 6</b>	<b>\$ (76,837)</b>	<b>\$450,313</b>	<b>\$ —</b>	<b>Total held-to-maturity</b>	<b>\$ 517,472</b>	<b>\$ 158</b>	<b>\$ (58,990)</b>	<b>\$ —</b>	<b>\$ 458,6</b>

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December 31, 2022						
(dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value		
<b>Available-for-sale:</b>						
U.S. Treasury	\$ 169,860	\$ —	(15,345)	\$ 154,515		
U.S. government agency	59,291	—	(4,134)	55,157		
Municipal	275,972	46	(32,189)	243,829		
Mortgage-backed:						
Agency residential	213,676	5	(18,240)	195,441		
Agency commercial	150,060	—	(17,172)	132,888		
Corporate	65,597	55	(3,958)	61,694		
<b>Total available-for-sale</b>	<b>\$ 934,456</b>	<b>\$ 106</b>	<b>\$ (91,038)</b>	<b>\$ 843,524</b>		
December 31, 2022						
(dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value		
<b>Held-to-maturity:</b>						
U.S. government agency	\$ 88,424	\$ —	(9,728)	\$ 78,696		
Municipal	42,167	195	(314)	42,048		
Mortgage-backed:						
Agency residential	102,728	—	(6,470)	96,258		
Agency commercial	308,281	—	(46,482)	261,799		
<b>Total held-to-maturity</b>	<b>\$ 541,600</b>	<b>\$ 195</b>	<b>\$ (62,994)</b>	<b>\$ 478,801</b>		

On March 31, 2022, the Company transferred certain debt securities from the available-for-sale category to the held-to-maturity category in order to better reflect the revised intentions of the Company due to possible market value volatility, resulting from a potential rise in interest rates. The following is a summary of the amortized cost and fair value of securities transferred to the held-to-maturity category:

March 31, 2022			
(dollars in thousands)	Amortized Cost	Fair Value	
U.S. government agency	\$ 78,841	\$ 71,048	
<b>Mortgage-backed:</b>			
Agency residential	8,175	7,651	
Agency commercial	27,834	25,432	
<b>Total</b>	<b>\$ 114,850</b>	<b>\$ 104,131</b>	

The debt securities were transferred between categories at fair value, with the transfer date fair value becoming the new amortized cost for each security transferred. The unrealized gain (loss), net of tax, at the date of transfer remains a component of accumulated other comprehensive income, but will be amortized over the remaining life of the debt securities as an adjustment of yield in a manner consistent with amortization of any premium or discount. As a result, the amortization of an unrealized gain (loss) reported in accumulated other comprehensive income will offset or mitigate the effect on interest income of the amortization of the premium or discount for that held-to-maturity debt security.

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	December 31, 2023					
(dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit		Fair Value
<b>Available-for-sale:</b>						
U.S. Treasury	\$ 159,715	\$ —	\$ (11,093)	\$ —	\$ —	\$ 148,622
U.S. government agency	55,359	—	(3,262)	—	—	52,097
Municipal	229,030	26	(23,499)	—	—	205,557
Mortgage-backed:						
Agency residential	188,641	61	(14,718)	—	—	173,984
Agency commercial	141,214	3	(14,205)	—	—	127,012
Corporate	57,665	9	(5,485)	—	—	52,189
<b>Total available-for-sale</b>	<b>\$ 831,624</b>	<b>\$ 99</b>	<b>\$ (72,262)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 759,461</b>

As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, the Bank had debt securities with a carrying value of **\$449.2 million** **\$388.8 million** and **\$332.6 million** **\$419.4 million**, respectively, which were pledged to secure public deposits, securities sold under agreements to repurchase, and for other purposes required or permitted by law.

The amortized cost and fair value of debt securities by contractual maturity, as of **September 30, 2023** **March 31, 2024**, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

(dollars in thousands)	Available-for-Sale		Held-to-Maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in 1 year or less	\$ 34,149	\$ 33,546	\$ 2,643	\$ 2,634
Due after 1 year through 5 years	213,534	197,634	34,215	31,718
Due after 5 years through 10 years	217,279	180,780	85,250	74,459
Due after 10 years	49,365	39,824	5,678	4,903
 Mortgage-backed:				
Agency residential	197,549	177,050	98,115	88,834
Agency commercial	142,920	124,329	301,243	247,765
<b>Total</b>	<b>\$ 854,796</b>	<b>\$ 753,163</b>	<b>\$ 527,144</b>	<b>\$ 450,313</b>

The following table presents gross unrealized losses and fair value of debt securities available-for-sale that do not have an associated allowance for credit losses as of September 30, 2023, aggregated by category and length of time that individual debt securities have been in a continuous unrealized loss position:

September 30, 2023					
Investments in a Continuous Unrealized Loss Position					
	Less than 12 Months	12 Months or More		Total	
(dollars in thousands)	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
<b>Available-for-sale:</b>					Fair Value

U.S. Treasury	\$	—	\$	—	\$	(15,357)	\$	154,394	\$	(15,357)	\$	154,394
U.S. government agency		(5)		1,380		(4,763)		49,298		(4,768)		50,678
Municipal		(282)		10,479		(35,962)		183,720		(36,244)		194,199
Mortgage-backed:												
Agency residential		(725)		13,924		(19,783)		160,778		(20,508)		174,702
Agency commercial		(86)		3,645		(18,507)		120,593		(18,593)		124,238
Corporate		(443)		6,317		(5,732)		45,156		(6,175)		51,473
<b>Total available-for-sale</b>	<b>\$</b>	<b>(1,541)</b>	<b>\$</b>	<b>35,745</b>	<b>\$</b>	<b>(100,104)</b>	<b>\$</b>	<b>713,939</b>	<b>\$</b>	<b>(101,645)</b>	<b>\$</b>	<b>749,684</b>

(dollars in thousands)	Available-for-Sale		Held-to-Maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in 1 year or less	\$ 46,701	\$ 45,715	\$ 2,791	\$ 2,789
Due after 1 year through 5 years	193,559	179,686	44,748	42,300
Due after 5 years through 10 years	155,271	132,382	73,706	67,434
Due after 10 years	22,099	18,216	5,668	5,220
Mortgage-backed:				
Agency residential	183,553	168,546	93,737	87,240
Agency commercial	138,873	124,475	296,822	253,657
<b>Total</b>	<b>\$ 740,056</b>	<b>\$ 669,020</b>	<b>\$ 517,472</b>	<b>\$ 458,640</b>

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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The following table presents gross unrealized losses and fair value of debt securities available-for-sale that do not have an associated allowance for credit losses as of March 31, 2024 and December 31, 2023, aggregated by category and length of time that individual debt securities have been in a continuous unrealized loss position, as of December 31, 2022: position:

December 31, 2022																		
Investments in a Continuous Unrealized Loss Position																		
Less than 12 Months		12 Months or More		Total														
March 31, 2024																		
Investments in a Continuous Unrealized Loss Position																		
Less than 12 Months		12 Months or More		Total														
(dollars in thousands)	(dollars in thousands)	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	(dollars in thousands)	Unrealized Loss	Fair Value								
<b>Available-for-sale:</b>																		
<b>Available-for-sale:</b>																		
U.S. Treasury																		
U.S. Treasury																		
U.S. Treasury	\$ (8,401)	\$ 92,445	\$ (6,944)	\$ 62,070	\$ (15,345)	\$ 154,515												
U.S. government agency	(2,980)	47,370	(1,154)	7,787	(4,134)	55,157												

Municipal	Municipal	(10,906)	149,261	(21,283)	87,794	(32,189)	237,055
Mortgage-backed:	Mortgage-backed:						
Agency residential	Agency residential	(8,332)	127,288	(9,908)	65,692	(18,240)	192,980
<b>Agency residential</b>							
<b>Agency residential</b>							
Agency commercial	Agency commercial	(4,764)	62,672	(12,408)	70,216	(17,172)	132,888
Corporate	Corporate	(2,594)	52,190	(1,364)	5,600	(3,958)	57,790
<b>Total available-for-sale</b>	<b>Total available-for-sale</b>	<b>(37,977)</b>	<b>531,226</b>	<b>(53,061)</b>	<b>299,159</b>	<b>(91,038)</b>	<b>830,385</b>
<b>Held-to-maturity:</b>							
U.S. government agency		(1,754)	15,751	(7,974)	62,945	(9,728)	78,696
Municipal		(314)	23,433	—	—	(314)	23,433
Mortgage-backed:							
Agency residential		(4,039)	78,452	(2,431)	17,806	(6,470)	96,258
Agency commercial		(16,716)	103,298	(29,766)	158,501	(46,482)	261,799
<b>Total held-to-maturity</b>		<b>(22,823)</b>	<b>220,934</b>	<b>(40,171)</b>	<b>239,252</b>	<b>(62,994)</b>	<b>460,186</b>
<b>Total debt securities</b>		<b><u>\$(60,800)</u></b>	<b><u>\$752,160</u></b>	<b><u>\$(93,232)</u></b>	<b><u>\$538,411</u></b>	<b><u>\$(154,032)</u></b>	<b><u>\$1,290,571</u></b>

December 31, 2023							
Investments in a Continuous Unrealized Loss Position							
(dollars in thousands)	Less than 12 Months		12 Months or More		Total		
	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	
<b>Available-for-sale:</b>							
U.S. Treasury	\$ —	\$ —	\$ (11,093)	\$ 148,622	\$ (11,093)	\$ 148,622	
U.S. government agency	\$ (2)	\$ 168	\$ (3,260)	\$ 51,910	\$ (3,262)	\$ 52,078	
Municipal	\$ (26)	\$ 4,749	\$ (23,473)	\$ 194,287	\$ (23,499)	\$ 199,036	
Mortgage-backed:							
Agency residential	\$ (163)	\$ 9,354	\$ (14,555)	\$ 156,785	\$ (14,718)	\$ 166,139	
Agency commercial	\$ (26)	\$ 3,016	\$ (14,179)	\$ 123,404	\$ (14,205)	\$ 126,420	
Corporate	\$ (414)	\$ 4,361	\$ (5,071)	\$ 45,826	\$ (5,485)	\$ 50,187	
<b>Total available-for-sale</b>	<b>\$ (631)</b>	<b>\$ 21,648</b>	<b>\$ (71,631)</b>	<b>\$ 720,834</b>	<b>\$ (72,262)</b>	<b>\$ 742,482</b>	

As of **September 30, 2023** **March 31, 2024**, there were **669,690** debt securities in an unrealized loss position for a period of twelve months or more, and **225,73** debt securities in an unrealized loss position for a period of less than twelve months.

U.S. Treasury, U.S. government agency, and agency mortgage-backed securities are considered to have no risk of credit loss as they are either explicitly or implicitly guaranteed by the U.S. government. The changes in fair value in these portfolios are considered to be primarily driven by changes in market interest rates and other non-credit risks, such as prepayment and liquidity risks.

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Municipal securities include approximately **79%** **73%** general obligation bonds as of **September 30, 2023** **March 31, 2024**, which have a very low historical default rate due to issuers generally having taxing authority to service the debt. The remainder of the municipal securities are also of high credit quality with ratings of **A1/A+/A1** or better. The Company evaluates credit risk through monitoring credit ratings and reviews of available financial data. The changes in fair value in these portfolios are considered to be primarily driven by changes in market interest rates and other non-credit risks, such as call and liquidity risks. The estimated allowance for credit losses for the municipal debt securities held-to-maturity was deemed insignificant.

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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Corporate securities include investment grade corporate and bank subordinated debt securities. The Company evaluates credit risk through monitoring credit ratings, reviews of available issuer financial data, and sector trends. There was no allowance for credit losses on corporate securities recorded as of September 30, 2023. A negative provision for credit losses of \$0.8 million was recorded during the three months ended September 30, 2023, reversing the provision for credit losses recognized during the first half of 2023, related to one bank subordinated debt security. The initial provision for credit losses recognized during the first half of 2023 reflected heightened potential credit risk following the recent failures of other banks, but this heightened potential credit risk was reduced after a merger announcement by the issuer of the bank subordinated debt security. As of September 30, 2023, During 2024, the changes in fair value in these portfolios are corporate securities were considered to be primarily driven by changes in market interest rates and other non-credit risks, such as call and liquidity risks. During the three months ended March 31, 2023, a \$0.6 million allowance for credit losses was established for one bank subordinated debt security, reflecting heightened potential credit risk following the failures of other banks in early 2023. This allowance for credit losses was later reversed during the third quarter of 2023 after a merger announcement by the issuer of the bank subordinated debt security.

As of September 30, 2023 March 31, 2024, the Company did not intend to sell the debt securities that are in an unrealized or unrecognized loss position, and it was more likely than not that the Company would recover the amortized cost prior to being required to sell the debt securities.

Accrued interest on debt securities totaled \$6.2 million as of September 30, 2023 and is excluded from the estimate of credit losses. losses and totaled \$5.4 million and \$6.0 million as of March 31, 2024 and December 31, 2023, respectively.

Sales of debt securities were as follows during the three and nine months ended September 30: March 31:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,
(dollars in thousands)					
(dollars in thousands)	(dollars in thousands)	2023	2022	2023	2022
Proceeds from sales	Proceeds from sales	\$ 39,436	\$ —	\$ 185,280	\$ —
Proceeds from sales					
Proceeds from sales					
Gross realized gains					
Gross realized gains					
Gross realized gains	Gross realized gains	—	—	—	—
Gross realized losses	Gross realized losses	(813)	—	(1,820)	—
Gross realized losses					
Gross realized losses					

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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#### Equity Securities

Equity securities with readily determinable fair values are measured at fair value with changes in fair value recognized in unrealized gains (losses) on equity securities on the consolidated statements of income. The Company has elected to measure equity securities with no readily determinable fair value at cost minus impairment, if any, plus or minus changes resulting from observable price changes for identical or similar securities of the same issuer.

The initial cost and carrying values of equity securities, with cumulative net unrealized gains and losses are as follows:

September 30, 2023	March 31, 2024	March 31, 2024

(dollars in thousands)	(dollars in thousands)	Readily Determinable	No Readily Determinable	(dollars in thousands)	Readily Determinable	No Readily Determinable
		Fair Value	Fair Value		Fair Value	Fair Value
Initial cost	Initial cost	\$ 3,142	\$ 2,603			
Initial cost						
Initial cost						
Cumulative net unrealized gains (losses)	Cumulative net unrealized gains (losses)	(36)	(303)			
Carrying value	Carrying value	\$ 3,106	\$ 2,300			
	December 31, 2022					
	December 31, 2023					December 31, 2023
(dollars in thousands)	(dollars in thousands)	Readily Determinable	No Readily Determinable	(dollars in thousands)	Readily Determinable	No Readily Determinable
		Fair Value	Fair Value		Fair Value	Fair Value
Initial cost	Initial cost	\$ 3,142	\$ 2,142			
Initial cost						
Initial cost						
Cumulative net unrealized gains (losses)	Cumulative net unrealized gains (losses)	(113)	(165)			
Carrying value	Carrying value	\$ 3,029	\$ 1,977			

As of September 30, 2023 March 31, 2024 and December 31, 2023, the cumulative net unrealized losses on equity securities with no readily determinable fair value reflect impairments of \$0.1 million \$0.2 million and downward adjustments based on observable price changes of an identical investment of \$0.2 million. As of December 31, 2022, the cumulative net unrealized losses on equity securities with no readily determinable fair value reflect downward adjustments based on observable price changes of an identical investment. There have been no upward adjustments based on observable price changes to equity securities with no readily determinable fair value.

During the three months ended March 31, 2024, the Company sold equity securities with a readily determinable fair value totaling \$20 thousand at their carrying value. There were no sales of equity securities during the three and nine months ended September 30, 2023 and 2022. March 31, 2023.

Unrealized gains (losses) on equity securities were as follows during the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

Three Months Ended September 30,			Nine Months Ended September 30,					
Three Months Ended March 31,			Nine Months Ended March 31,					
(dollars in thousands)								
(dollars in thousands)								
Readily determinable fair value	Readily determinable fair value	\$ (46)	\$ (107)	\$ 77	\$ (447)			
Readily determinable fair value								
Readily determinable fair value								
No readily determinable fair value								
No readily determinable fair value								
No readily determinable fair value	No readily determinable fair value	—	—	(138)	—			

Unrealized gains (losses) on equity securities	Unrealized gains (losses) on equity securities	\$ (46)	\$ (107)	\$ (61)	\$ (447)
Unrealized gains (losses) on equity securities					
Unrealized gains (losses) on equity securities					

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**NOTE 4 – LOANS AND RELATED ALLOWANCE FOR CREDIT LOSSES**

Major categories of loans are summarized as follows:

(dollars in thousands)	(dollars in thousands)	September 30, 2023	December 31, 2022	(dollars in thousands)	March 31, 2024	December 31, 2023
Commercial and industrial	Commercial and industrial					
Commercial and industrial	Commercial and industrial					
Commercial and industrial	Commercial and industrial	\$ 386,933	\$ 266,757			
Commercial real estate - owner occupied	Commercial real estate - owner occupied	297,242	218,503			
Commercial real estate - non-owner occupied	Commercial real estate - non-owner occupied	901,929	713,202			
Construction and land development	Construction and land development	371,158	360,824			
Multi-family	Multi-family	388,742	287,865			
One-to-four family residential	One-to-four family residential	488,655	338,253			
Agricultural and farmland	Agricultural and farmland	275,239	237,746			
Municipal, consumer, and other	Municipal, consumer, and other	232,888	197,103			
Loans, before allowance for credit losses	Loans, before allowance for credit losses	3,342,786	2,620,253			
Allowance for credit losses	Allowance for credit losses	(38,863)	(25,333)			
<b>Loans, net of allowance for credit losses</b>	<b>Loans, net of allowance for credit losses</b>	<b>\$3,303,923</b>	<b>\$2,594,920</b>			

As of September 30, 2023 and December 31, 2022, commercial and industrial loans include \$18 thousand and \$28 thousand Paycheck Protection Program ("PPP") loans, respectively.

#### Allowance for Credit Losses

Management estimates the allowance for credit losses using relevant available information from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. The discounted cash flow method is used to estimate expected credit losses for all loan categories, except for consumer loans where the weighted average remaining maturity method is utilized.

At September 30, 2023 March 31, 2024, the economic forecast used by management anticipates an economic slowdown, but not a mild recession, starting in 2024, with the unemployment rate increasing remaining stable and GDP growth slowing and then shrinking remaining stable over the next 4 quarters considered in the forecast period. After the forecast period, the Company reverts to long-term averages over a 4-quarter reversion period. Additionally, management may make has made qualitative adjustments to the loss estimates as necessary, to reflect other factors that influence credit losses.

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The following tables detail activity in the allowance for credit losses for the three and nine months ended September 30: losses:

Three Months Ended September 30, 2023																
(dollars in thousands)	Commercial		Commercial		Construction			One-to-four		Municipal,		Consumer,				
	Commercial	Real Estate	Real Estate	Non-owner	and Land		Development	Multi-Family	Family	Agricultural	and	Farmland	Other	Total		
Beginning balance	\$ 3,735	\$ 2,362	\$ 7,538	\$ 5,834	\$ 2,603	\$ 4,077	\$ 2,607	\$ 9,058	\$ 37,814							
Provision for credit losses	515	(108)	248	1,004	(348)	(21)	(337)	30	983							
Charge-offs	(15)	(2)	(171)	—	—	(8)	—	(216)	(412)							
Recoveries	14	2	15	44	280	40	2	81	478							
<b>Ending balance</b>	<b>\$ 4,249</b>	<b>\$ 2,254</b>	<b>\$ 7,630</b>	<b>\$ 6,882</b>	<b>\$ 2,535</b>	<b>\$ 4,088</b>	<b>\$ 2,272</b>	<b>\$ 8,953</b>	<b>\$ 38,863</b>							
Three Months Ended September 30, 2022																
(dollars in thousands)	Commercial		Commercial		Construction			One-to-four		Municipal,		Consumer,				
	Commercial	Real Estate	Real Estate	Non-owner	and Land		Development	Multi-Family	Family	Agricultural	and	Farmland	Other	Total		
Beginning balance	\$ 2,981	\$ 1,224	\$ 6,611	\$ 4,059	\$ 1,375	\$ 1,696	\$ 924	\$ 5,864	\$ 24,734							
Provision for loan losses	14	(65)	268	316	(52)	(78)	(83)	66	386							
Charge-offs	(17)	—	—	—	—	(18)	—	(187)	(222)							
Recoveries	6	1	3	1	—	60	—	91	162							
<b>Ending balance</b>	<b>\$ 2,984</b>	<b>\$ 1,160</b>	<b>\$ 6,882</b>	<b>\$ 4,376</b>	<b>\$ 1,323</b>	<b>\$ 1,660</b>	<b>\$ 841</b>	<b>\$ 5,834</b>	<b>\$ 25,060</b>							
Nine Months Ended September 30, 2023																
Three Months Ended March 31, 2024																
(dollars in thousands)	Commercial		Commercial		One-to-four			Municipal,		Three Months Ended		31, 2024				
	Commercial	Real Estate	Real Estate	Non-owner	Construction	Multi-Family	Family	Agricultural	Consumer,	Commercial	Real Estate	Construction	One-to-four	Agricultural	Muni	and
(dollars in thousands)	Commercial	Real Estate	Real Estate	Non-owner	Construction	Multi-Family	Family	Agricultural	Consumer,	Commercial	Real Estate	Construction	One-to-four	Agricultural	Muni	and
	and	Owner	Non-owner	and Land	Development	Family	Residential	and	and	and	Non-owner	and Land	Multi-Family	Residential	Farmland	and
Beginning balance	\$ 3,279	\$ 1,193	\$ 6,721	\$ 4,223	\$ 1,472	\$ 1,759	\$ 796	\$ 5,890	\$ 25,333							
Adoption of ASC 326	(822)	587	501	1,969	85	797	1,567	2,299	6,983							
PCD allowance established in acquisition	69	127	239	240	68	492	5	7	1,247							
Beginning balance	\$ 3,279	\$ 1,193	\$ 6,721	\$ 4,223	\$ 1,472	\$ 1,759	\$ 796	\$ 5,890	\$ 25,333							

Beginning balance													
Provision for credit losses													
Provision for credit losses													
Provision for credit losses	Provision for credit losses												
losses	losses	1,693	336	87	398	630	939	(100)	1,021	5,004			
Charge-offs	Charge-offs	(15)	(5)	(171)	—	—	(34)	—	(508)	(733)			
Recoveries	Recoveries	45	16	253	52	280	135	4	244	1,029			
Ending balance	Ending balance	\$ 4,249	\$ 2,254	\$ 7,630	\$ 6,882	\$ 2,535	\$ 4,088	\$ 2,272	\$ 8,953	\$ 38,863			
Nine Months Ended September 30, 2022													
Three Months Ended March 31, 2023													
Three Months Ended March 31, 2023													

Commercial and industrial		Revolving Loans									
		Term Loans by Origination Year						Revolving Converted to Term			
		2023	2022	2021	2020	2019	Prior	Loans	to Term	Total	(dollars in thousands)
Commercial and industrial	Commercial and industrial	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 15	\$ —	\$ 15	
Commercial real estate - owner occupied	Commercial real estate - owner occupied	—	2	—	—	—	—	—	—	2	
Commercial real estate - non-owner occupied	Commercial real estate - non-owner occupied	—	—	—	—	—	—	171	—	171	
Construction and land development	Construction and land development	—	—	—	—	—	—	—	—	—	
Multi-family	Multi-family	—	—	—	—	—	—	—	—	—	
One-to-four family residential	One-to-four family residential	—	—	—	—	—	8	—	—	8	
Agricultural and farmland	Agricultural and farmland	—	—	—	—	—	—	—	—	—	
Municipal, consumer, and other	Municipal, consumer, and other	141	9	—	—	—	—	66	—	216	
<b>Total</b>	<b>Total</b>	<b>\$141</b>	<b>\$11</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$ 8</b>	<b>\$ 252</b>	<b>\$ —</b>	<b>\$412</b>	

Gross Charge-Offs for the Three Months Ended March 31, 2023

Gross Charge-Offs for the Three Months Ended March 31, 2023

Gross Charge-Offs for the Three Months Ended March 31, 2023

Term Loans by Origination Year		Term Loans by Origination Year									
		Term Loans by Origination Year						Revolving Converted to Term			
		2023	2022	2021	2020	2019	Prior	Revolving Loans	Converted to Term	Total	(dollars in thousands)
Commercial and industrial	Commercial and industrial	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	—	—	—	
Commercial real estate - owner occupied	Commercial real estate - owner occupied	—	—	—	—	—	—	—	—	—	
Commercial real estate - non-owner occupied	Commercial real estate - non-owner occupied	—	—	—	—	—	—	—	—	—	
Construction and land development	Construction and land development	—	—	—	—	—	—	—	—	—	
Multi-family	Multi-family	—	—	—	—	—	—	—	—	—	
One-to-four family residential	One-to-four family residential	—	—	—	—	—	—	—	—	—	
Agricultural and farmland	Agricultural and farmland	—	—	—	—	—	—	—	—	—	
Municipal, consumer, and other	Municipal, consumer, and other	141	9	—	—	—	—	66	—	216	

Agricultural
and
farmland
Municipal,
consumer,
and other
<b>Total</b>

(dollars in thousands)	Gross Charge-Offs for the Nine Months Ended September 30, 2023									Revolving Loans Converted to Term			Total
	Term Loans by Origination Year									Revolving			
	2023	2022	2021	2020	2019	Prior	Loans	to Term					
Commercial and industrial	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 15	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 15
Commercial real estate - owner occupied	—	5	—	—	—	—	—	—	—	—	—	—	5
Commercial real estate - non-owner occupied	—	—	—	—	—	—	—	171	—	—	—	—	171
Construction and land development	—	—	—	—	—	—	—	—	—	—	—	—	—
Multi-family	—	—	—	—	—	—	—	—	—	—	—	—	—
One-to-four family residential	—	—	—	—	1	33	—	—	—	—	—	—	34
Agricultural and farmland	—	—	—	—	—	—	—	—	—	—	—	—	—
Municipal, consumer, and other	276	83	—	9	—	—	140	—	—	—	—	—	508
<b>Total</b>	<b>\$ 276</b>	<b>\$ 88</b>	<b>\$ 9</b>	<b>\$ 1</b>	<b>\$ 33</b>	<b>\$ 326</b>	<b>\$ 326</b>	<b>\$ 733</b>					

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The following tables present loans and the related allowance for credit losses by category:

September 30, 2023																	
March 31, 2024																	
(dollars in thousands)	(dollars in thousands)	Commercial and Industrial	Real Estate Occupied	Real Estate Occupied	Construction and Land	Multi-Family	One-to-four Family Residential	Agricultural Farmland	Municipal and Other	(dollars in thousands)	Commercial and Industrial	Real Estate Occupied	Real Estate Occupied	Construction and Land	Multi-Family	One-to-four Family Residential	Agricultural Farmland
Loan balances:	Loan balances:																
Collectively evaluated for impairment	Collectively evaluated for impairment																
Collectively evaluated for impairment	Collectively evaluated for impairment																
Individually evaluated for impairment	Individually evaluated for impairment	\$ 386,763	\$ 297,068	\$ 888,068	\$ 370,942	\$ 388,282	\$ 482,838	\$ 275,111	\$ 217,638	\$ 3,306,710							
Individually evaluated for impairment	Individually evaluated for impairment	170	174	13,861	216	460	5,817	128	15,250	36,076							

Total	Total	\$ 386,933	\$ 297,242	\$ 901,929	\$ 371,158	\$ 388,742	\$ 488,655	\$ 275,239	\$ 232,888	\$ 3,342,786
Allowance for credit losses:										
Allowance for credit losses:										
Allowance for credit losses:										
Collectively evaluated for impairment										
Collectively evaluated for impairment	Collectively evaluated for impairment	\$ 4,244	\$ 2,254	\$ 6,503	\$ 6,882	\$ 2,535	\$ 3,737	\$ 2,272	\$ 5,844	\$ 34,271
Individually evaluated for impairment	Individually evaluated for impairment	5	—	1,127	—	—	351	—	3,109	4,592
Total	Total	\$ 4,249	\$ 2,254	\$ 7,630	\$ 6,882	\$ 2,535	\$ 4,088	\$ 2,272	\$ 8,953	\$ 38,863

December 31, 2022

December 31, 2023

December 31, 2023

(dollars in thousands)	(dollars in thousands)	Commercial and Industrial	Real Estate Occupied	Commercial and Occupied	Real Estate Non-owner	Construction Development	One-to-four Family	Construction Multi-Family	Municipal, and Residential	Consumer, and Other	(dollars in thousands)	Commercial and Industrial	Real Estate Occupied	Commercial and Occupied	Real Estate Non-owner	Construction Development	Multi-Family	One-to-four Family	Agriculture and Farmland
Loan balances:																			
Loan balances:																			
Collectively evaluated for impairment																			
Collectively evaluated for impairment	Collectively evaluated for impairment	\$ 261,833	\$ 203,558	\$ 671,663	\$ 359,892	\$ 287,298	\$ 325,621	\$ 233,118	\$ 184,579	\$ 2,527,562									
Individually evaluated for impairment	Individually evaluated for impairment	4,818	11,366	30,509	82	—	8,399	4,033	12,508	71,715									
Acquired with deteriorated credit quality		106	3,579	11,030	850	567	4,233	595	16	20,976									
Total	Total	\$ 266,757	\$ 218,503	\$ 713,202	\$ 360,824	\$ 287,865	\$ 338,253	\$ 237,746	\$ 197,103	\$ 2,620,253									
Allowance for loan losses:																			
Allowance for loan losses:																			
Allowance for loan losses:																			
Allowance for loan losses:																			

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

The following table presents collateral dependent loans, by the primary collateral type, which are individually evaluated to determine expected credit losses, and the related allowance for credit losses allocated to these loans:

		March 31, 2024						
		Amortized Cost			Amortized Cost		Allowance for Credit Losses	
Primary Collateral		Type						
(dollars in thousands)								
(dollars in thousands)								
(dollars in thousands)								
September 30, 2023								
Commercial and industrial								
		Amortized Cost						
		Primary Collateral		Type	Allowance			
		Real		for Credit				
(dollars in thousands)		Estate	Vehicles	Other	Total	Losses		
Commercial and industrial								
Commercial and industrial	Commercial and industrial	\$	—	\$	—	\$ 170	\$ 170	
							5	
Commercial real estate - owner occupied	Commercial real estate - owner occupied							
		174	—	—	174	—		
Commercial real estate - non-owner occupied	Commercial real estate - non-owner occupied							
		13,861	—	—	13,861	1,127		
Construction and land development	Construction and land development							
		216	—	—	216	—		
Multi-family	Multi-family							
		460	—	—	460	—		

One-to-four family residential	One-to-four family residential	5,817	—	—	5,817	351
Agricultural and farmland	Agricultural and farmland	128	—	—	128	—
Municipal, consumer, and other	Municipal, consumer, and other	15,141	31	78	15,250	3,109
<b>Total</b>	<b>Total</b>	<b>\$35,797</b>	<b>\$ 31</b>	<b>\$248</b>	<b>\$36,076</b>	<b>\$ 4,592</b>

December 31, 2023

December 31, 2023

December 31, 2023

	<u>Amortized Cost</u>	<u>Amortized Cost</u>	<u>Allowance for Credit Losses</u>
<b>Primary Collateral</b>			
<b>Type</b>			
(dollars in thousands)			
(dollars in thousands)			
(dollars in thousands)			
Commercial and industrial			
Commercial and industrial			
Commercial and industrial			
Commercial real estate - owner occupied			
Commercial real estate - non-owner occupied			
Construction and land development			
Multi-family			
One-to-four family residential			
Agricultural and farmland			
Municipal, consumer, and other			
<b>Total</b>			

Accrued interest on loans totaled \$17.0 million as of September 30, 2023 and is excluded from the estimate of credit losses, losses and totaled \$17.3 million and \$18.4 million as of March 31, 2024 and December 31, 2023, respectively.

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**Pre-ASC 326 Adoption Impaired Loan Disclosures**

The following table presents loans individually evaluated for impairment by category of loans:

(dollars in thousands)	December 31, 2022			
	Unpaid Principal Balance	Recorded Investment	Related Allowance	
<b>With an allowance recorded:</b>				
Commercial and industrial	\$ 268	\$ 254	\$ 158	
Commercial real estate - owner occupied	635	610	168	
Commercial real estate - non-owner occupied	14,269	14,261	2,388	
Construction and land development	—	—	—	
Multi-family	—	—	—	
One-to-four family residential	569	524	44	
Agricultural and farmland	—	—	—	
Municipal, consumer, and other	8,152	8,131	3,562	
<b>Total</b>	<b>\$ 23,893</b>	<b>\$ 23,780</b>	<b>\$ 6,320</b>	
<b>With no related allowance:</b>				
Commercial and industrial	\$ 4,564	\$ 4,564	\$ —	
Commercial real estate - owner occupied	10,912	10,756	—	
Commercial real estate - non-owner occupied	16,327	16,248	—	
Construction and land development	92	82	—	
Multi-family	—	—	—	
One-to-four family residential	9,181	7,875	—	
Agricultural and farmland	4,440	4,033	—	
Municipal, consumer, and other	4,410	4,377	—	
<b>Total</b>	<b>\$ 49,926</b>	<b>\$ 47,935</b>	<b>\$ —</b>	
<b>Total loans individually evaluated for impairment:</b>				
Commercial and industrial	\$ 4,832	\$ 4,818	\$ 158	
Commercial real estate - owner occupied	11,547	11,366	168	
Commercial real estate - non-owner occupied	30,596	30,509	2,388	
Construction and land development	92	82	—	
Multi-family	—	—	—	
One-to-four family residential	9,750	8,399	44	
Agricultural and farmland	4,440	4,033	—	
Municipal, consumer, and other	12,562	12,508	3,562	
<b>Total</b>	<b>\$ 73,819</b>	<b>\$ 71,715</b>	<b>\$ 6,320</b>	

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

The following tables present the average recorded investment and interest income recognized for loans individually evaluated for impairment by category of loans:

(dollars in thousands)	Three Months Ended September 30, 2022	
	Average Recorded Investment	Interest Income Recognized
<b>With an allowance recorded:</b>		
Commercial and industrial	\$ 258	\$ 5

Commercial real estate - owner occupied	739	11
Commercial real estate - non-owner occupied	14,441	185
Construction and land development	—	—
Multi-family	—	—
One-to-four family residential	349	2
Agricultural and farmland	—	—
Municipal, consumer, and other	8,254	66
<b>Total</b>	<b>\$ 24,041</b>	<b>\$ 269</b>
<b>With no related allowance:</b>		
Commercial and industrial	\$ 3,894	\$ 41
Commercial real estate - owner occupied	11,651	141
Commercial real estate - non-owner occupied	17,220	369
Construction and land development	2,010	57
Multi-family	—	—
One-to-four family residential	8,119	99
Agricultural and farmland	425	5
Municipal, consumer, and other	4,457	44
<b>Total</b>	<b>\$ 47,776</b>	<b>\$ 756</b>
<b>Total loans individually evaluated for impairment:</b>		
Commercial and industrial	\$ 4,152	\$ 46
Commercial real estate - owner occupied	12,390	152
Commercial real estate - non-owner occupied	31,661	554
Construction and land development	2,010	57
Multi-family	—	—
One-to-four family residential	8,468	101
Agricultural and farmland	425	5
Municipal, consumer, and other	12,711	110
<b>Total</b>	<b>\$ 71,817</b>	<b>\$ 1,025</b>

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

	Nine Months Ended September 30, 2022		
	Average Recorded Investment	Interest Income	Recognized
<i>(dollars in thousands)</i>			
<b>With an allowance recorded:</b>			
Commercial and industrial	\$ 272	\$ 13	13
Commercial real estate - owner occupied	1,297	55	55
Commercial real estate - non-owner occupied	14,631	556	556
Construction and land development	—	—	—
Multi-family	—	—	—
One-to-four family residential	513	11	11
Agricultural and farmland	—	—	—
Municipal, consumer, and other	8,368	151	151
<b>Total</b>	<b>\$ 25,081</b>	<b>\$ 786</b>	<b>786</b>

<b>With no related allowance:</b>			
Commercial and industrial	\$ 12,793	\$ 397	397
Commercial real estate - owner occupied	11,524		388
Commercial real estate - non-owner occupied	16,894		907
Construction and land development	2,012		105
Multi-family	—		—
One-to-four family residential	8,341		240
Agricultural and farmland	305		8
Municipal, consumer, and other	4,493		98
<b>Total</b>	<b>\$ 56,362</b>	<b>\$ 2,143</b>	
<b>Total loans individually evaluated for impairment:</b>			
Commercial and industrial	\$ 13,065	\$ 410	410
Commercial real estate - owner occupied	12,821		443
Commercial real estate - non-owner occupied	31,525		1,463
Construction and land development	2,012		105
Multi-family	—		—
One-to-four family residential	8,854		251
Agricultural and farmland	305		8
Municipal, consumer, and other	12,861		249
<b>Total</b>	<b>\$ 81,443</b>	<b>\$ 2,929</b>	

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

Changes in the accretable yield for loans acquired with deteriorated credit quality were as follows:

(dollars in thousands)	Three Months Ended		Nine Months Ended	
	September 30, 2022	September 30, 2022	September 30, 2022	September 30, 2022
Beginning balance	\$ 537		\$ 413	
Reclassification from non-accretable difference		283		500
Accretion income		(58)		(151)
<b>Ending balance</b>	<b style="text-align: right;">\$ 762</b>		<b style="text-align: right;">\$ 762</b>	

**Past Due and Nonaccrual Status**

Past due status is based on the contractual terms of the loan. Typically, loans are placed on nonaccrual when they reach 90 days past due, or when, in management's opinion, there is reasonable doubt regarding the collection of the amounts due through the normal means of the borrower. Interest accrued and unpaid at the time a loan is placed on nonaccrual status is reversed from interest income. Interest payments received on nonaccrual loans are recognized in accordance with our significant accounting policies. Once a loan is placed on nonaccrual status, the borrower must generally demonstrate at least six months of payment performance and we must believe that all remaining principal and interest is fully collectible, before the loan is eligible to return to accrual status.

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

The following tables present loans by category based on current payment and accrual status:

September 30, 2023		
Accruing Interest		
March 31, 2024		March 31, 2024

		Accruing Interest									
(dollars in thousands)											
		90+ Days									
		30 - 89 Days									
(dollars in thousands)	(dollars in thousands)	Current	Past Due	Days Due	Nonaccrual	Total Loans	Current	30 - 89 Days	Past Due	90+ Days	Total Loans
Commercial and industrial											
Commercial and industrial											
Commercial and industrial	Commercial and industrial	\$ 386,383	\$ 380	\$ —	\$ 170	\$ 386,933					
Commercial real estate - owner occupied	Commercial real estate - owner occupied	297,069	—	—	173	297,242					
Commercial real estate - non-owner occupied	Commercial real estate - non-owner occupied	900,058	1,605	—	266	901,929					
Construction and land development	Construction and land development	370,922	20	—	216	371,158					
Multi-family	Multi-family	387,966	316	—	460	388,742					
One-to-four family residential	One-to-four family residential	481,603	1,897	—	5,155	488,655					
Agricultural and farmland	Agricultural and farmland	275,096	15	—	128	275,239					
Municipal, consumer, and other	Municipal, consumer, and other	232,561	217	—	110	232,888					
<b>Total</b>	<b>Total</b>	<b>\$3,331,658</b>	<b>\$4,450</b>	<b>\$ —</b>	<b>\$ 6,678</b>	<b>\$3,342,786</b>					
December 31, 2022											
Accruing Interest											
December 31, 2023											
		Accruing Interest									
(dollars in thousands)											
		90+ Days									
		30 - 89 Days									
(dollars in thousands)	(dollars in thousands)	Current	Past Due	Days Due	Nonaccrual	Total Loans	Current	30 - 89 Days	Past Due	90+ Days	Total Loans
Commercial and industrial											
Commercial and industrial											
Commercial and industrial	Commercial and industrial	\$ 266,521	\$ 17	\$ —	\$ 219	\$ 266,757					
Commercial real estate - owner occupied	Commercial real estate - owner occupied	218,242	187	—	74	218,503					

Commercial real estate - non-owner occupied	Commercial real estate - non-owner occupied	713,031	—	—	171	713,202
Construction and land development	Construction and land development	360,763	61	—	—	360,824
Multi-family	Multi-family	287,854	11	—	—	287,865
One-to-four family residential	One-to-four family residential	335,576	894	145	1,638	338,253
Agricultural and farmland	Agricultural and farmland	237,727	19	—	—	237,746
Municipal, consumer, and other	Municipal, consumer, and other	196,892	157	1	53	197,103
<b>Total</b>	<b>Total</b>	<b>\$2,616,606</b>	<b>\$1,346</b>	<b>\$146</b>	<b>\$ 2,155</b>	<b>\$2,620,253</b>

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

The following table presents tables present nonaccrual loans with and without a related allowance for credit losses:

		September 30, 2023			March 31, 2024		
		March 31, 2024			March 31, 2024		
(dollars in thousands)	(dollars in thousands)	Nonaccrual With Allowance for Credit Losses	Nonaccrual With No Allowance for Credit Losses	Total Nonaccrual	Nonaccrual With Allowance for Credit Losses	Nonaccrual With No Allowance for Credit Losses	Total Nonaccrual
<b>Commercial and industrial</b>							
<b>Commercial and industrial</b>							
Commercial and industrial	Commercial and industrial	\$ 127	\$ 43	\$ 170			
Commercial real estate - owner occupied	Commercial real estate - owner occupied	—	173	173			
Commercial real estate - non-owner occupied	Commercial real estate - non-owner occupied	220	46	266			
Construction and land development	Construction and land development	—	216	216			
Multi-family	Multi-family	—	460	460			
One-to-four family residential	One-to-four family residential	100	5,055	5,155			
Agricultural and farmland	Agricultural and farmland	—	128	128			

Municipal, consumer, and other	Municipal, consumer, and other	31	79	110
<b>Total</b>	<b>Total</b>	<b>\$ 478</b>	<b>\$ 6,200</b>	<b>\$ 6,678</b>

December 31, 2023

December 31, 2023

December 31, 2023

(dollars in  
thousands)

(dollars in thousands)

	Nonaccrual With Allowance for Credit Losses	Nonaccrual With No Allowance for Credit Losses	Total Nonaccrual
--	--	---	---------------------

Commercial and industrial  
Commercial and industrial  
Commercial and industrial  
Commercial  
real estate -  
owner  
occupied  
Commercial  
real estate -  
non-owner  
occupied  
Construction  
and land  
development  
Multi-family  
One-to-four  
family  
residential  
Agricultural  
and  
farmland  
Municipal,  
consumer,  
and other  
**Total**

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

#### Credit Quality Indicators

The Company assigns a risk rating to all loans and periodically performs detailed internal reviews of all such loans that are part of relationships with over \$750,000 in total exposure to identify credit risks and to assess the overall collectability of the portfolio. These risk ratings are also subject to review by the Company's regulators, external loan review, and internal loan review. During the internal reviews, management monitors and analyzes the financial condition of borrowers and guarantors, trends in the industries in which the borrowers operate and the fair values of collateral securing the loans. The risk rating is reviewed annually, at a minimum, and on an as needed basis depending on the specific circumstances of the loan. These credit quality indicators are used to assign a risk rating to each individual loan. Risk ratings are grouped into four major categories, defined as follows:

**Pass** – a pass loan is a credit with no existing or known potential weaknesses deserving of management's close attention.

**Pass-Watch** – a pass-watch loan is still considered a "pass" credit and is not a classified or criticized asset, but is a reflection of a borrower who exhibits credit weaknesses or downward trends warranting close attention and increased monitoring. These potential weaknesses may result in deterioration of the repayment prospects for the loan. No loss of principal or interest is expected, and the borrower does not pose sufficient risk to warrant a **Substandard** or **Doubtful** classification.

**Substandard** – a substandard loan is inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Assets so classified must have a well-defined weakness, or weaknesses, that jeopardize the liquidation of the debt. They are characterized as probable that the borrower will not pay principal and interest in accordance with the contractual terms.

**Doubtful** – a doubtful loan has all the weaknesses inherent in one classified as substandard with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

The following tables present loans by category based on their assigned risk ratings determined by management:

		September 30, 2023					March 31, 2024					
(dollars in thousands)	(dollars in thousands)	Pass	Watch	Substandard	Doubtful	Total	(dollars in thousands)	Pass	Pass-Watch	Substandard	Doubtful	Total
Commercial and industrial												
Commercial and industrial												
Commercial and industrial	Commercial and industrial	\$ 382,041	\$ 4,114	\$ 778	\$ —	\$ 386,933						
Commercial real estate - occupied	Commercial real estate - occupied	279,081	8,249	9,912	—	297,242						
Commercial real estate - non-owner occupied	Commercial real estate - non-owner occupied	842,816	33,767	25,346	—	901,929						
Construction and land development	Construction and land development	366,198	4,667	293	—	371,158						
Multi-family	Multi-family	363,214	24,753	775	—	388,742						
One-to-four family residential	One-to-four family residential	468,736	7,572	12,347	—	488,655						
Agricultural and farmland	Agricultural and farmland	266,353	5,466	3,420	—	275,239						
Municipal, consumer, and other	Municipal, consumer, and other	215,726	1,771	15,391	—	232,888						
<b>Total</b>	<b>Total</b>	<b>\$3,184,165</b>	<b>\$90,359</b>	<b>\$ 68,262</b>	<b>\$ —</b>	<b>\$3,342,786</b>						
December 31, 2022												
(dollars in thousands)	(dollars in thousands)	Pass	Watch	Substandard	Doubtful	Total	(dollars in thousands)	Pass	Pass-Watch	Substandard	Doubtful	December 31, 2023
Commercial and industrial												
Commercial and industrial												
Commercial and industrial	Commercial and industrial	\$ 255,309	\$ 6,630	\$ 4,818	\$ —	\$ 266,757						

Commercial real estate - owner occupied	Commercial real estate - owner occupied	198,546	10,105	9,852	—	218,503
Commercial real estate - non-owner occupied	Commercial real estate - non-owner occupied	652,691	27,282	33,229	—	713,202
Construction and land development	Construction and land development	358,215	2,527	82	—	360,824
Multi-family	Multi-family	283,682	4,183	—	—	287,865
One-to-four family residential	One-to-four family residential	323,632	5,907	8,714	—	338,253
Agricultural and farmland	Agricultural and farmland	223,114	10,004	4,628	—	237,746
Municipal, consumer, and other	Municipal, consumer, and other	184,299	296	12,508	—	197,103
<b>Total</b>	<b>Total</b>	<b>\$2,479,488</b>	<b>\$66,934</b>	<b>\$ 73,831</b>	<b>\$ —</b>	<b>\$2,620,253</b>

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

Risk ratings of loans, further sorted by origination year, are as follows as of **September 30, 2023** **March 31, 2024**:

(dollars in thousands)	(dollars in thousands)	Term Loans by Origination Year					Revolving Loans		Term Loans by Origination Year				
		2023	2022	2021	2020	2019	Prior	Revolving Loans	Converted to Term	Total	(dollars in thousands)	Revolving Loans	Converted to Term
Commercial and industrial	Commercial and industrial												
Commercial and industrial	Commercial and industrial												
Pass	Pass	\$ 94,311	\$ 59,814	\$ 26,229	\$ 29,297	\$ 5,927	\$ 8,496	\$ 150,403	\$ 7,564	\$ 382,041			
Pass-Watch	Pass-Watch	229	1,400	257	198	788	450	284	508	4,114			
Substandard	Substandard	3	87	40	43	—	44	310	251	778			
<b>Total</b>	<b>Total</b>	<b>\$ 94,543</b>	<b>\$ 61,301</b>	<b>\$ 26,526</b>	<b>\$ 29,538</b>	<b>\$ 6,715</b>	<b>\$ 8,990</b>	<b>\$ 150,997</b>	<b>\$ 8,323</b>	<b>\$ 386,933</b>			
Commercial real estate - owner occupied	Commercial real estate - owner occupied												
Commercial real estate - owner occupied	Commercial real estate - owner occupied												
Pass	Pass	\$ 25,378	\$ 64,227	\$ 58,426	\$ 55,269	\$ 33,692	\$ 34,949	\$ 6,487	\$ 653	\$ 279,081			
Pass-Watch	Pass-Watch	556	963	3,102	351	1,624	1,653	—	—	8,249			
Substandard	Substandard	463	1,163	3,338	70	658	3,229	991	—	9,912			
<b>Total</b>	<b>Total</b>	<b>\$ 26,397</b>	<b>\$ 66,353</b>	<b>\$ 64,866</b>	<b>\$ 55,690</b>	<b>\$ 35,974</b>	<b>\$ 39,831</b>	<b>\$ 7,478</b>	<b>\$ 653</b>	<b>\$ 297,242</b>			
Commercial real estate - non-owner occupied	Commercial real estate - non-owner occupied												
Commercial real estate - non-owner occupied	Commercial real estate - non-owner occupied												

Pass	Pass	\$ 96,710	\$ 254,299	\$ 247,868	\$ 90,232	\$ 96,034	\$ 43,858	\$ 10,042	\$ 3,773	\$ 842,816
Pass-Watch	Pass-Watch	696	—	7,684	358	7,277	3,823	13,680	249	33,767
Substandard	Substandard	13,424	126	—	—	2,465	9,331	—	—	25,346
<b>Total</b>	<b>Total</b>	<b>\$110,830</b>	<b>\$254,425</b>	<b>\$255,552</b>	<b>\$ 90,590</b>	<b>\$105,776</b>	<b>\$ 57,012</b>	<b>\$ 23,722</b>	<b>\$ 4,022</b>	<b>\$ 901,929</b>

#### Construction and land development

#### Construction and land development

#### Construction and land development

Pass	Pass	\$139,883	\$143,616	\$ 58,998	\$ 7,459	\$ 2,753	\$ 1,005	\$ 7,232	\$ 5,252	\$ 366,198
Pass-Watch	Pass-Watch	155	2,537	—	—	—	11	1,127	837	4,667
Substandard	Substandard	—	216	—	—	—	77	—	—	293
<b>Total</b>	<b>Total</b>	<b>\$140,038</b>	<b>\$146,369</b>	<b>\$ 58,998</b>	<b>\$ 7,459</b>	<b>\$ 2,753</b>	<b>\$ 1,093</b>	<b>\$ 8,359</b>	<b>\$ 6,089</b>	<b>\$ 371,158</b>

#### Multi-family

#### Multi-family

#### Multi-family

Pass	Pass	\$ 44,034	\$ 78,646	\$ 99,032	\$ 53,945	\$ 32,475	\$ 47,177	\$ 7,403	\$ 502	\$ 363,214
Pass-Watch	Pass-Watch	2,747	6,671	—	8,827	55	6,096	349	8	24,753
Substandard	Substandard	—	—	316	—	—	459	—	—	775
<b>Total</b>	<b>Total</b>	<b>\$ 46,781</b>	<b>\$ 85,317</b>	<b>\$ 99,348</b>	<b>\$ 62,772</b>	<b>\$ 32,530</b>	<b>\$ 53,732</b>	<b>\$ 7,752</b>	<b>\$ 510</b>	<b>\$ 388,742</b>

#### One-to-four family residential

#### One-to-four family residential

#### One-to-four family residential

Pass	Pass	\$ 91,683	\$ 87,716	\$ 87,384	\$ 65,721	\$ 23,325	\$ 50,394	\$ 57,222	\$ 5,291	\$ 468,736
Pass-Watch	Pass-Watch	2,503	412	958	332	608	2,219	219	321	7,572
Substandard	Substandard	490	2,268	814	831	801	4,245	—	2,898	12,347
<b>Total</b>	<b>Total</b>	<b>\$ 94,676</b>	<b>\$ 90,396</b>	<b>\$ 89,156</b>	<b>\$ 66,884</b>	<b>\$ 24,734</b>	<b>\$ 56,858</b>	<b>\$ 57,441</b>	<b>\$ 8,510</b>	<b>\$ 488,655</b>

#### Agricultural and farmland

#### Agricultural and farmland

#### Agricultural and farmland

Pass	Pass	\$ 31,739	\$ 36,428	\$ 39,008	\$ 37,683	\$ 10,797	\$ 11,247	\$ 97,954	\$ 1,497	\$ 266,353
Pass-Watch	Pass-Watch	926	2,030	95	1,006	137	731	541	—	5,466
Substandard	Substandard	—	—	15	3,277	—	128	—	—	3,420
<b>Total</b>	<b>Total</b>	<b>\$ 32,665</b>	<b>\$ 38,458</b>	<b>\$ 39,118</b>	<b>\$ 41,966</b>	<b>\$ 10,934</b>	<b>\$ 12,106</b>	<b>\$ 98,495</b>	<b>\$ 1,497</b>	<b>\$ 275,239</b>

#### Municipal, Consumer, and other

#### Municipal, Consumer, and other

#### Municipal, Consumer, and other

Pass	Pass	\$ 38,953	\$ 58,869	\$ 28,671	\$ 15,023	\$ 1,639	\$ 44,137	\$ 28,433	\$ 1	\$ 215,726
Pass-Watch	Pass-Watch	—	4	—	17	—	1,750	—	—	1,771
Substandard	Substandard	63	85	5	2	43	15,176	17	—	15,391
<b>Total</b>	<b>Total</b>	<b>\$ 39,016</b>	<b>\$ 58,958</b>	<b>\$ 28,676</b>	<b>\$ 15,042</b>	<b>\$ 1,682</b>	<b>\$ 61,063</b>	<b>\$ 28,450</b>	<b>\$ 1</b>	<b>\$ 232,888</b>

#### Total by Risk Rating

#### Total by Risk Rating

#### Total by Risk Rating

Pass	Pass	\$562,691	\$783,615	\$645,616	\$354,629	\$206,642	\$241,263	\$365,176	\$ 24,533	\$ 3,184,165
Pass-Watch	Pass-Watch	7,812	14,017	12,096	11,089	10,489	16,733	16,200	1,923	90,359
Substandard	Substandard	14,443	3,945	4,528	4,223	3,967	32,689	1,318	3,149	68,262
<b>Total</b>	<b>Total</b>	<b>\$584,946</b>	<b>\$801,577</b>	<b>\$662,240</b>	<b>\$369,941</b>	<b>\$221,098</b>	<b>\$290,685</b>	<b>\$382,694</b>	<b>\$ 29,605</b>	<b>\$ 3,342,786</b>

### HBT FINANCIAL, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Risk ratings of loans, further sorted by origination year, are as follows as of December 31, 2023:

(dollars in thousands)	Term Loans by Origination Year						Prior	Revolving			Revolving Loans Converted to Term		Total
	2023	2022	2021	2020	2019	Revolving Loans		Revolving	Loans	Converted to Term			
<b>Commercial and industrial</b>													
Pass	\$ 90,931	\$ 58,364	\$ 19,283	\$ 26,816	\$ 5,269	\$ 29,550	\$ 187,579	\$ 1,702	\$ 419,494				
Pass-Watch	2,025	1,340	892	144	753	471	956	547	7,128				
Substandard	111	73	327	60	—	—	323	284	1,178				
<b>Total</b>	<b>\$ 93,067</b>	<b>\$ 59,777</b>	<b>\$ 20,502</b>	<b>\$ 27,020</b>	<b>\$ 6,022</b>	<b>\$ 30,021</b>	<b>\$ 188,858</b>	<b>\$ 2,533</b>	<b>\$ 427,800</b>				
<b>Commercial real estate - owner occupied</b>													
Pass	\$ 27,516	\$ 64,229	\$ 55,376	\$ 53,634	\$ 32,469	\$ 28,876	\$ 13,549	\$ —	\$ 275,649				
Pass-Watch	4,061	943	5,210	1,474	1,573	811	—	—	14,072				
Substandard	2,734	86	1,550	64	164	1,523	—	—	6,121				
<b>Total</b>	<b>\$ 34,311</b>	<b>\$ 65,258</b>	<b>\$ 62,136</b>	<b>\$ 55,172</b>	<b>\$ 34,206</b>	<b>\$ 31,210</b>	<b>\$ 13,549</b>	<b>\$ —</b>	<b>\$ 295,842</b>				
<b>Commercial real estate - non-owner occupied</b>													
Pass	\$ 121,536	\$ 240,323	\$ 237,953	\$ 88,894	\$ 82,094	\$ 39,228	\$ 10,274	\$ 1,710	\$ 822,012				
Pass-Watch	810	6,893	7,013	353	4,230	154	13,585	245	33,283				
Substandard	13,376	124	286	—	2,410	9,190	—	—	25,386				
<b>Total</b>	<b>\$ 135,722</b>	<b>\$ 247,340</b>	<b>\$ 245,252</b>	<b>\$ 89,247</b>	<b>\$ 88,734</b>	<b>\$ 48,572</b>	<b>\$ 23,859</b>	<b>\$ 1,955</b>	<b>\$ 880,681</b>				
<b>Construction and land development</b>													
Pass	\$ 153,499	\$ 119,005	\$ 56,954	\$ 5,596	\$ 2,662	\$ 796	\$ 12,050	\$ 525	\$ 351,087				
Pass-Watch	153	10,750	—	—	—	—	163	1,538	12,604				
Substandard	—	216	—	—	—	76	—	—	292				
<b>Total</b>	<b>\$ 153,652</b>	<b>\$ 129,971</b>	<b>\$ 56,954</b>	<b>\$ 5,596</b>	<b>\$ 2,662</b>	<b>\$ 872</b>	<b>\$ 12,213</b>	<b>\$ 2,063</b>	<b>\$ 363,983</b>				
<b>Multi-family</b>													
Pass	\$ 83,898	\$ 81,507	\$ 115,402	\$ 53,126	\$ 34,053	\$ 23,570	\$ 5,904	\$ 491	\$ 397,951				
Pass-Watch	3,111	7,197	—	8,821	51	468	—	8	19,656				
Substandard	—	—	316	—	—	—	—	—	316				
<b>Total</b>	<b>\$ 87,009</b>	<b>\$ 88,704</b>	<b>\$ 115,718</b>	<b>\$ 61,947</b>	<b>\$ 34,104</b>	<b>\$ 24,038</b>	<b>\$ 5,904</b>	<b>\$ 499</b>	<b>\$ 417,923</b>				
<b>One-to-four family residential</b>													
Pass	\$ 105,337	\$ 91,636	\$ 82,289	\$ 64,094	\$ 21,986	\$ 44,241	\$ 57,248	\$ 5,524	\$ 472,355				
Pass-Watch	2,382	286	940	486	212	1,804	203	358	6,671				
Substandard	1,507	1,527	623	646	1,037	4,166	64	2,912	12,482				
<b>Total</b>	<b>\$ 109,226</b>	<b>\$ 93,449</b>	<b>\$ 83,852</b>	<b>\$ 65,226</b>	<b>\$ 23,235</b>	<b>\$ 50,211</b>	<b>\$ 57,515</b>	<b>\$ 8,794</b>	<b>\$ 491,508</b>				
<b>Agricultural and farmland</b>													
Pass	\$ 52,766	\$ 37,600	\$ 36,604	\$ 33,960	\$ 8,910	\$ 7,756	\$ 100,486	\$ 2,785	\$ 280,867				
Pass-Watch	953	361	425	30	71	719	172	340	3,071				
Substandard	—	—	13	3,199	—	144	—	—	3,356				
<b>Total</b>	<b>\$ 53,719</b>	<b>\$ 37,961</b>	<b>\$ 37,042</b>	<b>\$ 37,189</b>	<b>\$ 8,981</b>	<b>\$ 8,619</b>	<b>\$ 100,658</b>	<b>\$ 3,125</b>	<b>\$ 287,294</b>				
<b>Municipal, Consumer, and other</b>													
Pass	\$ 43,575	\$ 57,404	\$ 27,904	\$ 14,342	\$ 1,016	\$ 42,499	\$ 35,734	\$ —	\$ 222,474				
Pass-Watch	9	6	13	—	—	1,693	—	—	1,721				
Substandard	51	103	2	6	8	15,012	8	1	15,191				
<b>Total</b>	<b>\$ 43,635</b>	<b>\$ 57,513</b>	<b>\$ 27,919</b>	<b>\$ 14,348</b>	<b>\$ 1,024</b>	<b>\$ 59,204</b>	<b>\$ 35,742</b>	<b>\$ 1</b>	<b>\$ 239,386</b>				
<b>Total by Risk Rating</b>													
Pass	\$ 679,058	\$ 750,068	\$ 631,765	\$ 340,462	\$ 188,459	\$ 216,516	\$ 422,824	\$ 12,737	\$ 3,241,889				

Pass-Watch	\$ 13,504	\$ 27,776	\$ 14,493	\$ 11,308	\$ 6,890	\$ 6,120	\$ 15,079	\$ 3,036	98,206
Substandard	\$ 17,779	\$ 2,129	\$ 3,117	\$ 3,975	\$ 3,619	\$ 30,111	\$ 395	\$ 3,197	64,322
<b>Total</b>	<b>\$ 710,341</b>	<b>\$ 779,973</b>	<b>\$ 649,375</b>	<b>\$ 355,745</b>	<b>\$ 198,968</b>	<b>\$ 252,747</b>	<b>\$ 438,298</b>	<b>\$ 18,970</b>	<b>3,404,417</b>

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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**Modifications and Troubled Debt Restructurings**

There were no loan modifications to borrowers in financial distress during the three and nine months ended September 30, 2023.

March 31, 2024 and 2023. There were no new troubled debt restructurings during the three modified loans to borrowers in financial distress outstanding as of March 31, 2024 and nine months ended September 30, 2022 December 31, 2023. As of December 31, 2022, the Company had \$3.0 million of troubled debt restructurings.

**Pledged Loans**

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company pledged loans totaling \$1.07 billion \$1.85 billion and \$892.1 million \$1.20 billion, respectively, to the Federal Home Loan Bank of Chicago ("FHLB") to secure available FHLB advance borrowing capacity.

**NOTE 5 – LOAN SERVICING**

Mortgage loans serviced for others, which are not included in the accompanying consolidated balance sheets, amounted to \$1.69 billion \$1.64 billion and \$955.8 million \$1.66 billion as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. Activity in mortgage servicing rights is as follows:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,
(dollars in thousands)	(dollars in thousands)				
(dollars in thousands)	(dollars in thousands)	2023	2022	2023	2022
Beginning balance	Beginning balance \$	20,133	\$ 10,089	\$ 10,147	\$ 7,994
Beginning balance					
Beginning balance					
Acquired					
Acquired	Acquired	—	—	10,469	—
Capitalized	Capitalized				
servicing rights	servicing rights	227	144	526	451
Fair value adjustment:					
Attributable to payments and principal reductions		(631)	(362)	(1,621)	(1,048)
Attributable to changes in valuation inputs and assumptions		427	569	635	3,043
Total fair value adjustment		(204)	207	(986)	1,995
Capitalized servicing rights					
Capitalized servicing rights					
Fair value adjustments attributable to payments and principal reductions					
Fair value adjustments attributable to payments and principal reductions					
Fair value adjustments attributable to payments and principal reductions					

Fair value adjustments attributable to changes in valuation inputs and assumptions						
Fair value adjustments attributable to changes in valuation inputs and assumptions						
Fair value adjustments attributable to changes in valuation inputs and assumptions						
<b>Ending balance</b>	<b>Ending balance</b>	\$ 20,156	\$ 10,440	\$ 20,156	\$ 10,440	
<b>Ending balance</b>						
<b>Ending balance</b>						

#### NOTE 6 – FORECLOSED ASSETS

Foreclosed assets activity is as follows:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	
(dollars in thousands)					
(dollars in thousands)					
(dollars in thousands)	(dollars in thousands)	2023	2022	2023	2022
Beginning balance	Beginning balance	\$ 3,080	\$ 2,891	\$ 3,030	\$ 3,278
Beginning balance					
Beginning balance					
Acquired	Acquired	—	—	271	—
Acquired					
Acquired					
Transfers from loans					
Transfers from loans					
Transfers from loans	Transfers from loans	879	—	1,049	27
Proceeds from sales	Proceeds from sales	(2,990)	(29)	(3,274)	(476)
Proceeds from sales					
Proceeds from sales					
Net gain on sales					
Net gain on sales	Net gain on sales	564	20	632	118
Direct write-downs	Direct write-downs	(14)	(245)	(189)	(310)
Direct write-downs					
Direct write-downs					
<b>Ending balance</b>	<b>Ending balance</b>	\$ 1,519	\$ 2,637	\$ 1,519	\$ 2,637
<b>Ending balance</b>					
<b>Ending balance</b>					

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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Gains (losses) on foreclosed assets includes the following:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
(dollars in thousands)					
(dollars in thousands)					
(dollars in thousands)	(dollars in thousands)	2023	2022	2023	2022
Direct write-downs	Direct write-downs	\$ (14)	\$ (245)	\$ (189)	\$ (310)
Direct write-downs					
Direct write-downs					
Net gain on sales					
Net gain on sales					
Net gain on sales	Net gain on sales	564	20	632	118
Gains (losses) on foreclosed assets	Gains (losses) on foreclosed assets	\$ 550	\$ (225)	\$ 443	\$ (192)
Gains (losses) on foreclosed assets					
Gains (losses) on foreclosed assets					

The carrying value of foreclosed one-to-four family residential real estate properties held was \$0.6 million \$0.1 million and \$20 thousand \$0.1 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. As of September 30, 2023 March 31, 2024, there were 1420 one-to-four family residential real estate loans in the process of foreclosure totaling \$2.0 million. As of December 31, 2023, there were 16 one-to-four family residential real estate loans in the process of foreclosure totaling \$1.2 million. As of December 31, 2022, there were 4 one-to-four family residential real estate loans in the process of foreclosure totaling \$0.2 million.

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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**NOTE 7 – DEPOSITS**

The Company's deposits are summarized below:

(dollars in thousands)	(dollars in thousands)	September 30, 2023	December 31, 2022	(dollars in thousands)	March 31, 2024	December 31, 2023
Noninterest-bearing deposits	Noninterest-bearing deposits					
Noninterest-bearing deposits	Noninterest-bearing deposits	\$ 1,086,877	\$ 994,954			
Noninterest-bearing deposits						
Interest-bearing deposits:	Interest-bearing deposits:					
Interest-bearing deposits:	Interest-bearing deposits:					
Interest-bearing demand						
Interest-bearing demand						
Interest-bearing demand	Interest-bearing demand	1,134,721	1,139,150			
Money market	Money market	673,780	555,425			
Savings	Savings	623,083	634,527			

Time	Time	679,607	262,968
Brokered			
Total interest-bearing deposits	Total interest-bearing deposits	3,111,191	2,592,070
Total deposits	Total deposits	\$4,198,068	\$3,587,024

As of September 30, 2023, Reciprocal deposits included in interest-bearing demand deposits, money market deposits, and time deposits included \$115.0 million of brokered deposits. There were no brokered deposits totaled \$244.1 million and \$236.8 million as of December 31, 2022. Interest-bearing demand deposits included \$38.7 million of reciprocal transaction deposits as of September 30, 2023. Money market deposits included \$12.8 million March 31, 2024 and \$1.7 million of reciprocal transaction deposits as of September 30, 2023 and December 31, 2022 December 31, 2023, respectively. Time deposits included \$35.5 million and \$1.6 million of reciprocal time deposits as of September 30, 2023, and December 31, 2022, respectively.

The aggregate amounts of time deposits in denominations of \$250 thousand or more amounted to \$115.9 million \$171.4 million and \$27.2 million \$130.2 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. The aggregate amounts of time deposits in denominations of \$100 thousand or more amounted to \$302.3 million \$406.4 million and \$92.6 million \$342.8 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

The components of interest expense on deposits are as follows:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,
(dollars in thousands)					
(dollars in thousands)					
(dollars in thousands)		2023	2022	2023	2022
Interest-bearing demand	Interest-bearing demand	\$ 761	\$ 144	\$ 1,902	\$ 430
Interest-bearing demand					
Interest-bearing demand					
Money market					
Money market					
Money market	Money market	2,041	203	4,492	434
Savings	Savings	249	53	616	155
Savings					
Savings					
Time	Time	4,160	187	6,898	643
Time					
Time					
Brokered					
Brokered					
Brokered					
Total interest expense on deposits	Total interest expense on deposits	\$ 7,211	\$ 587	\$ 13,908	\$ 1,662
Total interest expense on deposits					
Total interest expense on deposits					

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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(Uncaudited)

#### NOTE 8 – JUNIOR SUBORDINATED DEBENTURES ISSUED TO CAPITAL TRUSTS

Eight subsidiary business trusts of the Company have issued floating rate capital securities ("capital securities") which are guaranteed by the Company. Three of these (Town and Country Statutory Trust II, Town and Country Statutory Trust III, and West Plains Investors Statutory Trust I) were acquired by the Company as part of its acquisition of Town and Country.

The Company owns all of the outstanding stock of the subsidiary business trusts. The trusts used the proceeds from the issuance of their capital securities to buy floating rate junior subordinated deferrable interest debentures ("junior subordinated debentures") issued by the Company. These junior subordinated debentures are the only assets of the trusts and the interest payments from the junior subordinated debentures finance the distributions paid on the capital securities. The junior subordinated debentures are unsecured, rank junior and subordinate in the right of payment to all senior debt of the Company, and have an optional redemption in whole or in part on any interest payment date.

In accordance with GAAP, the trusts are not consolidated in the Company's financial statements.

The face values and carrying values of the junior subordinated debentures are summarized as follows:

(dollars in thousands)	Face Value	Carrying Value	
		September 30, 2023	December 31, 2022
Heartland Bancorp, Inc. Capital Trust B	\$ 10,310	\$ 10,310	\$ 10,310
Heartland Bancorp, Inc. Capital Trust C	10,310	10,310	10,310
Heartland Bancorp, Inc. Capital Trust D	5,155	5,155	5,155
FFBI Capital Trust I	7,217	7,217	7,217
National Bancorp Statutory Trust I	5,773	4,837	4,788
Town and Country Statutory Trust II	4,124	4,407	—
Town and Country Statutory Trust III	7,732	7,575	—
West Plains Investors Statutory Trust I	3,093	2,963	—
<b>Total</b>	<b>\$ 53,714</b>	<b>\$ 52,774</b>	<b>\$ 37,780</b>

The interest rates on the junior subordinated debentures are variable, reset quarterly, and are equal to the three-month LIBOR, as determined on the LIBOR Determination Date immediately preceding the Distribution Payment Date specific to each junior subordinated debenture, plus a fixed percentage. Beginning in July 2023, the three-month LIBOR index was replaced by the three-month term SOFR index plus a spread adjustment.

The interest rates and maturities of the junior subordinated debentures are summarized as follows:

	Variable Interest Rate	Interest Rate at		Maturity Date
		September 30, 2023	December 31, 2022	
Heartland Bancorp, Inc. Capital Trust B	SOFR plus 3.01%	8.32 %	6.83 %	April 6, 2034
Heartland Bancorp, Inc. Capital Trust C	SOFR plus 1.79	7.20	6.30	June 15, 2037
Heartland Bancorp, Inc. Capital Trust D	SOFR plus 1.61	7.02	6.12	September 15, 2037
FFBI Capital Trust I	SOFR plus 3.06	8.37	6.88	April 6, 2034
National Bancorp Statutory Trust I	SOFR plus 3.16	8.57	7.67	December 15, 2037
Town and Country Statutory Trust II	SOFR plus 3.05	8.46	N/A	March 17, 2034
Town and Country Statutory Trust III	SOFR plus 1.94	7.35	N/A	March 22, 2037
West Plains Investors Statutory Trust I	SOFR plus 1.71	7.12	N/A	June 15, 2037

#### HBT FINANCIAL, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

The distribution rate payable on the debentures is cumulative and payable quarterly in arrears. The Company has the right, subject to events of default, to defer payments of interest on the junior subordinated debentures at any time by extending the interest payment period for a period not exceeding 20 quarterly periods with respect to each deferral period, provided that no extension period may extend beyond the redemption or maturity date of the junior subordinated debentures. The capital securities are subject to mandatory redemption upon payment of the junior subordinated debentures and carry an interest rate identical to that of the related debenture. The junior subordinated debentures maturity dates may be shortened if certain conditions are met, or at any time within 90 days following the occurrence and continuation of certain changes in either tax treatment or the capital treatment of the junior subordinated debentures or the capital securities. If the junior subordinated debentures are redeemed before they mature, the redemption price will be the principal amount plus any accrued but unpaid interest. The Company has the right to terminate each Capital Trust and cause the junior subordinated debentures to be distributed to the holders of the capital securities in liquidation of such trusts.

Under current banking regulations, bank holding companies are allowed to include qualifying trust preferred securities in their Tier 1 Capital for regulatory capital purposes, subject to a 25% limitation to all core (Tier 1) capital elements, net of goodwill and other intangible assets less any associated deferred tax liability. As of September 30, 2023 and 2022, 100% of the trust preferred securities qualified as Tier 1 capital under the final rule adopted in March 2005.

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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**NOTE 9 – DERIVATIVE FINANCIAL INSTRUMENTS**

Derivative financial instruments are negotiated contracts entered into by two issuing counterparties containing specific agreement terms, including the underlying instrument, amount, exercise price, and maturities. The derivatives accounting guidance requires that the Company recognize all derivative financial instruments as either assets or liabilities at fair value in the consolidated balance sheets. The Company may utilize interest rate swap agreements as part of its asset liability management strategy to help manage its interest rate risk position.

**Interest Rate Swaps Designated as Cash Flow Hedges**

The Company designated certain interest rate swap agreements as cash flow hedges on variable-rate borrowings. For derivative instruments that are designated and qualify as a cash flow hedge, the gain or loss on interest rate swaps designated as cash flow hedging instruments, net of tax, is reported as a component of accumulated other comprehensive income (loss) and reclassified into earnings in the same period or periods during which the hedged transactions affect earnings.

The interest rate swap agreements designated as cash flow hedges are summarized as follows:

		September 30, 2023		December 31, 2022		March 31, 2024		March 31, 2024		December 31, 2023	
		(dollars in thousands)	(dollars in thousands)	Notional Amount	Fair Value	(dollars in thousands)	Notional Amount	Fair Value	(dollars in thousands)	Notional Amount	Fair Value
Fair value recorded in other assets	Fair value recorded in other assets	\$17,000	\$514	\$17,000	\$629						
Fair value recorded in other assets											
Fair value recorded in other assets						\$17,000	\$254	\$17,000	\$322		

As of **September 30, 2023** **March 31, 2024**, the interest rate swap agreements designated as cash flow hedges had contractual maturities between 2024 and 2025. As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, counterparties had cash pledged and held on deposit by the Company of **\$0.6 million** **\$0.4 million** and **\$0.6 million**, respectively.

The effect of interest rate swap agreements designated as cash flow hedges on the consolidated statements of income are summarized as follows:

Location of gross gain (loss) reclassified from accumulated other comprehensive income (loss) to income	Location of gross gain (loss) reclassified from accumulated other comprehensive income (loss) to income	Amounts of gross gain (loss) reclassified from accumulated other comprehensive income (loss)	
		Three Months Ended September 30,	Nine Months Ended September 30,
Location of gross gain (loss) reclassified from accumulated other comprehensive income (loss) to income			
Location of gross gain (loss) reclassified from accumulated other comprehensive income (loss) to income			
Location of gross gain (loss) reclassified from accumulated other comprehensive income (loss) to income			
Location of gross gain (loss) reclassified from accumulated other comprehensive income (loss) to income			

		Three Months Ended March 31,		Three Months Ended March 31,					
(dollars in thousands)									
(dollars in thousands)									
(dollars in thousands)	(dollars in thousands)	2023	2022	2023	2022				
<b>Designated as cash flow hedges:</b>	<b>Designated as cash flow hedges:</b>								
<b>Designated as cash flow hedges:</b>									
<b>Designated as cash flow hedges:</b>									
Junior subordinated debentures interest expense	Junior subordinated debentures interest expense	\$ 131	\$ (14)	\$ 334	\$ (177)				
Junior subordinated debentures interest expense	Junior subordinated debentures interest expense								
Junior subordinated debentures interest expense	Junior subordinated debentures interest expense								

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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### Interest Rate Swaps Not Designated as Hedging Instruments

The Company may offer interest rate swap agreements to its commercial borrowers in connection with their risk management needs. The Company manages the interest rate risk associated with these contracts by entering into an equal and offsetting derivative with a third-party financial institution. While these interest rate swap agreements generally work together as an economic interest rate hedge, the Company did not designate them for hedge accounting treatment. Consequently, changes in fair value of the corresponding derivative financial asset or liability were recorded as either a charge or credit to current earnings during the period in which the changes occurred.

The interest rate swap agreements not designated as hedging instruments are summarized as follows:

Interest rate swaps with a financial institution counterparty	Interest rate swaps with a financial institution counterparty	101,612	9,674	106,995	6,981	Interest rate swaps with a financial institution counterparty	93,199	7,507	94,497	6,227
<b>Total fair value recorded in other assets</b>	<b>Total fair value recorded in other assets</b>	<b>\$101,612</b>	<b>\$ 9,674</b>	<b>\$106,995</b>	<b>\$ 6,981</b>	<b>Total fair value recorded in other assets</b>	<b>\$ 93,199</b>	<b>\$ 7,507</b>	<b>\$ 94,497</b>	<b>\$ 6,227</b>
Fair value recorded in other liabilities:	Fair value recorded in other liabilities:									
Fair value recorded in other liabilities:	Fair value recorded in other liabilities:									
Interest rate swaps with a commercial borrower counterparty	Interest rate swaps with a commercial borrower counterparty									
Interest rate swaps with a commercial borrower counterparty	Interest rate swaps with a commercial borrower counterparty									
Interest rate swaps with a financial institution counterparty	Interest rate swaps with a financial institution counterparty	—	—	—	—	Interest rate swaps with a financial institution counterparty	—	—	—	—
<b>Total fair value recorded in other liabilities</b>	<b>Total fair value recorded in other liabilities</b>	<b>\$101,612</b>	<b>\$ (9,674)</b>	<b>\$106,995</b>	<b>\$ (6,981)</b>	<b>Total fair value recorded in other liabilities</b>	<b>\$ 93,199</b>	<b>\$ (7,507)</b>	<b>\$ 94,497</b>	<b>\$ (6,227)</b>

As of September 30, 2023 March 31, 2024, the interest rate swap agreements not designated as hedging instruments had contractual maturities between 2023 2027 and 2035.

The effect of interest rate contracts not designated as hedging instruments recognized in other noninterest income on the consolidated statements of income are summarized as follows:

	Three Months Ended September 30,	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	Nine Months Ended September 30,
(dollars in thousands)					
(dollars in thousands)					
(dollars in thousands)	(dollars in thousands)				
		2023	2022	2023	2022

Not designated as hedging instruments:	Not designated as hedging instruments:
Not designated as hedging instruments:	
Not designated as hedging instruments:	
Gross gains	Gross gains \$ 2,510 \$ 5,209 \$ 6,950 \$ 15,303
Gross losses	Gross losses (2,510) (5,209) (6,950) (15,303)
Gross losses	
Gross losses	
Net gains (losses)	Net gains (losses) \$ — \$ — \$ — \$ —
Net gains (losses)	
Net gains (losses)	

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 109 – ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)**

The following table presents the activity and accumulated balances for components of other comprehensive income (loss):

(dollars in thousands)	Unrealized Gains (Losses)				Total
	Available-for-Sale	Held-to-Maturity	Derivatives		
<b>Three Months Ended September 30, 2023</b>					
<b>Balance, June 30, 2023</b>	\$ (61,560)	\$ (9,256)	\$ 154	\$ (70,662)	
Other comprehensive income (loss) before reclassifications	(11,326)	—	58	(11,268)	
Reclassifications	13	518	(131)	400	
Other comprehensive income (loss), before tax	(11,313)	518	(73)	(10,868)	
Income tax expense (benefit)	(3,224)	147	(21)	(3,098)	
Other comprehensive income (loss), after tax	(8,089)	371	(52)	(7,770)	
<b>Balance, September 30, 2023</b>	<b>\$ (69,649)</b>	<b>\$ (8,885)</b>	<b>\$ 102</b>	<b>\$ (78,432)</b>	
<b>Three Months Ended September 30, 2022</b>					
<b>Balance, June 30, 2022</b>	\$ (42,061)	\$ (10,656)	\$ (103)	\$ (52,820)	
Other comprehensive income (loss) before reclassifications	(35,358)	—	374	(34,984)	
Reclassifications	—	504	14	518	
Other comprehensive income (loss), before tax	(35,358)	504	388	(34,466)	
Income tax expense (benefit)	(10,079)	144	111	(9,824)	
Other comprehensive income (loss), after tax	(25,279)	360	277	(24,642)	

Balance, September 30, 2022	\$ (67,340)	\$ (10,296)	\$ 174	\$ (77,462)
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**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

Unrealized Gains (Losses) on Debt Securities		Unrealized Gains (Losses) on Debt Securities			
(dollars in thousands)	(dollars in thousands)	Available-for-Sale	Held-to-Maturity	Derivatives	Total
<b>Nine Months Ended September 30, 2023</b>					
Balance, December 31, 2022	\$ (61,998)	\$ (9,946)	\$ 185	\$ (71,759)	
Three Months Ended March 31, 2024					
Three Months Ended March 31, 2024					
Three Months Ended March 31, 2024					
Balance, December 31, 2023					
Balance, December 31, 2023					
Balance, December 31, 2023					
Other comprehensive income (loss) before reclassifications	Other comprehensive income (loss) before reclassifications	(12,521)	—	219	(12,302)
Reclassifications	Reclassifications	1,820	1,483	(334)	2,969
Other comprehensive income (loss), before tax	Other comprehensive income (loss), before tax	(10,701)	1,483	(115)	(9,333)
Income tax expense (benefit)	Income tax expense (benefit)	(3,050)	422	(32)	(2,660)
Other comprehensive income (loss), after tax	Other comprehensive income (loss), after tax	(7,651)	1,061	(83)	(6,673)
Balance, September 30, 2023	\$ (69,649)	\$ (8,885)	\$ 102	\$ (78,432)	
<b>Balance, March 31, 2024</b>					
<b>Nine Months Ended September 30, 2022</b>					
Balance, December 31, 2021	\$ 5,736	\$ (3,514)	\$ (751)	\$ 1,471	
Transfer from available-for-sale to held-to-maturity	7,664	(7,664)	—	—	

<b>Three Months Ended March 31, 2023</b>				
<b>Three Months Ended March 31, 2023</b>				
<b>Three Months Ended March 31, 2023</b>				
<b>Balance, December 31, 2022</b>				
<b>Balance, December 31, 2022</b>				
<b>Balance, December 31, 2022</b>				
Other comprehensive income (loss) before reclassifications				
Other comprehensive income (loss) before reclassifications				
Other comprehensive income (loss) before reclassifications	Other comprehensive income (loss) before reclassifications	(112,931)	—	1,117 (111,814)
Reclassifications	Reclassifications	—	1,234	177 1,411
Other comprehensive income (loss), before tax	Other comprehensive income (loss), before tax	(112,931)	1,234	1,294 (110,403)
Income tax expense (benefit)	Income tax expense (benefit)	(32,191)	352	369 (31,470)
Other comprehensive income (loss), after tax	Other comprehensive income (loss), after tax	(80,740)	882	925 (78,933)
<b>Balance, September 30, 2022</b>		<b>\$ (67,340)</b>	<b>\$ (10,296)</b>	<b>\$ 174 \$ (77,462)</b>
<b>Balance, March 31, 2023</b>				

Reclassifications from accumulated other comprehensive income (loss) for unrealized gains (losses) on debt securities available-for-sale are included in either gains (losses) on sales of securities or provision for credit losses in the accompanying consolidated statements of income.

Reclassifications from accumulated other comprehensive income (loss) for unrealized gains on debt securities held-to-maturity are included in securities interest income in the accompanying consolidated statements of income.

Reclassifications from accumulated other comprehensive income (loss) for the fair value of derivative financial instruments represent net interest payments received or made on derivatives designated as cash flow hedges. See Note 98 for additional information.

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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**NOTE 11.10 – EARNINGS PER SHARE**

The Company has previously granted certain restricted stock units that contain contained non-forfeitable rights to dividend equivalents. Such restricted stock units are equivalents which were considered participating securities. As such, we have included Prior to 2024, these restricted stock units were included in the calculation of basic earnings per share and calculate basic earnings per share using the two-class method. The two-class method of computing earnings per share is an earnings allocation formula that determines earnings per share for each class of common stock and participating security according to dividends declared (or accumulated) and participation rights in undistributed earnings.

Diluted earnings per share is computed using the treasury stock method and reflects the potential dilution from the Company's outstanding restricted stock units and performance restricted stock units.

The following table sets forth the computation of basic and diluted earnings per share:

Three Months Ended September 30,	Nine Months Ended September 30,
----------------------------------	---------------------------------

		Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,	
(dollars in thousands)		(dollars in thousands)		(dollars in thousands)		(dollars in thousands)	
(dollars in thousands)	(dollars in thousands)	2023	2022	2023	2022	2023	2022
<b>Numerator:</b>	<b>Numerator:</b>						
<b>Numerator:</b>							
Net income							
Net income							
Net income	Net income	\$ 19,715	\$ 15,627	\$ 47,396	\$ 43,316		
Earnings allocated to participating securities	Earnings allocated to participating securities	(10)	(17)	(26)	(51)		
Earnings allocated to participating securities							
Earnings allocated to participating securities							
Numerator for earnings per share - basic and diluted							
Numerator for earnings per share - basic and diluted							
Numerator for earnings per share - basic and diluted	Numerator for earnings per share - basic and diluted	\$ 19,705	\$ 15,610	\$ 47,370	\$ 43,265		
<b>Denominator:</b>	<b>Denominator:</b>						
<b>Denominator:</b>							
Weighted average common shares outstanding							
Weighted average common shares outstanding							
Weighted average common shares outstanding	Weighted average common shares outstanding	31,829,250	28,787,662	31,598,650	28,887,757		
Dilutive effect of outstanding restricted stock units	Dilutive effect of outstanding restricted stock units	137,187	72,643	102,574	56,761		
Dilutive effect of outstanding restricted stock units							
Dilutive effect of outstanding restricted stock units							
Weighted average common shares outstanding, including all dilutive potential shares							
Weighted average common shares outstanding, including all dilutive potential shares							
Weighted average common shares outstanding, including all dilutive potential shares	Weighted average common shares outstanding, including all dilutive potential shares						

Weighted average common shares outstanding, including all dilutive potential shares	Weighted average common shares outstanding, including all dilutive potential shares	31,966,437	28,860,305	31,701,224	28,944,518
<b>Earnings per share</b>	<b>Earnings per share</b>				
- Basic	- Basic	\$ 0.62	\$ 0.54	\$ 1.50	\$ 1.50
<b>Earnings per share - Basic</b>					
<b>Earnings per share - Basic</b>					
<b>Earnings per share</b>	<b>Earnings per share</b>				
- Diluted	- Diluted	\$ 0.62	\$ 0.54	\$ 1.49	\$ 1.49
<b>Earnings per share - Diluted</b>					
<b>Earnings per share - Diluted</b>					

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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**NOTE 12.11 – STOCK-BASED COMPENSATION PLANS**

The Company has adopted the HBT Financial, Inc. Omnibus Incentive Plan (the "Omnibus Incentive Plan"). The Omnibus Incentive Plan provides for grants of (i) stock options, (ii) stock appreciation rights, (iii) restricted shares, (iv) restricted stock units, (v) performance awards, (vi) other share-based awards and (vi) other cash-based awards to eligible employees, non-employee directors and consultants of the Company. The maximum number of shares of common stock available for issuance under the Omnibus Incentive Plan is 1,820,000 shares.

The following is a summary of stock-based compensation expense (benefit):

(dollars in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Restricted stock units	\$ 313	\$ 230	\$ 907	\$ 1,072
Performance restricted stock units	295	119	652	530
Total awards classified as equity	608	349	1,559	1,602
Stock appreciation rights	3	51	(43)	35
<b>Total stock-based compensation expense</b>	<b>\$ 611</b>	<b>\$ 400</b>	<b>\$ 1,516</b>	<b>\$ 1,637</b>

In February 2022, all outstanding restricted stock unit and performance restricted stock unit agreements were modified to address treatment upon retirement. In the event of retirement, and if the retirement eligibility requirements are met, then 100% of unvested restricted stock units and performance restricted stock units will continue to vest in accordance with the originally established vesting schedule. The retirement modification resulted in the acceleration of \$0.6 million of expense, although total compensation costs related to the modified agreements remained the same.

(dollars in thousands)	Three Months Ended March 31,	
	2024	2023
Restricted stock units	\$ 273	\$ 277
Performance restricted stock units	236	240
Total awards classified as equity	509	517
Stock appreciation rights	(129)	1
<b>Total stock-based compensation expense</b>	<b>\$ 380</b>	<b>\$ 518</b>

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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### Restricted Stock Units

A restricted stock unit grants a participant the right to receive one share of the Company's common stock, following the completion of the requisite service period. Restricted stock units are classified as equity. Compensation cost is based on the Company's stock price on the grant date and is recognized on a straight-line basis over the service period for the entire award. Dividend equivalents on restricted stock units, which are either accrued until vested, or paid at the same time as dividends on common stock, are classified as dividends charged to retained earnings.

During the **nine** **three** months ended **September 30, 2023** **March 31, 2024** and **2022**, the total grant date fair value of the restricted stock units granted was \$1.0 million and \$0.9 million \$1.0 million, respectively, based on the grant date closing prices. The total intrinsic value of restricted stock **units** that vested during the **nine** **three** months ended **September 30, 2023** **March 31, 2024** and **2022** 2023 was \$1.1 million \$1.4 million and \$0.7 million \$1.1 million, respectively.

The following is a summary of restricted stock unit activity:

	Three Months Ended September 30,					
	2023			2022		
	Restricted Stock Units	Weighted Average		Restricted Stock Units	Weighted Average	
		Grant Date Fair Value			Grant Date Fair Value	
Beginning balance	129,422	\$ 19.58		120,631	\$ 17.98	
Granted	—	—		—	—	
Vested	—	—		—	—	
Forfeited	(520)	21.23		(1,328)	18.35	
Ending balance	128,902	\$ 19.57		119,303	\$ 17.98	

Three Months Ended March 31,
Three Months Ended March 31,
Three Months Ended March 31,
2024
2024
2024
Restricted Stock Units
Restricted Stock Units
Restricted Stock Units
Beginning balance
Beginning balance
Beginning balance
Granted
Granted
Vested
Vested
Forfeited
Forfeited
Forfeited

Ending  
balance  
Ending  
balance  
Ending  
balance

Nine Months Ended September 30,							
2023		2022		Weighted		Weighted	
		Average	Average	Grant	Grant	Date	Date
Restricted	Date	Restricted	Date	Stock	Fair	Stock	Fair
Stock	Fair	Stock	Fair	Units	Value	Units	Value
Beginning balance							
balance	139,986	\$18.01	109,244	\$17.27			
Granted	41,847	22.72	46,312	19.11			
Vested	(51,693)	17.91	(34,925)	17.26			
Forfeited	(1,238)	18.53	(1,328)	18.35			
Ending balance	128,902	\$19.57	119,303	\$17.98			

As of **September 30, 2023** **March 31, 2024**, unrecognized compensation cost related to the non-vested restricted stock units was **\$1.3 million** **\$1.7 million**. This cost is expected to be recognized over the weighted average remaining service period of **1.7** **1.9** years.

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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#### Performance Restricted Stock Units

A performance restricted stock unit is similar to a restricted stock unit, except that the number of shares of the Company's common stock awarded is based on a performance condition and the completion of the requisite service period. The number of shares of the Company's common stock that may be earned ranges from 0% to 150% of the number of performance restricted stock units granted. Performance restricted stock units are classified as equity. Compensation cost is based on the Company's stock price on the grant date and an assessment of the probable outcome of the performance condition. Compensation cost is recognized on a straight-line basis over the service period of the entire award. Changes in the performance condition probability assessment result in cumulative catch-up adjustments to the compensation cost recognized. Dividend equivalents on performance restricted stock units, which are accrued until vested, are classified as dividends charged to retained earnings.

During the **nine** **three** months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**, the total fair value of the performance restricted stock units granted was **\$0.4 million** and **\$0.5 million** **\$0.4 million**, respectively, based on the grant date closing prices and an assessment of the probable outcome of the performance condition on the grant date. The total intrinsic value of performance restricted stock units that vested during the three months ended **March 31, 2024** was **\$0.8 million**.

The following is a summary of performance restricted stock unit activity:

	Three Months Ended September 30,				
	2023		2022		
	Performance	Weighted	Performance	Weighted	
		Average		Average	
	Restricted	Grant Date	Restricted	Grant Date	
	Stock Units	Fair Value	Stock Units	Fair Value	
Beginning balance		79,097	\$18.25	62,067	\$17.02
Granted	—	—	—	—	—
Vested	—	—	—	—	—
Forfeited	—	—	—	—	—
Ending balance	79,097	\$18.25	62,067	\$17.02	

**Nine Months Ended September 30,**

	2023		2022		
	Weighted		Weighted		
	Average		Average		
	Grant	Grant	Grant	Grant	
Performance	Date	Performance	Date		
Restricted	Fair	Restricted	Fair		
Stock Units	Value	Stock Units	Value		
Three Months Ended March 31,					
Three Months Ended March 31,					
Three Months Ended March 31,					
2024					
Performance					
Restricted					
Stock Units					
Performance					
Restricted					
Stock Units					
Performance					
Restricted					
Stock Units					
Beginning balance					
Beginning balance					
Beginning balance	Beginning balance	62,067	\$ 17.02	38,344	\$ 15.72
Granted	Granted	17,030	22.72	23,723	19.14
Granted					
Granted					
Adjustment for					
performance					
condition					
Adjustment for					
performance					
condition					
Adjustment for					
performance					
condition					
Vested	Vested	—	—	—	—
Vested					
Forfeited	Forfeited	—	—	—	—
Forfeited					
Ending balance	Ending balance	79,097	\$ 18.25	62,067	\$ 17.02
Ending balance					
Ending balance					

As of September 30, 2023 March 31, 2024, unrecognized compensation cost related to non-vested performance restricted stock units was \$0.4 million \$0.6 million, based on the current assessment of the probable outcome of the performance conditions. This cost is expected to be recognized over the weighted average remaining service period of 1.5 1.7 years.

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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## Stock Appreciation Rights

A stock appreciation right grants a participant the right to receive an amount of cash, the value of which equals the appreciation in the Company's stock price between the grant date and the exercise date. Stock appreciation rights are classified as liabilities. The liability is based on an option-pricing model used to estimate the fair value of the stock appreciation rights. Compensation cost for non-vested stock appreciation rights is recognized on a straight line basis over the service period of the entire award. The non-vested stock appreciation rights vest in four equal annual installments beginning on the first anniversary of the grant date.

The following is a summary of stock appreciation rights activity:

Three Months Ended September 30,					
2023		2022			
	Weighted Average		Weighted Average		
Stock Appreciation Rights	Grant Date Assigned	Stock Appreciation Rights	Grant Date Assigned	Outstanding	Value
Outstanding		Outstanding		Outstanding	Value
Three Months Ended March 31,					
Three Months Ended March 31,					
Three Months Ended March 31,					
2024					
Stock					
Appreciation					
Rights					
Stock					
Appreciation					
Rights					
Stock					
Appreciation					
Rights					
Beginning balance					
Beginning balance					
Beginning balance	73,440	\$ 16.32	91,800	\$ 16.32	
Granted	Granted	—	—	—	—
Granted					
Granted					
Exercised	Exercised	—	—	—	—
Exercised					
Exercised					
Forfeited	Forfeited	—	—	—	—
Forfeited					
Forfeited					
Forfeited	Forfeited	—	—	—	—
Ending balance	Ending balance	73,440	\$ 16.32	91,800	\$ 16.32
Ending balance					
Ending balance					
Nine Months Ended September 30,					
2023		2022			

	Stock Appreciation Rights	Weighted Average Grant Date Assigned Value	Stock Appreciation Rights	Weighted Average Grant Date Assigned Value
Beginning balance	73,440	\$ 16.32	97,920	\$ 16.32
Granted	—	—	—	—
Exercised	—	—	(6,120)	16.32
Expired	—	—	—	—
Forfeited	—	—	—	—
Ending balance	73,440	\$ 16.32	91,800	\$ 16.32

A further summary As of March 31, 2024, all stock appreciation rights as were exercisable and had a weighted average remaining term of September 30, 2023, is as follows:

Grant Date Assigned Values	Stock Appreciation Rights		Weighted Average Remaining Contractual Term
	Outstanding	Exercisable	
\$16.32	73,440	73,440	5.9 years

As of September 30, 2023, there 5.1 years. There was no unrecognized compensation cost for stock appreciation rights.

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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rights as of March 31, 2024.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the liability recorded for outstanding stock appreciation rights was \$0.4 million and \$0.5 million \$0.6 million, respectively. The Company uses an option pricing model to value the stock appreciation rights, using the assumptions in the following table. Expected volatility is derived from the historical volatility of the Company's stock price and a selected peer group of industry-related companies.

	September 30, 2023	December 31, 2022	March 31, 2024	March 31, 2024	December 31, 2023
Risk-free interest rate	Risk-free interest rate	4.60 % 3.95 %	Risk-free interest rate	4.21 %	3.85 %
Expected volatility	Expected volatility	37.29 % 36.54 %	Expected volatility	37.35 %	37.37 %
Expected life (in years)	Expected life (in years)	5.9 6.7	Expected life (in years)	5.4	5.7
Expected dividend yield	Expected dividend yield	3.73 % 3.27 %	Expected dividend yield	3.99 %	3.22 %

As of September 30, 2023 December 31, 2023, the liability recorded for previously exercised stock appreciation rights was \$0.2 million, which will be was paid in one remaining annual installment in 2024. As of December 31, 2022, the liability recorded for previously exercised stock appreciation rights was \$0.5 million.

**NOTE 13 12 – REGULATORY MATTERS**

The Company (on a consolidated basis) and the Bank are each subject to various regulatory capital requirements administered by the federal and state banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory, and possibly additional discretionary, actions by the regulators that, if undertaken, could have a direct material effect on the consolidated financial statements of the Company and the Bank. Additionally, the ability of the Company to pay dividends to its stockholders is dependent upon the ability of the Bank to pay dividends to the Company.

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and the Bank must meet specific capital guidelines that involve quantitative measures of the assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by regulators about components, risk weightings, and other factors. As allowed under the regulations, the Company and the Bank elected to exclude accumulated other comprehensive income, including unrealized gains and losses on debt securities, in the computation of regulatory capital. Prompt corrective action provisions are not applicable to bank holding companies.

Additionally, the Company and the Bank must maintain a "capital conservation buffer" to avoid becoming subject to restrictions on capital distributions and certain discretionary bonus payments to management. As of September 30, 2023 and December 31, 2022, the The capital conservation buffer was is 2.5% of risk-weighted assets.

As of September 30, 2023 March 31, 2024 and December 31, 2023, the Company and the Bank each met all capital adequacy requirements to which they were subject.

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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The actual and required capital amounts and ratios of the Company (on a consolidated basis) and the Bank are as follows:

Common Equity Tier 1 Capital (to Risk Weighted Assets)	Common Equity Tier 1 Capital (to Risk Weighted Assets)	464,483	11.88	175,988	4.50	N/A	N/A	Common Equity Tier 1 Capital (to Risk Weighted Assets)	481,711	12.44	12.44	174,190	174,190	
Tier 1 Capital (to Average Assets)	Tier 1 Capital (to Average Assets)	515,643	10.34	199,420	4.00	N/A	N/A	Tier 1 Capital (to Average Assets)	532,901	10.65	10.65	200,131	200,131	
Heartland Bank and Trust Company	Heartland Bank and Trust Company													
Heartland Bank and Trust Company	Heartland Bank and Trust Company													
Heartland Bank and Trust Company	Heartland Bank and Trust Company													
Total Capital (to Risk Weighted Assets)														
Total Capital (to Risk Weighted Assets)														
Total Capital (to Risk Weighted Assets)	Total Capital (to Risk Weighted Assets)	\$577,525	14.78 %	\$312,537	8.00 %	\$390,671	10.00 %		\$597,680	15.45	15.45	%	\$309,434	8.00
Tier 1 Capital (to Risk Weighted Assets)	Tier 1 Capital (to Risk Weighted Assets)	542,448	13.89	234,403	6.00	312,537	8.00							
Common Equity Tier 1 Capital (to Risk Weighted Assets)	Common Equity Tier 1 Capital (to Risk Weighted Assets)	542,448	13.89	175,802	4.50	253,936	6.50							
Tier 1 Capital (to Average Assets)	Tier 1 Capital (to Average Assets)	542,448	10.89	199,216	4.00	249,020	5.00							

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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**(Unaudited)**

		December 31, 2022			
		For Capital Adequacy	Capitalized Under Prompt Corrective Purposes	To Be Well Capitalized Under Prompt Corrective Action Provisions	
		Actual			
December 31, 2023					

Actual										Actual									
(dollars in thousands)	(dollars in thousands)	Amount	Ratio	Amount	Ratio	Amount	Ratio	(dollars in thousands)	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount		
<b>Consolidated</b>																			
<b>HBT</b>	<b>HBT</b>																		
<b>Financial,</b>	<b>Financial,</b>																		
<b>Inc.</b>	<b>Inc.</b>																		
<b>Consolidated HBT</b>																			
<b>Financial, Inc.</b>																			
<b>Consolidated HBT</b>																			
<b>Financial, Inc.</b>																			
<b>Total Capital (to Risk Weighted Assets)</b>																			
<b>Total Capital (to Risk Weighted Assets)</b>																			
<b>Total Capital (to Risk Weighted Assets)</b>	<b>Total Capital (to Risk Weighted Assets)</b>	\$516,556	16.27 %	\$254,052	8.00 %	N/A	N/A	\$603,234	15.33	15.33	%	\$314,814	8.00						
<b>Tier 1 Capital (to Risk Weighted Assets)</b>	<b>Tier 1 Capital (to Risk Weighted Assets)</b>	451,828	14.23	190,539	6.00	N/A	N/A	Tier 1 Capital (to Risk Weighted Assets)	527,964	13.42	13.42	236,110	236,110						
<b>Common Equity Tier 1 Capital (to Risk Weighted Assets)</b>	<b>Common Equity Tier 1 Capital (to Risk Weighted Assets)</b>	415,213	13.07	142,904	4.50	N/A	N/A	Common Equity Tier 1 Capital (to Risk Weighted Assets)	476,789	12.12	12.12	177,083	177,083						
<b>Tier 1 Capital (to Average Assets)</b>	<b>Tier 1 Capital (to Average Assets)</b>	451,828	10.48	172,427	4.00	N/A	N/A	Tier 1 Capital (to Average Assets)	527,964	10.49	10.49	201,231	201,231						
<b>Heartland Bank and Trust Company</b>	<b>Heartland Bank and Trust Company</b>																		
<b>Heartland Bank and Trust Company</b>																			
<b>Heartland Bank and Trust Company</b>																			
<b>Total Capital (to Risk Weighted Assets)</b>																			
<b>Total Capital (to Risk Weighted Assets)</b>																			
<b>Total Capital (to Risk Weighted Assets)</b>	<b>Total Capital (to Risk Weighted Assets)</b>	\$489,316	15.43 %	\$253,643	8.00 %	\$317,054	10.00 %	\$586,604	14.92	14.92	%	\$314,496	8.00						

Tier 1	Tier 1					
Capital (to	Capital (to					
Risk	Risk					
Weighted	Weighted					
Assets)	Assets)	463,983	14.63	190,233	6.00	253,643
Common	Common					
Equity Tier 1	Equity Tier 1					
Capital (to	Capital (to					
Risk	Risk					
Weighted	Weighted					
Assets)	Assets)	463,983	14.63	142,674	4.50	206,085
Tier 1	Tier 1					
Capital (to	Capital (to					
Average	Average					
Assets)	Assets)	463,983	10.78	172,240	4.00	215,300
						5.00

#### NOTE 13 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

**Level 1** - Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Company has the ability to access as of the measurement date.

**Level 2** - Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

**Level 3** - Significant unobservable inputs that reflect a Company's own assumptions about the assumptions that market participants would use in pricing as asset or liability.

The Company uses fair value to measure certain assets and liabilities on a recurring basis, such as investment securities, mortgage servicing rights, and derivatives. For assets measured at the lower of cost or fair value, the fair value measurement criteria may or may not be met during a reporting period, and such measurements are therefore considered "nonrecurring" for purposes of disclosing the Company's fair value measurements. Fair value is used on a nonrecurring basis to adjust carrying values for loans held for sale, collateral-dependent loans, bank premises held for sale, and foreclosed assets.

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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#### NOTE 14 – FAIR VALUE OF FINANCIAL INSTRUMENTS

##### Recurring Basis

The Company uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Additional information on fair value measurements is summarized in Note 1 to the Company's annual consolidated financial statements included in the Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 8, 2023. There were no transfers between levels during the three and nine months ended September 30, 2023 and 2022. The Company's policy for determining transfers between levels occurs at the end of the reporting period when circumstances in the underlying valuation criteria change and result in transfer between levels.

The following tables present the balances of the assets measured at fair value on a recurring basis:

(dollars in thousands)	September 30, 2023			
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
<b>Debt securities available-for-sale:</b>				
U.S. Treasury	\$ 154,394	\$ —	\$ —	\$ 154,394
U.S. government agency	—	50,715	—	50,715
Municipal	—	195,201	—	195,201
<b>Mortgage-backed:</b>				
Agency residential	—	177,050	—	177,050
Agency commercial	—	124,329	—	124,329
Corporate	—	51,474	—	51,474

Equity securities with readily determinable fair values	3,106	—	—	3,106
Mortgage servicing rights	—	—	20,156	20,156
Derivative financial assets	—	10,188	—	10,188
Derivative financial liabilities	—	9,674	—	9,674

(dollars in thousands)	December 31, 2022			
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
<b>Debt securities available-for-sale:</b>				
U.S. Treasury	\$ 154,515	\$ —	\$ —	\$ 154,515
U.S. government agency	—	55,157	—	55,157
Municipal	—	243,829	—	243,829
<b>Mortgage-backed:</b>				
Agency residential	—	195,441	—	195,441
Agency commercial	—	132,888	—	132,888
Corporate	—	61,694	—	61,694
Equity securities with readily determinable fair values	3,029	—	—	3,029
Mortgage servicing rights	—	—	10,147	10,147
Derivative financial assets	—	7,610	—	7,610
Derivative financial liabilities	—	6,981	—	6,981

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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The following is a description of the valuation methodologies methods and significant assumptions used for instruments measured at to measure the fair value of assets and liabilities on a recurring basis, as well as the general classification of such instruments pursuant to the valuation hierarchy. There were no changes to the valuation techniques from December 31, 2022 to September 30, 2023, basis.

#### *Investment Securities*

When available, the Company uses quoted market prices to determine the fair value of securities; such items are classified in Level 1 of the fair value hierarchy. For the Company's securities where quoted prices are not available for identical securities in an active market, the Company determines fair value utilizing vendors who apply matrix pricing for similar bonds where no price is observable or may compile prices from various sources. These models are primarily industry-standard models that consider various assumptions, including time value, yield curve, volatility factors, prepayment speeds, default rates, loss severity, current market and contractual prices for the underlying financial instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace. Fair values from these models are verified, where possible, against quoted market prices for recent trading activity of assets with similar characteristics to the security being valued. Such methods are generally classified as Level 2; however, when prices from independent sources vary, cannot be obtained or cannot be corroborated, a security is generally classified as Level 3. The change in fair value of debt securities available-for-sale is recorded through an adjustment to the consolidated statement of comprehensive income (loss). The change in fair value of equity securities with readily determinable fair values is recorded through an adjustment to the consolidated statement of income.

#### *Derivative Financial Instruments*

Interest rate swap agreements are carried at fair value as determined by dealer valuation models. Based on the inputs used, the derivative financial instruments subjected to recurring fair value adjustments are classified as Level 2. For derivative financial instruments designated as hedging instruments, the change in fair value is recorded through an adjustment to the consolidated statement of comprehensive income (loss). For derivative financial instruments not designated as hedging instruments, the change in fair value is recorded through an adjustment to the consolidated statement of income.

#### *Mortgage Servicing Rights*

The Company has elected to record its mortgage servicing rights at fair value. Mortgage servicing rights do not trade in an active market with readily observable prices. Accordingly, the Company determines the fair value of mortgage servicing rights by estimating the fair value of the future cash flows associated with the mortgage loans being serviced as calculated by an independent third party. Key economic assumptions used in measuring the fair value of mortgage servicing rights include, but are not limited to, prepayment speeds and discount rates. Due to the nature of the valuation inputs, mortgage servicing rights are classified as Level 3. The change in fair value is recorded through an adjustment to the consolidated statement of income.

#### *Derivative Financial Instruments*

Interest rate swap agreements are carried at fair value as determined by dealer valuation models. Based on the inputs used, the derivative financial instruments subjected to recurring fair value adjustments are classified as Level 2. For derivative financial instruments designated as hedging instruments, the change in fair value is recorded through an adjustment to the consolidated statement of comprehensive income (loss). For derivative financial instruments not designated as hedging instruments, the change in fair value is recorded through an adjustment to the consolidated statement of income.

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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(Unaudited)

The following tables summarize assets and liabilities measured at fair value on a recurring basis as of March 31, 2024 and December 31, 2023 by level within the fair value hierarchy:

(dollars in thousands)	March 31, 2024			
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
<b>Debt securities available-for-sale:</b>				
U.S. Treasury	\$ 138,186	\$ —	\$ —	\$ 138,186
U.S. government agency	—	50,459	—	50,459
Municipal	—	134,648	—	134,648
<b>Mortgage-backed:</b>				
Agency residential	—	168,546	—	168,546
Agency commercial	—	124,475	—	124,475
Corporate	—	52,706	—	52,706
Equity securities with readily determinable fair values	3,324	—	—	3,324
Mortgage servicing rights	—	—	19,081	19,081
Derivative financial assets	—	7,761	—	7,761
Derivative financial liabilities	—	7,507	—	7,507

(dollars in thousands)	December 31, 2023			
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
<b>Debt securities available-for-sale:</b>				
U.S. Treasury	\$ 148,622	\$ —	\$ —	\$ 148,622
U.S. government agency	—	52,097	—	52,097
Municipal	—	205,557	—	205,557
<b>Mortgage-backed:</b>				
Agency residential	—	173,984	—	173,984
Agency commercial	—	127,012	—	127,012
Corporate	—	52,189	—	52,189
Equity securities with readily determinable fair values	3,360	—	—	3,360
Mortgage servicing rights	—	—	19,001	19,001
Derivative financial assets	—	6,549	—	6,549
Derivative financial liabilities	—	6,227	—	6,227

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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The following tables present additional information about the unobservable inputs used in the fair value measurement of the mortgage servicing rights (dollars in thousands):

	Fair Value	Valuation Technique	Unobservable Inputs	Range
				(Weighted Average)
September 30, 2023	\$ 20,156 19,081	Discounted cash flows	Constant pre-payment rates (CPR)	6.5% 6.4% to 41.5% (8.2% 59.7% (8.6%)
			Discount rate	9.0% to 45.9% 55.0% (9.8%)
December 31, 2022	\$ 10,147 19,001	Discounted cash flows	Constant pre-payment rates (CPR)	5.3% 6.2% to 59.7% (8.2% 49.4% (8.4%)
			Discount rate	9.0% to 11.7% (9.3% 37.3% (9.6%)

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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#### Nonrecurring Basis

Certain The following is a description of the methods and significant assumptions used to measure the fair value of assets are measured at fair value and liabilities on a nonrecurring basis. These assets are not measured at fair value on an ongoing basis; however, they are subject to fair value adjustments in certain circumstances, such as there is evidence of impairment or a change in the amount of previously recognized impairment.

The following tables present the balances of the assets measured at fair value on a nonrecurring basis:

	September 30, 2023				
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value	
(dollars in thousands)					
Loans held for sale	\$ —	\$ 3,563	\$ —	\$ 3,563	
Collateral-dependent loans	—	—	31,484	31,484	
Bank premises held for sale	—	—	35	35	
Foreclosed assets	—	—	1,519	1,519	

	December 31, 2022				
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value	
(dollars in thousands)					
Loans held for sale	\$ —	\$ 615	\$ —	\$ 615	
Collateral-dependent loans	—	—	17,460	17,460	
Bank premises held for sale	—	—	235	235	
Foreclosed assets	—	—	3,030	3,030	

#### Loans Held for Sale

Mortgage loans originated and held for sale are carried at the lower of cost or estimated fair value. The Company obtains quotes or bids on these loans directly from purchasing financial institutions. Typically, these quotes include a premium on the sale and thus these quotes generally indicate fair value of the held for sale loans is greater than cost. Loans held for sale have been classified as Level 2.

#### Collateral-Dependent Loans

In accordance with the provisions of the Periodically, a collateral-dependent loan impairment guidance, impairment was measured for loans with respect to which it is probable that payment of interest evaluated individually and principal will not be made in accordance with the contractual terms of the loan agreement. The fair value of collateral-dependent impaired loans is estimated based on reported at the fair value of the underlying collateral, supporting less estimated costs to sell, if repayment is expected solely from the loan. Collateral-dependent loans require classification in collateral. If the fair collateral value hierarchy. Impaired loans include loans acquired with deteriorated credit quality is not sufficient, a specific reserve is recorded. Collateral values are estimated using Level 3 inputs based on recent appraisals and customized discounting criteria. Due to the significance of unobservable inputs, fair values of collateral-dependent loans have been classified as Level 3.

#### Bank Premises Held for Sale

Bank premises held for sale are recorded at the lower of cost or fair value, less estimated selling costs, at the date classified as held for sale. Values are estimated using Level 3 inputs based on recent appraisals and customized discounting criteria. The carrying value Due to the significance of bank premises held for sale is not re-measured to unobservable inputs, fair value on a recurring basis but is subject to fair value adjustments when the carrying value exceeds the fair value, less estimated selling costs.

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values of collateral-dependent loans have been classified as Level 3.

**Foreclosed Assets**

Foreclosed assets are recorded at fair value based on property appraisals, less estimated selling costs, at the date of the transfer. Subsequent to the transfer, foreclosed assets are carried at the lower of cost or fair value, less estimated selling costs. Values are estimated using Level 3 inputs based on recent appraisals and customized discounting criteria. Due to the significance of unobservable inputs, fair values of collateral-dependent loans have been classified as Level 3.

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The carrying value of foreclosed following tables summarize assets is not re-measured to measured at fair value on a recurring nonrecurring basis but is subject to fair value adjustments when the carrying value exceeds as of March 31, 2024 and December 31, 2023 by level within the fair value less estimated selling costs hierarchy.

**Collateral-Dependent Loans, Bank Premises Held for Sale, and Foreclosed Assets**

(dollars in thousands)	March 31, 2024			
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
Loans held for sale	\$ —	\$ 3,479	\$ —	\$ 3,479
Collateral-dependent loans	—	—	34,262	34,262
Bank premises held for sale	—	—	317	317
Foreclosed assets	—	—	277	277

The estimated fair value of collateral-dependent loans, bank premises held for sale, and foreclosed assets is based on the appraised fair value of the collateral, less estimated costs to sell. Collateral-dependent loans, bank premises held for sale, and foreclosed assets are classified within Level 3 of the fair value hierarchy.

The Company considers the appraisal or a similar evaluation as the starting point for determining fair value and then considers other factors and events in the environment that may affect the fair value. Appraisals or a similar evaluation of the collateral underlying collateral-dependent loans and foreclosed assets are obtained at the time a loan is first considered impaired or a loan is transferred to foreclosed assets. Appraisals or a similar evaluation of bank premises held for sale are obtained when first classified as held for sale. Appraisals or similar evaluations are obtained subsequently as deemed necessary by management but at least annually on foreclosed assets and bank premises held for sale. Appraisals are reviewed for accuracy and consistency by management. Appraisals are performed by individuals selected from the list of approved appraisers maintained by management. The appraised values are reduced by estimated costs to sell. These discounts and estimates are developed by management by comparison to historical results.

(dollars in thousands)	December 31, 2023			
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
Loans held for sale	\$ —	\$ 2,318	\$ —	\$ 2,318
Collateral-dependent loans	—	—	32,685	32,685
Foreclosed assets	—	—	852	852

The following tables present quantitative information about unobservable inputs used in nonrecurring Level 3 fair value measurements (dollars in thousands):

	Fair Value	Valuation Technique	Unobservable Inputs	Range (Weighted Average)
<b>September 30, 2023</b>	<b>March 31, 2024</b>			
Collateral-dependent loans	\$ 31,484 34,262	Appraisal of collateral	Appraisal adjustments	Not meaningful
Bank premises held for sale	35 317	Appraisal	Appraisal adjustments	7% (7%)
Foreclosed assets	1,519 277	Appraisal	Appraisal adjustments	7% (7%)
<b>December 31, 2022</b>	<b>2023</b>			
	<b>Fair Value</b>	<b>Valuation Technique</b>	<b>Unobservable Inputs</b>	<b>Range (Weighted Average)</b>
Collateral-dependent loans	\$ 17,460 32,685	Appraisal of collateral	Appraisal adjustments	Not meaningful
	7% (7%)			
Foreclosed assets	3,030 852	Appraisal	Appraisal adjustments	7% (7%)

#### Other Fair Value Methods

The following methods and assumptions were used by the Company in estimating fair value disclosures of its other financial instruments. There were no changes in the methods and significant assumptions used to estimate the fair value of these financial instruments.

#### Cash and Cash Equivalents

The carrying amounts of these financial instruments approximate their fair values.

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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#### Restricted Stock

The carrying amount of FHLB stock approximates fair value based on the redemption provisions of the FHLB.

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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#### Loans

The fair value estimation process for the loan portfolio uses an exit price concept and reflects discounts the Company believes are consistent with discounts in the marketplace. Fair values are estimated for portfolios of loans with similar characteristics. Loans are segregated by type such as commercial and industrial, agricultural and farmland, commercial real estate [owner occupied, commercial real estate [non-owner occupied, multi-family, construction and land development, one-to-four family residential, and municipal, consumer, and other. The fair value of loans is estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for similar maturities. The fair value analysis also includes other assumptions to estimate fair value, intended to approximate those a market participant would use in an orderly transaction, with adjustments for discount rates, interest rates, liquidity, and credit spreads, as appropriate.

#### Investments in Unconsolidated Subsidiaries

The fair values of the Company's investments in unconsolidated subsidiaries are presumed to approximate carrying amounts.

#### Time and Brokered Time Deposits

Fair values of certificates of deposit with stated maturities have been estimated using the present value of estimated future cash flows discounted at rates currently offered for similar instruments. Time deposits also include public funds time deposits.

#### Securities Sold Under Agreements to Repurchase

The fair values of repurchase agreements with variable interest rates are presumed to approximate their recorded carrying amounts.

#### FHLB Advances

The fair values of FHLB advances are estimated using discounted cash flow analyses based on current rates offered for borrowings with similar remaining maturities and characteristics.

#### Subordinated Notes

The fair values of subordinated notes are estimated using discounted cash flow analyses based on rates observed on recent debt issuances by other financial institutions.

#### Junior Subordinated Debentures

The fair values of subordinated debentures are estimated using discounted cash flow analyses based on rates observed on recent debt issuances by other financial institutions.

#### Accrued Interest

The carrying amounts of accrued interest approximate fair value.

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The following table provides summary information on the carrying amounts and estimated fair values of the Company's financial instruments:

(dollars in thousands)	Fair Value Hierarchy Level	March 31, 2024			December 31, 2023		
		Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value		
<b>Financial assets:</b>							
Cash and cash equivalents	Level 1	\$ 260,212	\$ 260,212	\$ 141,252	\$ 141,252		
Debt securities held-to-maturity	Level 2	517,472	458,640	521,439	466,496		
Restricted stock	Level 3	5,155	5,155	7,160	7,160		
Loans, net	Level 3	3,305,147	3,272,226	3,364,369	3,349,540		
Investments in unconsolidated subsidiaries	Level 3	1,614	1,614	1,614	1,614		
Accrued interest receivable	Level 2	23,117	23,117	24,534	24,534		
<b>Financial liabilities:</b>							
Time deposits	Level 3	713,142	705,385	627,253	619,682		
Brokered time deposits	Level 3	55,762	55,782	144,880	144,944		
Securities sold under agreements to repurchase	Level 2	31,864	31,864	42,442	42,442		
FHLB advances	Level 3	12,725	12,524	12,623	12,621		
Subordinated notes	Level 3	39,494	37,031	39,474	36,993		
Junior subordinated debentures	Level 3	52,804	48,682	52,789	48,529		
Accrued interest payable	Level 2	6,316	6,316	6,969	6,969		

The Company estimated the fair value of lending related commitments as described in Note 14 to be immaterial based on limited interest rate exposure due to their variable nature, short-term commitment periods, and termination clauses provided in the agreements.

#### Limitations

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. Because no market exists for a significant portion of the Company's financial instruments, fair value estimates are based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
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Fair values have been estimated using data which management considered the best available and estimation methodologies deemed suitable for the pertinent category of financial instrument.

The following table provides summary information on the carrying amounts and estimated fair values of the Company's financial instruments:

(dollars in thousands)	Fair Value Hierarchy Level	September 30, 2023			December 31, 2022		
		Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value		
<b>Financial assets:</b>							
Cash and cash equivalents	Level 1	\$ 111,913	\$ 111,913	\$ 114,159	\$ 114,159		
Debt securities held-to-maturity	Level 2	527,144	450,313	541,600	478,801		
Restricted stock	Level 3	11,165	11,165	7,965	7,965		
Loans, net	Level 3	3,303,923	3,252,850	2,594,920	2,566,930		
Investments in unconsolidated subsidiaries	Level 3	1,614	1,614	1,165	1,165		
Accrued interest receivable	Level 2	23,447	23,447	19,506	19,506		
<b>Financial liabilities:</b>							
Time deposits	Level 3	679,607	668,960	262,968	253,619		
Securities sold under agreements to repurchase	Level 2	28,900	28,900	43,081	43,081		
Subordinated notes	Level 3	39,454	36,852	39,395	37,205		
Junior subordinated debentures	Level 3	52,774	43,600	37,780	37,030		
Accrued interest payable	Level 2	3,707	3,707	1,363	1,363		

The Company estimated the fair value of lending related commitments as described in Note 15 to be immaterial based on limited interest rate exposure due to their variable nature, short-term commitment periods and termination clauses provided in the agreements.

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**NOTE 15.14 – COMMITMENTS AND CONTINGENCIES**

**Financial Instruments**

The Bank is party to credit-related financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit. Such instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheets.

The Bank's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and standby letters of credit is represented by the contractual amount of those instruments. The Bank uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments.

Such commitments and conditional obligations were as follows:

(dollars in thousands)	Contractual Amount				(dollars in thousands)	
	Contractual Amount		Contractual Amount			
	September 30, 2023	December 31, 2022	September 30, 2024	December 31, 2023		
Commitments to extend credit	\$ 881,943	\$ 756,885	\$ 881,943	\$ 756,885	\$ 881,943	\$ 756,885
Commitments to extend credit	\$ 23,689	\$ 17,785	\$ 23,689	\$ 17,785	\$ 23,689	\$ 17,785
Standby letters of credit	\$ 23,689	\$ 17,785	\$ 23,689	\$ 17,785	\$ 23,689	\$ 17,785

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Bank evaluates each customer's credit worthiness on a case-by-case basis. The amount of

collateral obtained, if deemed necessary, by the Bank upon extension of credit is based on management's credit evaluation of the customer. Collateral held varies, but may include real estate, accounts receivable, inventory, property, plant, and equipment, and income-producing properties.

Standby letters of credit are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. Those standby letters of credit are primarily issued to support extensions of credit. The credit risk involved in issuing standby letters of credit is essentially the same as that involved in extending loans to customers. The Bank secures the standby letters of credit with the same collateral used to secure the related loan.

#### **Allowance for Credit Losses on Unfunded Lending-related Commitments**

The Company estimates expected credit losses over the contractual period in which the Company is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancelable by the Company. The allowance for credit losses on unfunded commitments is included in other liabilities on the consolidated balance sheets and is adjusted through a charge to provision for credit loss expense on the consolidated statements of income. The allowance for credit losses on unfunded commitments estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments expected to be funded over its estimated life. The allowance for credit losses on unfunded commitments was ~~\$4.4 million~~ \$3.8 million and ~~\$3.8 million~~ as of ~~September 30, 2023~~, March 31, 2024 and ~~December 31, 2023~~, respectively.

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#### **Legal Contingencies**

In the normal course of business, the Company, or its subsidiaries, are involved in various legal proceedings. In the opinion of management, any liability resulting from pending proceedings would not be expected to have a material adverse effect on the Company's consolidated financial statements.

*PLB Investments LLC, John Kuehner, and A.S. Palmer Investments LLC v. Heartland Bank and Trust Company and PNC Bank N.A., In the United States District Court for the Northern District of Illinois, Case No. 1:20-cv-1023 ("Class Action"); and Melanie E. Damian, As Receiver of Today's Growth Consultant, Inc. (dba The Income Store) v. Heartland Bank and Trust Company and PNC Bank N.A., In the United States District Court for the Northern District of Illinois, Case No. 1:20-cv-7819 ("Receiver's Action")*

The Bank was a defendant in the purported Class Action lawsuit that was filed on February 12, 2020, in the U.S. District Court for the Northern District of Illinois. The plaintiffs in the Class Action alleged that the Bank negligently enabled and facilitated a fraudulent, Ponzi-like scheme perpetrated by Today's Growth Consultant, Inc. (dba The Income Store) ("TGC"). Additionally, the Receiver for TGC filed the Receiver's Action on December 30, 2020, in the U.S. District Court for the Northern District of Illinois, with similar allegations.

On February 20, 2023, the Bank reached an agreement in principle to settle both the Class Action and Receiver's Action in which the Bank would make one-time cash payments totaling \$13.0 million, without admitting fault, to release the Bank from further liability and claims in both the Class Action and Receiver's Action.

On August 16, 2023, definitive settlement agreements reflecting the terms of the agreement in principle were approved by the Court, and the Bank made the one-time cash payments totaling \$13.0 million during the third quarter of 2023. The settlements do not include any admission of liability or wrongdoing by the Bank, and the Bank expressly denies any liability or wrongdoing with respect to any matter alleged in the Class Action and Receiver's Action. The Bank agreed in principle to the settlements to avoid the cost, risks and distraction of continued litigation. The Company believes the settlements are in the best interests of the Company and its shareholders.

Accordingly, the Bank had \$13.0 million accrued related to these matters as of December 31, 2022. The Bank's insurer reimbursed \$7.4 million of the settlement payment which was recorded as an insurance recovery receivable as of December 31, 2022. The net settlement amount of \$5.6 million was included in other noninterest expense in the consolidated statements of income during the fourth quarter of 2022.

#### *DeBaere, et al v. Heartland Bank and Trust Company*

The Bank ~~is~~ was a defendant in a purported class action lawsuit filed in June 2020, in the Circuit Court of Cook County, Illinois. The plaintiff, a customer of the Bank, alleges that the Bank breached its contract with the plaintiff by (1) charging multiple insufficient funds fees or overdraft fees on a single customer-initiated transaction, and (2) charging overdraft fees for transactions that were authorized on a positive account balance, but when settled, settled into a negative balance.

#### *Miller, et al v. State Bank of Lincoln and Heartland Bank and Trust Company*

The Bank ~~is~~ was a defendant in a purported class action lawsuit filed in May 2020, in the Circuit Court of Logan County, Illinois. The plaintiff, a customer of State Bank of Lincoln, which previously merged with the Bank, alleges that the Bank breached its contract with the plaintiff by charging multiple insufficient funds fees or overdraft fees on a single customer-initiated transaction.

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

On May 15, 2023, the Bank reached an agreement in principle to settle both the *DeBaere, et al* and *Miller, et al* cases in which the Bank would make one-time cash payments totaling \$3.4 million, without admitting fault, to release the Bank from further liability and claims in both the cases. ~~If the proposed~~

Definitive settlement agreements are approved by reflecting the Court and are not subject to appeal, terms of the Bank will make one-time cash payments totaling \$3.4 million.

The DeBaere, et al settlement agreement was preliminarily in principle were approved by the Court on September 28, 2023, December 15, 2023 in the DeBaere, et al case and on February 16, 2024 in the Miller, et al settlement agreement is pending preliminary approval by case. The Bank made the Court one-time cash payments totaling \$3.4 million during the fourth quarter of 2023. The proposed settlements do not include any admission of liability or wrongdoing by the Bank, and the Bank expressly denies any liability or wrongdoing with respect to any matter alleged in the DeBaere, et al Class Action and Miller, et al cases. Receiver's Action. The Bank has agreed in principle to the settlements to avoid the cost, risks and distraction of continued litigation. The Company believes the proposed settlements are in the best interests of the Company and its shareholders.

Accordingly, the Bank had in the aggregate \$3.4 million accrued as of September 30, 2023 and \$2.6 million accrued as of December 31, 2022 related to these matters. An initial \$2.6 million accrual was recognized in other noninterest expense during the fourth quarter of 2022, reflecting management's best estimate at that time, and an additional \$0.8 million accrual was recognized in other noninterest expense during the third quarter of 2023, following the agreement in principle to settle both the DeBaere, et al and Miller, et al cases.

**HBT FINANCIAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

#### *John Pickett v. Town and Country Bank*

The Bank is a defendant in a purported class action lawsuit filed in October 2023, in the Circuit Court of Sangamon County, Illinois. The plaintiff, a customer of Town and Country Bank, which previously merged with the Bank, alleges that the Bank breached its contract with the plaintiff by charging overdraft fees for transactions that were authorized on a positive account balance, but when settled, settled into a negative balance.

On March 29, 2024, the Bank reached an agreement in principle to settle this case in which the Bank would make a one-time cash payment of \$0.3 million, without admitting fault, to release the Bank from further liability and claims in the case. If the proposed settlement agreement is approved by the Court and is not subject to appeal, the Bank will make a one-time cash payment of \$0.3 million.

The proposed settlement does not include any admission of liability or wrongdoing by the Bank, and the Bank expressly denies any liability or wrongdoing with respect to any matter alleged in the case. The Bank intends has agreed in principle to vigorously defend the lawsuit settlement to avoid the cost, risks, and distraction of continued litigation. The Company believes the proposed settlement is unable in the best interests of the Company and its shareholders.

An initial accrual of \$0.2 million was recorded during the fourth quarter of 2023, reflecting management's best estimate at that time, and an additional \$0.1 million accrual was recorded during the first quarter of 2024. As of March 31, 2024 and December 31, 2023, the Company had \$0.3 million and \$0.2 million accrued related to predict when the this matter, will be resolved, the ultimate outcome, or potential costs or damages to be incurred, respectively.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless the context requires otherwise, references in this report to the "Company," "we," "us" and "our" refer to HBT Financial, Inc. and its subsidiaries.

The following is management's discussion and analysis of the financial condition as of September 30, 2023 March 31, 2024 (unaudited), as compared with December 31, 2022 December 31, 2023, and the results of operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 (unaudited). Management's discussion and analysis should be read in conjunction with the Company's unaudited consolidated financial statements and notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q, as well as the Company's audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, filed with the SEC on March 8, 2023 March 6, 2024. Results of operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 are not necessarily indicative of results to be attained for the year ended December 31, 2023 December 31, 2024, or for any other period.

### OVERVIEW

HBT Financial, Inc., headquartered in Bloomington, Illinois, is the holding company for Heartland Bank and Trust Company, and has banking roots that can be traced back to 1920. We provide a comprehensive suite of business, commercial, wealth management, and retail banking financial products and services to consumers, businesses, families, and local governments municipal entities throughout Illinois and Eastern Iowa. As of September 30, 2023 March 31, 2024, the Company had total assets of \$5.0 billion, loans held for investment of \$3.3 billion, and total deposits of \$4.2 billion \$4.4 billion.

### Market Area

As of September 30, 2023 March 31, 2024, our branch network included 67 66 full-service branch locations throughout Illinois and Eastern Iowa. We hold a leading deposit share in many of our Central Illinois markets, which we define as a top three deposit share rank, providing the foundation for our strong deposit base. The stability provided by this low-cost funding is a key driver of our strong track record of financial performance. Below is a summary of our loan and deposit balances by geographic region:

September 30, 2023	December 31, 2022
--------------------	-------------------

March 31, 2024					March 31, 2024		December 31, 2023		
(dollars in thousands)	Loans	Deposits	Loans	Deposits	(dollars in thousands)	Loans	Deposits	Loans	Deposits
Central									
Central									
Central	Central	\$1,663,966	\$2,883,803	\$1,024,015	\$2,239,030				
Chicago	Chicago								
MSA	MSA	1,370,054	1,207,001	1,294,327	1,216,423				
Illinois	Illinois	3,034,020	4,090,804	2,318,342	3,455,453				
Iowa	Iowa	308,766	107,264	301,911	131,571				
<b>Total</b>	<b>Total</b>	<b>\$3,342,786</b>	<b>\$4,198,068</b>	<b>\$2,620,253</b>	<b>\$3,587,024</b>				

#### Town and Country Acquisition

On February 1, 2023, HBT Financial completed its acquisition of Town and Country, the holding company for Town and Country Bank. The acquisition of Town and Country further enhanced HBT Financial's footprint in Central Illinois and expanded our footprint into metro-east St. Louis. At the time of acquisition, Town and Country Bank operated 10 full-service branch locations which began operating as branches of Heartland Bank. The core system conversion was successfully completed in April 2023. After considering business combination accounting adjustments, Town and Country added total assets of \$937 million, total loans held for investment of \$635 million, and total deposits of \$720 million.

Total consideration consisted of 3.4 million shares of HBT Financial's common stock and \$38.0 million in cash. Based upon the closing price of HBT Financial common stock of \$21.12 on February 1, 2023, the aggregate consideration was approximately \$109.4 million. Goodwill of \$30.5 million was recorded in the acquisition. There were no acquisition-related expenses during the three months ended September 30, 2023 March 31, 2024. Acquisition-related expenses totaled \$13.7 million \$13.1 million for the nine three months ended September 30, 2023 March 31, 2023, which includes including the 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 through provision for credit losses during the first quarter of 2023, and totaled \$462 thousand for the three and nine months ended September 30, 2022. We do not expect material acquisition-related expenses related to Town and Country in subsequent quarters. losses.

#### FACTORS AFFECTING OUR RESULTS OF OPERATIONS

##### Economic Conditions

The Company's business and financial performance are affected by economic conditions generally in the U.S. and more directly in the Illinois and Iowa markets where we primarily operate. The significant economic factors that are most relevant to our business and our financial performance include the general economic conditions in the U.S. and in the Company's markets (including the effect of inflationary pressures and supply chain constraints) pressures, unemployment rates, real estate markets, and interest rates.

##### Interest Rates

Net interest income is our primary source of revenue. Net interest income is equal to the excess of interest income earned on interest earning assets (including discount accretion on purchased loans plus certain loan fees) over interest expense incurred on interest-bearing liabilities. The level of interest rates as well as the volume of interest-earning assets and interest-bearing liabilities both impact net interest income. Net interest income is also influenced by both the pricing and mix of interest-earning assets and interest-bearing liabilities which, in turn, are impacted by external factors such as local economic conditions, competition for loans and deposits, the monetary policy of the Federal Reserve Board ("FRB"), and market interest rates.

The cost of our deposits and short-term wholesale borrowings is largely based on short-term interest rates, which are primarily driven by the FRB's actions. The yields generated by our loans and securities are typically driven by short-term and long-term interest rates, which are set by the market and, to some degree, by the FRB's actions. Our net interest income is therefore influenced by movements in such interest rates and the pace at which such movements occur. Generally, we expect increases in market interest rates will increase our net interest income and net interest margin in future periods, while decreases in market interest rates may decrease our net interest income and net interest margin in future periods. periods; however, this depends upon the timing and extent of interest rate fluctuations and may not always be the case.

##### Credit Trends

We focus on originating loans with appropriate risk/reward profiles. We have a detailed loan policy that guides our overall loan origination philosophy and a well-established loan approval process that requires experienced credit officers to approve larger loan relationships. Although we believe our loan approval and credit review processes are strengths that allow us to maintain a high-quality loan portfolio, we recognize that credit trends in the markets in which we operate and in our loan portfolio can materially impact our financial condition and performance and that these trends are primarily driven by the economic conditions in our markets.

##### Competition

Our profitability and growth are affected by the highly competitive nature of the financial services industry. We compete with community banks in all our markets and, to a lesser extent, with **money center** regional and **national** banks, primarily in the Chicago MSA. Additionally, we compete with non-bank financial services companies, FinTechs and other financial institutions operating within the areas we serve. We compete by emphasizing personalized service and efficient decision-making tailored to individual needs. We do not rely on any individual, group, or entity for a material portion of our loans or our deposits. We continue to see significant competitive pressure on loan rates and terms, as well as deposit pricing, which may affect our financial results in the future.

## Digital Banking

Throughout the banking industry, in-person branch traffic is expected to continue to decline as more customers turn to digital banking for routine banking transactions. The COVID-19 pandemic accelerated this transition, and in-person branch traffic is not expected to return to pre-pandemic levels. Additionally, widespread adoption of faster payment and instant payment technologies could require us to substantially increase our expenditures on technology infrastructure, increase our regulatory compliance costs, and adversely impact the stability of our deposit base. We plan to continue investing in our digital banking platforms, while maintaining an appropriately sized branch network. An inability to meet evolving customer expectations, with the appropriate level of security, for both digital and in-person banking may adversely affect our financial results in the future.

## Regulatory Environment and Trends

We are subject to federal and state regulation and supervision, which continue to evolve as the legal and regulatory framework governing our operations continues to change. The current operating environment includes extensive regulation and supervision in areas such as consumer compliance, the Bank Secrecy Act and anti-money laundering compliance, risk management, and internal audit. We anticipate that this environment of extensive regulation and supervision will continue for the industry. As a result, changes in the regulatory environment may result in additional costs for additional compliance, risk management, and audit personnel or professional fees associated with advisors and consultants.

## FACTORS AFFECTING COMPARABILITY OF FINANCIAL RESULTS

### JOBS Act Accounting Election

We qualify as an "emerging growth company" under the JOBS Act. The JOBS Act permits us an extended transition period for complying with new or revised accounting standards affecting public companies. The Company may remain an emerging growth company until the earliest to occur of: (1) the end of the fiscal year following the fifth anniversary of the completion of our initial public offering, which is December 31, 2024, (2) the last day of the fiscal year in which the Company has \$1.235 billion or more in annual revenues, (3) the date on which the Company is deemed to be a "large accelerated filer" under the Exchange Act, or (4) the date on which the Company has, during the previous three year period, issued, publicly or privately, more than \$1.0 billion in non-convertible debt securities. We have elected to use the extended transition period until we are no longer an emerging growth company or until we choose to affirmatively and irrevocably opt out of the extended transition period. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements applicable to public companies.

## RESULTS OF OPERATIONS

### Overview of Recent Financial Results

The following table presents selected financial results and measures:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,
(dollars in thousands, except per share amounts)					
(dollars in thousands, except per share amounts)					
(dollars in thousands, (dollars in thousands, except per share amounts)	except per share amounts)	2023	2022	2023	2022
Total interest and dividend income	Total interest and dividend income	\$ 59,041	\$ 39,014	\$ 167,588	\$ 108,106
Total interest and dividend income					
Total interest and dividend income					

Total interest expense						
Total interest expense						
Total interest expense	Total interest expense	10,762	1,624	23,600	4,415	
Net interest income	Net interest income	48,279	37,390	143,988	103,691	
Net interest income						
Net interest income						
Provision for credit losses						
Provision for credit losses						
Provision for credit losses	Provision for credit losses	480	386	6,460	(53)	
Net interest income after provision for credit losses	Net interest income after provision for credit losses	47,799	37,004	137,528	103,744	
Net interest income after provision for credit losses						
Total noninterest income						
Total noninterest income						
Total noninterest income	Total noninterest income	9,490	8,234	26,841	26,828	
Total noninterest expense	Total noninterest expense	30,671	23,998	100,577	71,997	
Total noninterest expense						
Total noninterest expense						
Income before income tax expense						
Income before income tax expense						
Income before income tax expense	Income before income tax expense	26,618	21,240	63,792	58,575	
Income tax expense	Income tax expense	6,903	5,613	16,396	15,259	
Income tax expense						
Income tax expense						
Net income	Net income	\$ 19,715	\$ 15,627	\$ 47,396	\$ 43,316	
Net income						
Net income						
Adjusted net income <sup>(1)</sup>						
Adjusted net income <sup>(1)</sup>						
Adjusted net income	Adjusted net income	\$ 20,279	\$ 15,856	\$ 58,910	\$ 41,919	
Net interest income	Net interest income					
(tax-equivalent basis)	(tax-equivalent basis)					
(1) (2)	(1) (2)	\$ 48,954	\$ 38,064	\$ 146,080	\$ 105,492	
Net interest income (tax-equivalent basis)						
(1) (2)						
Net interest income (tax-equivalent basis)						
(1) (2)						
Share and Per Share Information						
Share and Per Share Information						
Share and Per Share Information	Share and Per Share Information					
Earnings per share -	Earnings per share -					
Diluted	Diluted	\$ 0.62	\$ 0.54	\$ 1.49	\$ 1.49	

Earnings per share - Diluted						
Earnings per share - Diluted						
Adjusted earnings per share - Diluted <sup>(1)</sup>						
Adjusted earnings per share - Diluted <sup>(1)</sup>						
Adjusted earnings per share - Diluted <sup>(1)</sup>	Adjusted earnings per share - Diluted <sup>(1)</sup>	0.63	0.55	1.86	1.45	
Weighted average shares of common stock outstanding	Weighted average shares of common stock outstanding	31,829,250	28,787,662	31,598,650	28,887,757	
Weighted average shares of common stock outstanding						
Weighted average shares of common stock outstanding						
Summary Ratios						
Summary Ratios						
Summary Ratios	Summary Ratios					
Net interest margin *	Net interest margin *	4.07	%	3.65	%	
Net interest margin *				4.14	%	3.36 %
Net interest margin *						
Net interest margin (tax-equivalent basis) *						
(1) (2)						
Net interest margin (tax-equivalent basis) *						
(1) (2)						
Net interest margin	Net interest margin					
(tax-equivalent basis)	(tax-equivalent basis)					
* (1) (2)	* (1) (2)	4.13		3.72		4.20
Yield on loans *	Yield on loans *	6.10		4.91		5.96
Yield on loans *						4.66
Yield on interest-earning assets *						
Yield on interest-earning assets *						
Yield on interest-earning assets *						
Yield on interest-earning assets *	Yield on interest-earning assets *	4.97		3.81		4.82
Cost of interest-bearing liabilities *	Cost of interest-bearing liabilities *	1.27		0.23		0.96
Cost of interest-bearing liabilities *						0.21
Cost of interest-bearing liabilities *						
Cost of total deposits	Cost of total deposits					
*	*	0.69		0.06		0.45
Cost of total deposits *						0.06
Cost of total deposits *						
Cost of funds *						
Cost of funds *						
Cost of funds *	Cost of funds *	0.96		0.17		0.72
Efficiency ratio	Efficiency ratio	51.85	%	52.07	%	57.73
Efficiency ratio						54.60 %
Efficiency ratio						
Efficiency ratio						
Efficiency ratio (tax-equivalent basis) <sup>(1) (2)</sup>						
Efficiency ratio (tax-equivalent basis) <sup>(1) (2)</sup>						
Efficiency ratio (tax-equivalent basis) <sup>(1)</sup>	Efficiency ratio (tax-equivalent basis) <sup>(1)</sup>	51.25		51.31		57.04
(2)	(2)					53.86

Return on average assets *	Return on average assets *	1.58	%	1.47	%	1.29	%	1.35	%
Return on average assets *									
Return on average assets *									
Return on average stockholders' equity *	Return on average stockholders' equity *	17.02		16.27		14.22		14.91	
Return on average stockholders' equity *									
Return on average tangible common equity									
* (1)									
Return on average tangible common equity									
* (1)									
Return on average tangible common equity *	Return on average tangible common equity *	20.70		17.70		17.17		16.20	
Adjusted return on average assets * (1)	Adjusted return on average assets * (1)	1.62	%	1.49	%	1.61	%	1.31	%
Adjusted return on average assets * (1)									
Adjusted return on average assets * (1)									
Adjusted return on average stockholders' equity * (1)									
Adjusted return on average stockholders' equity * (1)									
Adjusted return on average stockholders' equity * (1)	Adjusted return on average stockholders' equity *	17.51		16.51		17.68		14.43	
Adjusted return on average tangible common equity * (1)	Adjusted return on average tangible common equity * (1)	21.29		17.96		21.34		15.67	
Adjusted return on average tangible common equity * (1)									
Adjusted return on average tangible common equity * (1)									

\* Annualized measure.

(1) See "Non-GAAP Financial Information" for reconciliation of non-GAAP measure measures to their most closely comparable GAAP measures.

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

#### Comparison of the Three Months Ended September 30, 2023 March 31, 2024 to the Three Months Ended September 30, 2022 March 31, 2023

For the three months ended September 30, 2023 March 31, 2024, net income was \$19.7 million \$15.3 million, increasing by \$4.1 million \$6.1 million, or 26.2% 65.7%, when compared to net income for the three months ended September 30, 2022 March 31, 2023. Notable changes include the following:

- A \$10.9 million increase in net interest income, primarily attributable to higher yields on interest-earning assets and the increase in average interest-earning assets following the Town and Country merger;
- There were no Town and Country acquisition-related expenses during the third first quarter of 2023, 2024, compared to \$0.5 million \$13.1 million of acquisition-related expenses incurred during the third first quarter of 2022, 2023;
- Excluding Town and Country acquisition-related expenses, noninterest expense increased by \$7.1 million \$2.5 million, primarily due to the addition reflecting one additional month of Town and Country's operations; operations during the first quarter of 2024, compared to the first quarter of 2023, and an increase in salaries and benefits expenses driven by annual merit increases and higher medical benefit costs;
- Net interest income remained relatively stable overall with an increase in funding costs being mostly offset by higher interest-earning asset balances, following the Town and Country merger, and higher yields on interest-earning assets;

- Net losses of \$0.8 million were realized on the sale of \$39.4 million debt securities during the first quarter of 2024, compared to net losses of \$1.0 million realized during the three months ended September 30, 2023, with first quarter of 2023;
- A \$0.7 million increase in the sales proceeds used mortgage servicing rights fair value adjustment, primarily due to reduce FHLB borrowings and fund loan growth; changes in prepayment assumptions utilized in the valuations; and
- A \$1.3 million increase in noninterest income, primarily attributable to a \$0.8 million improvement in gains (losses) impairment losses on foreclosed assets as well as the addition bank premises of Town and Country's operations which contributed to a \$0.5 million increase in mortgage servicing income, a \$0.3 million increase in wealth management fees, and a \$0.2 million increase in card income.

**Comparison of the Nine Months Ended September 30, 2023 \$0.6 million related to the Nine Months Ended September 30, 2022**

For the nine months ended September 30, 2023, net income was \$47.4 million, increasing by \$4.1 million, or 9.4%, when compared to net income closure of two branch premises now held for the nine months ended September 30, 2022. Notable changes include the following:

- A \$40.3 million increase in net interest income, primarily attributable to higher yields on interest-earning assets and the increase in average interest-earning assets following the Town and Country merger;
- Town and Country acquisition-related expenses totaled \$13.7 million sale were recognized during the nine months ended September 30, 2023, including first quarter of 2024 which were not present in the recognition first quarter 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 through provision for credit losses, compared to \$0.5 million during the nine months ended September 30, 2022;
- Net losses of \$1.8 million on the sale of \$185.3 million of securities were realized during the nine months ended September 30, 2023 with the sales proceeds used to reduce FHLB borrowings and fund loan growth; and
- Excluding Town and Country acquisition-related expenses, noninterest expense increased by \$21.3 million primarily due to the addition of Town and Country's operations, 2023 results.

**Net Interest Income**

Net interest income equals the excess of interest income on interest earning assets (including discount accretion on acquired loans plus certain loan fees) over interest expense incurred on interest-bearing liabilities. Interest rate spread and net interest margin are utilized to measure and explain changes in net interest income. Interest rate spread is the difference between the yield on interest-earning assets and the rate paid for interest-bearing liabilities that fund those assets. The net interest margin is expressed as the percentage of net interest income to average interest-earning assets. The net interest margin exceeds the interest rate spread because noninterest-bearing sources of funds, principally noninterest-bearing demand deposits and stockholders' equity, also support interest-earning assets.

The following tables set forth average balances, average yields and costs, and certain other information for the three and nine months ended September 30, 2023 and 2022. Average balances are daily average balances. Nonaccrual loans are included in the computation of average balances but have been reflected in the table as loans carrying a zero yield. The yields set forth below include the effect of deferred fees and costs, discounts and premiums, as well as purchase accounting adjustments that are accreted or amortized to interest income or expense.

(dollars in thousands)	Three Months Ended					
	September 30, 2023			September 30, 2022		
	Average Balance	Interest	Yield/Cost *	Average Balance	Interest	Yield/Cost *
<b>ASSETS</b>						
Loans	\$ 3,296,703	\$ 50,712	6.10 %	\$ 2,481,920	\$ 30,697	4.91 %
Securities	1,324,686	7,429	2.22	1,470,092	7,842	2.12
Deposits with banks	77,595	714	3.65	105,030	458	1.73
Other	9,347	186	7.90	2,936	17	2.25
<b>Total interest-earning assets</b>	<b>4,708,331</b>	<b>\$ 59,041</b>	<b>4.97 %</b>	<b>4,059,978</b>	<b>\$ 39,014</b>	<b>3.81 %</b>
Allowance for credit losses	(38,317)			(24,717)		
<b>Noninterest-earning assets</b>	<b>294,818</b>			<b>173,461</b>		
<b>Total assets</b>	<b>\$ 4,964,832</b>			<b>\$ 4,208,722</b>		
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>						
<b>Liabilities</b>						
Interest-bearing deposits:						
Interest-bearing demand	\$ 1,160,654	\$ 761	0.26 %	\$ 1,137,072	\$ 144	0.05 %
Money market	683,859	2,041	1.18	577,388	203	0.14
Savings	639,384	249	0.15	649,752	53	0.03
Time	585,372	4,160	2.82	271,870	187	0.27
<b>Total interest-bearing deposits</b>	<b>3,069,269</b>	<b>7,211</b>	<b>0.93</b>	<b>2,636,082</b>	<b>587</b>	<b>0.09</b>
Securities sold under agreements to repurchase	33,807	35	0.41	50,427	9	0.07
Borrowings	157,908	2,108	5.30	11,967	85	2.80
Subordinated notes	39,444	470	4.72	39,365	470	4.73

Junior subordinated debentures issued to capital trusts	52,767	938	7.05	37,755	473	4.97
Total interest-bearing liabilities	3,353,195	\$ 10,762	1.27 %	2,775,596	\$ 1,624	0.23 %
Noninterest-bearing deposits	1,105,472			1,031,407		
Noninterest-bearing liabilities	46,564			20,736		
<b>Total liabilities</b>	<b>4,505,231</b>			<b>3,827,739</b>		
<b>Stockholders' Equity</b>	<b>459,601</b>			<b>380,983</b>		
<b>Total liabilities and stockholders' equity</b>	<b>\$ 4,964,832</b>			<b>\$ 4,208,722</b>		
Net interest income/Net interest margin <sup>(1)</sup>		\$ 48,279	4.07 %		\$ 37,390	3.65 %
Tax-equivalent adjustment <sup>(2)</sup>		675	0.06		674	0.07
Net interest income (tax-equivalent basis)/						
Net interest margin (tax-equivalent basis) <sup>(2) (3)</sup>		\$ 48,954	4.13 %		\$ 38,064	3.72 %
Net interest rate spread <sup>(4)</sup>			3.70 %			3.58 %
Net interest-earning assets <sup>(5)</sup>		\$ 1,355,136			\$ 1,284,382	
Ratio of interest-earning assets to interest-bearing liabilities		1.40			1.46	
Cost of total deposits				0.69 %		0.06 %
Cost of funds				0.96		0.17

(dollars in thousands)	Three Months Ended					
	March 31, 2024			March 31, 2023		
	Average Balance	Interest	Yield/Cost *	Average Balance	Interest	Yield/Cost *
<b>ASSETS</b>						
Loans	\$ 3,371,219	\$ 53,020	6.33 %	\$ 3,012,320	\$ 43,111	5.80 %
Securities	1,221,447	6,847	2.25	1,411,613	7,813	2.24
Deposits with banks	167,297	1,952	4.69	92,363	739	3.24
Other	5,486	142	10.40	7,425	116	6.33
<b>Total interest-earning assets</b>	<b>4,765,449</b>	<b>\$ 61,961</b>	<b>5.23 %</b>	<b>4,523,721</b>	<b>\$ 51,779</b>	<b>4.64 %</b>
Allowance for credit losses	(40,238)			(33,301)		
Noninterest-earning assets	278,253			274,870		
<b>Total assets</b>	<b>\$ 5,003,464</b>			<b>\$ 4,765,290</b>		
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>						
<b>Liabilities</b>						
Interest-bearing deposits:						
Interest-bearing demand	\$ 1,127,684	\$ 1,311	0.47 %	\$ 1,230,644	\$ 458	0.15 %
Money market	812,684	4,797	2.37	634,608	935	0.60
Savings	611,224	443	0.29	709,962	178	0.10
Time	664,498	5,925	3.59	356,779	803	0.91
Brokered	82,150	1,117	5.47	—	—	—
<b>Total interest-bearing deposits</b>	<b>3,298,240</b>	<b>13,593</b>	<b>1.66</b>	<b>2,931,893</b>	<b>2,374</b>	<b>0.33</b>
Securities sold under agreements to repurchase	32,456	152	1.89	39,619	38	0.38
Borrowings	13,003	125	3.87	113,896	1,297	4.62
Subordinated notes	39,484	470	4.78	39,403	470	4.83
Junior subordinated debentures issued to capital trusts	52,796	933	7.11	47,586	763	6.50
<b>Total interest-bearing liabilities</b>	<b>3,435,979</b>	<b>\$ 15,273</b>	<b>1.79 %</b>	<b>3,172,397</b>	<b>\$ 4,942</b>	<b>0.63 %</b>
Noninterest-bearing deposits	1,036,402			1,121,365		
Noninterest-bearing liabilities	37,107			49,316		
<b>Total liabilities</b>	<b>4,509,488</b>			<b>4,343,078</b>		

<b>Stockholders' Equity</b>	493,976		422,212	
<b>Total liabilities and stockholders' equity</b>	<b>\$ 5,003,464</b>		<b>\$ 4,765,290</b>	
Net interest income/Net interest margin (1)	\$ 46,688	3.94 %	\$ 46,837	4.20 %
Tax-equivalent adjustment (2)	575	0.05	702	0.06
Net interest income (tax-equivalent basis)/				
Net interest margin (tax-equivalent basis) (2)(3)	<b>\$ 47,263</b>	<b>3.99 %</b>	<b>\$ 47,539</b>	<b>4.26 %</b>
Net interest rate spread (4)		3.44 %		4.01 %
Net interest-earning assets (5)	<b>\$ 1,329,470</b>		<b>\$ 1,351,324</b>	
Ratio of interest-earning assets to interest-bearing liabilities	1.39		1.43	
Cost of total deposits		1.26 %		0.24 %
Cost of funds		1.37		0.47

\* Annualized measure.

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

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

(3) See "Non-GAAP Financial Information" for reconciliation of non-GAAP measure to their most closely comparable GAAP measures.

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

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

(dollars in thousands)	Nine Months Ended					
	September 30, 2023			September 30, 2022		
	Average Balance	Interest	Yield/Cost *	Average Balance	Interest	Yield/Cost *
<b>ASSETS</b>						
Loans	\$ 3,183,641	\$ 142,012	5.96 %	\$ 2,485,501	\$ 86,687	4.66 %
Securities	1,373,175	22,922	2.23	1,405,245	20,332	1.93
Deposits with banks	84,720	2,234	3.53	237,646	1,037	0.58
Other	8,457	420	6.64	2,829	50	2.36
<b>Total interest-earning assets</b>	<b>4,649,993</b>	<b>\$ 167,588</b>	<b>4.82 %</b>	<b>4,131,221</b>	<b>\$ 108,106</b>	<b>3.50 %</b>
Allowance for credit losses	(37,053)				(24,467)	
Noninterest-earning assets	289,843				172,243	
<b>Total assets</b>	<b>\$ 4,902,783</b>				<b>\$ 4,278,997</b>	
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>						
<b>Liabilities</b>						
Interest-bearing deposits:						
Interest-bearing demand	\$ 1,204,937	\$ 1,902	0.21 %	\$ 1,146,635	\$ 430	0.05 %
Money market	664,846	4,492	0.90	585,815	434	0.10
Savings	678,495	616	0.12	653,659	155	0.03
Time	463,937	6,898	1.99	289,000	643	0.30
<b>Total interest-bearing deposits</b>	<b>3,012,215</b>	<b>13,908</b>	<b>0.62</b>	<b>2,675,109</b>	<b>1,662</b>	<b>0.08</b>
Securities sold under agreements to repurchase	35,844	107	0.40	51,503	26	0.07
Borrowings	148,443	5,594	5.04	4,344	87	2.67
Subordinated notes	39,424	1,409	4.78	39,345	1,409	4.79
Junior subordinated debentures issued to capital trusts	51,054	2,582	6.76	37,738	1,231	4.36
<b>Total interest-bearing liabilities</b>	<b>3,286,980</b>	<b>\$ 23,600</b>	<b>0.96 %</b>	<b>2,808,039</b>	<b>\$ 4,415</b>	<b>0.21 %</b>
Noninterest-bearing deposits	1,123,917				1,060,566	
Noninterest-bearing liabilities	46,310				21,883	
<b>Total liabilities</b>	<b>4,457,207</b>				<b>3,890,488</b>	
<b>Stockholders' Equity</b>	<b>445,576</b>				<b>388,509</b>	
<b>Total liabilities and stockholders' equity</b>	<b>\$ 4,902,783</b>				<b>\$ 4,278,997</b>	
Net interest income/Net interest margin (1)	\$ 143,988	4.14 %		\$ 103,691		3.36 %

Tax-equivalent adjustment <sup>(2)</sup>		2,092	0.06		1,801	0.05
Net interest income (tax-equivalent basis) <sup>(3)</sup>						
Net interest margin (tax-equivalent basis) <sup>(2) (3)</sup>	\$	146,080	4.20 %	\$	105,492	3.41 %
Net interest rate spread <sup>(4)</sup>			3.86 %			3.29 %
Net interest-earning assets <sup>(5)</sup>	\$	1,363,013		\$	1,323,182	
Ratio of interest-earning assets to interest-bearing liabilities		1.41			1.47	
Cost of total deposits			0.45 %			0.06 %
Cost of funds			0.72			0.15

\* Annualized measure.

- (1) Net interest margin represents net interest income divided by average total interest-earning assets.
- (2) On a tax-equivalent basis assuming a federal income tax rate of 21% and a state income tax rate of 9.5%.
- (3) See "Non-GAAP Financial Information" for reconciliation of non-GAAP measure to their most closely comparable GAAP measures.
- (4) Net interest rate spread represents the difference between the yield on average interest-earning assets and the cost of average interest-bearing liabilities.
- (5) Net interest-earning assets represents total interest-earning assets less total interest-bearing liabilities.

The following table sets forth the components of loan interest income and their contributions to the total loan yield.

Three Months Ended September 30,										Nine Months Ended September 30,																													
2023					2022					2023					2022																								
Three Months Ended March 31,										Three Months Ended March 31,																													
Three Months Ended March 31,										Three Months Ended March 31,																													
2024										2024																													
2024										2024																													
(dollars in thousands)																																							
(dollars in thousands)																																							
(dollars in thousands)	(dollars in thousands)	Yield					Yield					Yield					Yield																						
Contractual interest	Contractual interest	Interest	Contribution *	Interest	Contribution *	Interest	Contribution *	Interest	Yield Contribution *	Interest	Yield Contribution *	Interest	Yield Contribution *	Interest	Yield Contribution *	Interest	Yield Contribution *	Interest	Yield Contribution *																				
Contractual interest	Contractual interest	\$ 48,232	5.80 %	\$ 29,192	4.67 %	\$ 135,105	5.67 %	\$ 79,672	4.28 %																														
Contractual interest	Contractual interest																																						
Loan fees (excluding PPP loans)	Loan fees (excluding PPP loans)																																						
Loan fees (excluding PPP loans)	Loan fees (excluding PPP loans)																																						
Loan fees (excluding PPP loans)	Loan fees (excluding PPP loans)	1,176	0.14	1,030	0.16	3,466	0.15	3,309	0.18																														
PPP loan fees	PPP loan fees	—	—	106	0.02	1	—	1,487	0.08																														
PPP loan fees	PPP loan fees																																						
Accretion of acquired loan discounts	Accretion of acquired loan discounts																																						
Accretion of acquired loan discounts	Accretion of acquired loan discounts																																						
Accretion of acquired loan discounts	Accretion of acquired loan discounts	1,143	0.14	253	0.04	2,964	0.12	696	0.04																														

Nonaccrual interest recoveries	Nonaccrual interest recoveries	161	0.02	116	0.02	476	0.02	1,523	0.08
Nonaccrual interest recoveries									
Nonaccrual interest recoveries									
Total loan interest income	Total loan interest income	\$ 50,712	6.10 %	\$ 30,697	4.91 %	\$ 142,012	5.96 %	\$ 86,687	4.66 %
Total loan interest income									
Total loan interest income									

\* Annualized measure.

The following table sets forth the components of net interest income and their contributions to the net interest margin.

		Three Months Ended September 30,				Nine Months Ended September 30,							
		2023		2022		2023		2022					
		Three Months Ended March 31,				Three Months Ended March 31,							
		Three Months Ended March 31,				Three Months Ended March 31,							
		2024				2024							
		2024				2024							
(dollars in thousands)													
(dollars in thousands)													
		Net Interest Margin		Net Interest Margin		Net Interest Margin		Net Interest Margin					
(dollars in thousands)	(dollars in thousands)	Interest	Contribution *	Interest	Contribution *	Interest	Contribution *	Interest	Contribution *				
Interest income: Interest income:													
Interest income:													
Interest income:													
Contractual interest on loans													
Contractual interest on loans													
Contractual interest on loans	Contractual interest on loans	\$ 48,232	4.06 %	\$ 29,192	2.85 %	\$ 135,105	3.89 %	\$ 79,672	2.58 %				
Loan fees (excluding PPP loans)	Loan fees (excluding PPP loans)	1,176	0.10	1,030	0.10	3,466	0.10	3,309	0.11				
Loan fees (excluding PPP loans)													
Loan fees (excluding PPP loans)													
PPP loan fees													
PPP loan fees	PPP loan fees	—	—	106	0.01	1	—	1,487	0.05				
Accretion of acquired loan discounts	Accretion of acquired loan discounts	1,143	0.10	253	0.02	2,964	0.09	696	0.02				
Accretion of acquired loan discounts													
Accretion of acquired loan discounts													
Nonaccrual interest recoveries													
Nonaccrual interest recoveries	Nonaccrual interest recoveries	161	0.01	116	0.01	476	0.01	1,523	0.05				

Securities	Securities	7,429	0.63	7,842	0.77	22,922	0.66	20,332	0.66
Deposits with banks		714	0.06	458	0.05	2,234	0.06	1,037	0.03
Securities									
Securities									
Interest-bearing deposits in bank									
Interest-bearing deposits in bank									
Interest-bearing deposits in bank									
Other	Other	186	0.01	17	—	420	0.01	50	—
Other									
Other									
<b>Total interest income</b>									
<b>Total interest income</b>									
<b>Total interest income</b>	<b>Total interest income</b>	<b>59,041</b>	<b>4.97</b>	<b>39,014</b>	<b>3.81</b>	<b>167,588</b>	<b>4.82</b>	<b>108,106</b>	<b>3.50</b>
Interest expense: <b>Interest expense:</b>									
<b>Interest expense:</b>									
Deposits									
Deposits									
Deposits	Deposits	7,211	0.60	587	0.06	13,908	0.40	1,662	0.06
Other interest-bearing liabilities	Other interest-bearing liabilities	3,551	0.30	1,037	0.10	9,692	0.28	2,753	0.08
Other interest-bearing liabilities									
Other interest-bearing liabilities									
<b>Total interest expense</b>									
<b>Total interest expense</b>									
<b>Total interest expense</b>	<b>Total interest expense</b>	<b>10,762</b>	<b>0.90</b>	<b>1,624</b>	<b>0.16</b>	<b>23,600</b>	<b>0.68</b>	<b>4,415</b>	<b>0.14</b>
<b>Net interest income</b>	<b>Net interest income</b>	<b>48,279</b>	<b>4.07</b>	<b>37,390</b>	<b>3.65</b>	<b>143,988</b>	<b>4.14</b>	<b>103,691</b>	<b>3.36</b>
<b>Net interest income</b>									
<b>Net interest income</b>									
Tax-equivalent adjustment <sup>(1)</sup>									
Tax-equivalent adjustment <sup>(1)</sup>									
Tax-equivalent adjustment <sup>(1)</sup>	Tax-equivalent adjustment <sup>(1)</sup>	675	0.06	674	0.07	2,092	0.06	1,801	0.05
Net interest income (tax-equivalent) <sup>(1)(2)</sup>	Net interest income (tax-equivalent) <sup>(1)(2)</sup>	\$ 48,954	4.13 %	\$ 38,064	3.72 %	\$ 146,080	4.20 %	\$ 105,492	3.41 %
<b>Net interest income (tax-equivalent) <sup>(1)(2)</sup></b>									
<b>Net interest income (tax-equivalent) <sup>(1)(2)</sup></b>									

\* Annualized measure.

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

(2) See "Non-GAAP Financial Information" for reconciliation of non-GAAP measure to their most closely comparable GAAP measures.

#### Rate/Volume Analysis

The following table sets forth the dollar amount of changes in interest income and interest expense for the major categories of our interest-earning assets and interest-bearing liabilities. Information is provided for each category of interest-earning assets and interest-bearing liabilities with respect to changes attributable to volume (*i.e.*, changes in average

balances multiplied by the prior-period average rate), and changes attributable to rate (i.e., changes in average rate multiplied by prior-period average balances). For purposes of this table, changes attributable to both volume and rate that cannot be segregated have been allocated proportionately to the change due to volume and the change due to rate.

		Three Months Ended September 30, 2023 vs. Three Months Ended September 30, 2022				Nine Months Ended September 30, 2023 vs. Nine Months Ended September 30, 2022			
		Increase (Decrease) Due to				Increase (Decrease) Due to			
		Three Months Ended March 31, 2024 vs. Three Months Ended March 31, 2023		Three Months Ended March 31, 2024 vs. Three Months Ended March 31, 2023		Total		Total	
		Increase (Decrease) Due to		Increase (Decrease) Due to		Increase (Decrease) Due to		Increase (Decrease) Due to	
		Interest-earning assets:		Interest-earning assets:		Interest-earning assets:		Interest-earning assets:	
Interest-earning assets:		Interest-earning assets:		Interest-earning assets:		Interest-earning assets:		Interest-earning assets:	
Loans		Loans		Loans		Loans		Loans	
Loans		\$ 11,487		\$ 8,528		\$ 20,015		\$ 27,757	
Securities		Securities		(802)		389		(413)	
Securities		Securities		Securities		Securities		Securities	
Deposits with banks		Deposits with banks		Deposits with banks		Deposits with banks		Deposits with banks	
Deposits with banks		Deposits with banks		(145)		401		256	
Other		Other		79		90		169	
Other		Other		Other		Other		Other	
Total interest-earning assets		Total interest-earning assets		10,619		9,408		20,027	
Total interest-earning assets		Total interest-earning assets		Total interest-earning assets		Total interest-earning assets		Total interest-earning assets	
Interest-bearing liabilities:		Interest-bearing liabilities:		Interest-bearing liabilities:		Interest-bearing liabilities:		Interest-bearing liabilities:	
Interest-bearing liabilities:		Interest-bearing liabilities:		Interest-bearing liabilities:		Interest-bearing liabilities:		Interest-bearing liabilities:	
Interest-bearing deposits:		Interest-bearing deposits:		Interest-bearing deposits:		Interest-bearing deposits:		Interest-bearing deposits:	
Interest-bearing deposits:		Interest-bearing deposits:		Interest-bearing deposits:		Interest-bearing deposits:		Interest-bearing deposits:	
Interest-bearing deposits:		Interest-bearing deposits:		Interest-bearing deposits:		Interest-bearing deposits:		Interest-bearing deposits:	
Interest-bearing demand		Interest-bearing demand		3		614		617	
Interest-bearing demand		Interest-bearing demand		Interest-bearing demand		Interest-bearing demand		Interest-bearing demand	
Money market		Money market		Money market		Money market		Money market	
Money market		Money market		44		1,794		1,838	
Money market		Money market		Money market		Money market		Money market	

Savings	Savings	(1)	197	196	6	455	461
Savings							
Savings							
Time	Time	439	3,534	3,973	602	5,653	6,255
Time							
Time							
Brokered	Brokered						
Brokered	Brokered						
Brokered	Brokered						
Total interest-bearing deposits							
Total interest-bearing deposits							
Total interest-bearing deposits	Total interest-bearing deposits	485	6,139	6,624	697	11,549	12,246
Securities sold under agreements to repurchase	Securities sold under agreements to repurchase	(4)	30	26	(10)	91	81
Securities sold under agreements to repurchase							
Securities sold under agreements to repurchase							
Borrowings	Borrowings						
Borrowings	Borrowings	1,885	138	2,023	5,364	143	5,507
Subordinated notes	Subordinated notes	1	(1)	—	3	(3)	—
Subordinated notes							
Subordinated notes							
Junior subordinated debentures issued to capital trusts	Junior subordinated debentures issued to capital trusts	226	239	465	528	823	1,351
Total interest-bearing liabilities	Total interest-bearing liabilities	2,593	6,545	9,138	6,582	12,603	19,185
Total interest-bearing liabilities							
Total interest-bearing liabilities							
Change in net interest income	Change in net interest income	\$ 8,026	\$ 2,863	\$ 10,889	\$ 19,848	\$ 20,449	\$ 40,297
Change in net interest income							
Change in net interest income							

Comparison of the Three Months Ended **September 30, 2023** **March 31, 2024** to the Three Months Ended **September 30, 2022** **March 31, 2023**

Net interest income for the three months ended **September 30, 2023** **March 31, 2024** was **\$48.3** million, increasing **\$10.9** million **\$46.7** million, decreasing **\$0.1** million, or **29.1%** **0.3%**, from the three months ended **September 30, 2022** **March 31, 2023**. The **increase** slight **decrease** is primarily attributable to **the** **an increase in average funding costs** which were mostly offset by **higher interest-earning assets** **asset balances**, following the Town and Country merger, and higher yields on interest-earning assets.

Net interest margin **increased** **decreased** to **4.07%** **3.94%** for the three months ended **September 30, 2023** **March 31, 2024**, compared to **3.65%** **4.20%** for the three months ended **September 30, 2022** **March 31, 2023**. The **increase** **decrease** was primarily attributable to **higher yields on interest-earning assets** which were partially offset by **increased** **increases** in **funding costs** **driven by significant outpacing** **increases in market rates** since **early 2022**. **interest-earning asset yields**. Additionally, the contribution of acquired loan discount accretion to net interest margin increased to 10 basis points during the three months ended **September 30, 2023** **March 31, 2024**, from 2 compared to 7 basis points during the three months ended **September 30, 2022** **March 31, 2023**.

**Comparison of the Nine Months Ended September 30, 2023 to the Nine Months Ended September 30, 2022**

Net interest income for the nine months ended September 30, 2023 was \$144.0 million, increasing \$40.3 million, or 38.9%, from the nine months ended September 30, 2022. The increase is primarily attributable to higher yields on interest-earning assets and the increase in average interest-earning assets following the Town and Country merger.

Net interest margin increased to 4.14% for the nine months ended September 30, 2023, compared to 3.36% for the nine months ended September 30, 2022. The increase was primarily attributable to higher yields on interest-earning assets which were partially offset by increased funding costs, driven by significant increases in market rates since early 2022. Additionally, the contribution of acquired loan discount accretion to net interest margin increased to 9 basis points during the nine months ended September 30, 2023, from 2 basis points during the nine months ended September 30, 2022.

The quarterly net interest margins were as follows:

		2023		2022	
		2024			
		2024			
		2024			
<b>Three months ended:</b>					
<b>Three months ended:</b>	<b>Three months ended:</b>				
March 31	March 31	4.20	%	3.08	%
March 31					
March 31					
June 30					
June 30					
June 30	June 30	4.16		3.34	
September 30	September 30	4.07		3.65	
September 30					
September 30					
December 31	December 31	—		4.10	
December 31					
December 31					

In March 2022, the Federal Open Markets Committee ("FOMC") raised the target range for the federal funds rate to 0.25% to 0.50%, the first rate hike since December 2018. Since March 2022, the FOMC has raised the target range for the federal funds rate several times, leaving the target range for the federal funds rate at 5.25% to 5.50% as of September 30, 2023.

As a result, market interest rates have also risen since March 2022 which led to improvements in our net interest margin through the first quarter of 2023. Our net interest margin decreased modestly beginning in the second and third quarters of 2023 as increased competition for deposits drove an increase in our funding costs. Competition for deposits continues to be elevated relative to 2022. As a result, deposit and funding costs have increased during 2023 compared to such costs in 2022, and we expect such costs to continue to increase. This continued during the remainder of 2023. Additionally, 2023 with increases in funding costs outpacing increases in interest-earning asset yields. Our deposit balances and funding costs began to stabilize during the first quarter of 2024, but increases in market interest rates could lead to further increases in funding costs or decreases in core deposit balances which may decrease and be replaced by higher cost funding sources, such as FHLB advances and brokered deposits.

**Provision for Credit Losses**

The following table sets forth the components of provision for credit losses for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,
	Three Months Ended March 31,		
	Three Months Ended March 31,		
	Three Months Ended March 31,		
(dollars in thousands)			
(dollars in thousands)			
(dollars in thousands)	(dollars in thousands)	2023	2022

PROVISION FOR CREDIT LOSSES	PROVISION FOR CREDIT LOSSES								
<b>PROVISION FOR CREDIT LOSSES</b>									
<b>PROVISION FOR CREDIT LOSSES</b>									
Loans									
Loans									
Loans	Loans	\$	983	\$	386	\$	5,004	\$	(53)
Unfunded lending-related commitments	Unfunded lending-related commitments		297		—		1,456		—
Unfunded lending-related commitments									
Unfunded lending-related commitments									
Debt securities									
Debt securities									
Debt securities	Debt securities		(800)		—		—		—
<b>Total provision for credit losses</b>	<b>Total provision for credit losses</b>	<b>\$</b>	<b>480</b>	<b>\$</b>	<b>386</b>	<b>\$</b>	<b>6,460</b>	<b>\$</b>	<b>(53)</b>
<b>Total provision for credit losses</b>									
<b>Total provision for credit losses</b>									

Comparison of the Three Months Ended **September 30, 2023** **March 31, 2024** to the Three Months Ended **September 30, 2022** **March 31, 2023**

The Company recorded a provision for credit losses of \$0.5 million for the **third** **first** quarter of **2023** **2024**. The provision for credit losses primarily reflects a **\$0.9 million increase in required reserves** driven by growth of the loan portfolio and unfunded commitments; a **\$0.8 million \$3.7 million increase in required reserves** resulting from changes in economic and qualitative factors; a **\$0.8 million \$2.1 million decrease in required reserves** on debt securities available-for-sale, related to one bank subordinated debt security; resulting from changes in economic forecasts; a **\$0.5 million \$1.0 million decrease in required reserves** driven by a reduction in loan portfolio balances; and a **\$0.1 million decrease in specific reserves** on individually evaluated loans; and net recoveries loans.

Additionally, the first quarter of **\$0.1 million**.

Comparison **2023 results included the recognition of the Nine Months Ended September 30, 2023** to the **Nine Months Ended September 30, 2022**

In connection with the Town and Country merger, we recognized 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. Excluding the impact of through provision for credit losses which were related to the Town and Country merger, acquisition and not present in the remaining provision for credit losses primarily reflects a **\$1.8 million decrease in specific reserves** on individually evaluated loans; a **\$1.8 million increase in required reserves** driven by growth **first quarter** of the loan portfolio and unfunded commitments; a **\$0.4 million increase in required reserves** resulting from changes in economic and qualitative factors; and net recoveries of **\$0.3 million**.

Credit losses are highly dependent on current and forecast economic conditions. Potential deterioration of economic conditions may lead to higher credit losses and adversely impact our financial condition and results of operations. The economic forecasts utilized in estimating the allowance for credit losses on loans and related unfunded commitments include the unemployment rate and changes in GDP as macroeconomic variables, although other economic metrics are considered on a qualitative basis. **2024 results**.

## Noninterest Income

The following table sets forth the major categories of noninterest income for the periods indicated:

		Three Months Ended September 30,				Nine Months Ended September 30,			
		Three Months Ended March 31,				Three Months Ended March 31,			
		Three Months Ended March 31,				Three Months Ended March 31,			
(dollars in thousands)	(dollars in thousands)								
(dollars in thousands)	(dollars in thousands)	2023	2022	\$ Change		2023	2022	\$ Change	
Card income	Card income	\$ 2,763	\$ 2,569	\$ 194		\$ 8,326	\$ 7,687	\$ 639	
Card income									
Card income									
Wealth management fees									

Wealth management fees							
Wealth management fees	Wealth management fees	2,381	2,059	322	6,998	6,670	328
Service charges on deposit accounts	Service charges on deposit accounts	2,040	1,927	113	5,830	5,371	459
Service charges on deposit accounts							
Service charges on deposit accounts							
Mortgage servicing	Mortgage servicing	1,169	697	472	3,522	2,016	1,506
Mortgage servicing rights fair value adjustment	Mortgage servicing rights fair value adjustment	23	351	(328)	(460)	2,446	(2,906)
Mortgage servicing rights fair value adjustment							
Gains on sale of mortgage loans	Gains on sale of mortgage loans	476	354	122	1,125	1,267	(142)
Realized gains (losses) on sales of securities	Realized gains (losses) on sales of securities	(813)	—	(813)	(1,820)	—	(1,820)
Realized gains (losses) on sales of securities							
Unrealized gains (losses) on equity securities	Unrealized gains (losses) on equity securities	(46)	(107)	61	(61)	(447)	386
Gains (losses) on foreclosed assets	Gains (losses) on foreclosed assets	550	(225)	775	443	(192)	635
Gains (losses) on foreclosed assets							
Gains (losses) on other assets	Gains (losses) on other assets	52	(31)	83	161	119	42
Income on bank owned life insurance	Income on bank owned life insurance	153	41	112	415	122	293
Income on bank owned life insurance							
Income on bank owned life insurance							

Other noninterest income	Other noninterest income	742	599	143	2,362	1,769	593
<b>Total noninterest income</b>		<b>\$ 9,490</b>	<b>\$ 8,234</b>	<b>\$ 1,256</b>	<b>\$ 26,841</b>	<b>\$ 26,828</b>	<b>\$ 13</b>
Other noninterest income							
Other noninterest income							
<b>Total</b>							
<b>Total</b>							
<b>Total</b>							

NM – Not meaningful.

#### Comparison of the Three Months Ended September 30, 2023 March 31, 2024 to the Three Months Ended September 30, 2022 March 31, 2023

Total noninterest income for the three months ended September 30, 2023 March 31, 2024, was \$9.5 million \$5.6 million, an increase a decrease of \$1.3 million \$1.8 million, or 15.3% 24.4%, from the three months ended September 30, 2022 March 31, 2023. Notable changes in noninterest income include the following:

- Net losses of \$0.8 million \$3.4 million were realized on the sale of \$39.4 million of municipal debt securities during the third first quarter of 2023 which were not present in 2024, compared to net losses of \$1.0 million realized during the third first quarter of 2022 results; 2023;
- A \$0.6 million gain on foreclosed assets was recognized during the third quarter of 2023, primarily related to the sale of one property, compared to a \$0.2 million loss on foreclosed assets during the third quarter of 2022;
- The addition of Town and Country's operations in the first quarter of 2023 contributed to a \$0.5 million \$0.7 million increase in mortgage servicing revenue, with the size of our existing mortgage servicing portfolio nearly doubling, a \$0.3 million increase in wealth management fees, and a \$0.2 million increase in card income; and
- A \$0.3 million decrease in the mortgage servicing rights fair value adjustment, primarily due to changes in prepayment assumptions utilized in the valuations.

#### Comparison of the Nine Months Ended September 30, 2023 to the Nine Months Ended September 30, 2022

Total noninterest income for the nine months ended September 30, 2023, was \$26.8 million, nearly unchanged from the nine months ended September 30, 2022. Notable changes in noninterest income include the following:

- A \$2.9 million change in the mortgage servicing rights fair value adjustment, primarily due to changes in prepayment assumptions utilized in the valuations;
- Net Impairment losses on bank premises of \$1.8 million \$0.6 million related to the closure of two branch premises now held for sale were realized on the sale of \$185.3 million of debt securities during the nine months ended September 30, 2023. The vast majority of the securities portfolio acquired from Town and Country was sold recognized during the first quarter of 2023, and an additional \$39.4 million of municipal debt securities 2024 which were sold during the third quarter of 2023;
- The addition of Town and Country's operations not present in the first quarter of 2023 contributed to a \$1.5 million increase in mortgage servicing revenue, with the size of our existing mortgage servicing portfolio nearly results; and

- doubling, a \$0.6 million increase in card income, a \$0.5 million increase in service charges on deposit accounts, and a \$0.3 million A \$0.2 million increase in wealth management fees; fees was primarily attributable to higher asset management and
- A \$0.4 million gain on foreclosed assets was recognized during 2023, primarily related to the sale of one property, compared to a \$0.2 million loss on foreclosed assets during 2022; trust service fees being partially offset by lower farm management and farmland real estate brokerage fees.

## Noninterest Expense

The following table sets forth the major categories of noninterest expense for the periods indicated:

	Three Months Ended September 30,			Nine Months Ended September 30,								
	Three Months Ended March 31,			Nine Months Ended March 31,								
	Three Months Ended March 31,			Nine Months Ended March 31,								
(dollars in thousands)												
(dollars in thousands)												
(dollars in thousands)	(dollars in thousands)	2023	2022	\$ Change	2023	2022						
Salaries	Salaries	\$ 15,644	\$ 12,752	\$ 2,892	\$ 51,715	\$ 38,489						
Salaries												

Salaries							
Employee benefits							
Employee benefits	Employee benefits	2,616	1,771	845	7,658	6,199	1,459
Occupancy of bank premises	Occupancy of bank premises	2,573	1,979	594	7,460	5,780	1,680
Occupancy of bank premises							
Furniture and equipment							
Furniture and equipment	Furniture and equipment	667	668	(1)	2,135	1,843	292
Data processing	Data processing	2,581	1,631	950	9,787	5,274	4,513
Data processing							
Marketing and customer relations							
Marketing and customer relations	Marketing and customer relations	1,679	880	799	3,874	2,936	938
Amortization of intangible assets	Amortization of intangible assets	720	243	477	1,950	733	1,217
Amortization of intangible assets							
Amortization of intangible assets							
FDIC insurance							
FDIC insurance	FDIC insurance	512	302	210	1,705	888	817
Loan collection and servicing	Loan collection and servicing	345	336	9	971	771	200
Loan collection and servicing							
Loan collection and servicing							
Foreclosed assets							
Foreclosed assets	Foreclosed assets	76	97	(21)	234	260	(26)
Other noninterest expense	Other noninterest expense	3,258	3,339	(81)	13,088	8,824	4,264
<b>Total noninterest expense</b>	<b>Total noninterest expense</b>	<b>\$ 30,671</b>	<b>\$ 23,998</b>	<b>\$ 6,673</b>	<b>\$ 100,577</b>	<b>\$ 71,997</b>	<b>\$ 28,580</b>
Other noninterest expense							
Other noninterest expense							
<b>Total</b>							
<b>Total</b>							
<b>Total</b>							

Comparison of the Three Months Ended September 30, 2023 March 31, 2024 to the Three Months Ended September 30, 2022 March 31, 2023

Total noninterest expense for the three months ended September 30, 2023 March 31, 2024, was \$30.7 million \$31.3 million, an increase a decrease of \$6.7 million \$4.7 million, or 27.8% 13.0%, from the three months ended September 30, 2022 March 31, 2023. Notable changes in noninterest expense include the following:

- There were no Town and Country acquisition-related noninterest expenses for the three months ended September 30, 2023 March 31, 2024, but such acquisition-related noninterest expenses totaled \$0.5 million for \$7.1 million during the three months ended September 30, 2022 March 31, 2023; and
- Excluding Town and Country acquisition-related expenses, the \$7.1 million \$2.5 million increase in noninterest expense was mainly attributable to the addition primarily reflects one additional month of Town and Country's operations primarily related during the first quarter of 2024 compared to personnel costs, occupancy of bank premises,

and data processing; and

- A \$0.8 million 2023, as well as an increase in marketing salaries and customer relations expense. benefits expenses driven by annual merit increases and higher medical benefit costs.

## Comparison of the Nine Months Ended September 30, 2023 to the Nine Months Ended September 30, 2022

Total noninterest expense for the nine months ended September 30, 2023, was \$100.6 million, an increase of \$28.6 million, or 39.7%, from the nine months ended September 30, 2022. Notable changes in noninterest expense include the following:

- Town and Country acquisition-related noninterest expenses totaled \$7.8 million and \$0.5 million for the nine months ended September 30, 2023 and 2022, respectively;
- Excluding Town and Country acquisition-related expenses, the \$21.3 million increase in noninterest expense was mainly attributable to the addition of Town and Country's operations, primarily related to personnel costs, occupancy of bank premises, and data processing; and
- Legal fees of \$0.8 million and accruals of \$0.8 million related to pending legal matters previously disclosed were incurred during the second quarter of 2023 which were not present in the 2022 results. Settlements have been reached with plaintiffs in these matters which are now pending final court approval.

## Income Taxes

During the three months ended **September 30, 2023** **March 31, 2024** and **2022**, we recorded income tax expense of **\$6.9 million** **\$5.3 million**, or an effective tax rate of **25.9%** **25.6%**, and **\$5.6 million** **\$2.9 million**, or an effective tax rate of **26.4%**, respectively. During the nine months ended **September 30, 2023** and **2022**, we recorded income tax expense of **\$16.4 million**, or an effective tax rate of **25.7%**, and **\$15.3 million**, or an effective tax rate of **26.1%** **24.1%**, respectively. The fluctuations in effective tax rate are primarily attributable to lower overall state income taxes and changes in the proportion of federally tax-exempt interest income to pre-tax income.

#### FINANCIAL CONDITION

Loans, net of allowance for credit losses	Loans, net of allowance for credit losses	3,303,923	2,594,920	709,003	27.3						
Goodwill	Goodwill										
Goodwill	Goodwill	59,820	29,322	30,498	104.0						
Intangible assets, net	Intangible assets, net	21,402	1,070	20,332	1,900.2						
Other assets	Other assets	210,840	161,524	49,316	30.5						
<b>Total assets</b>	<b>Total assets</b>	<b>\$4,991,768</b>	<b>\$4,286,734</b>	<b>\$705,034</b>	<b>16.4 %</b>	<b>Total assets</b>	<b>\$5,040,510</b>	<b>\$</b>	<b>\$5,073,170</b>	<b>\$</b>	<b>\$ (32,660)</b>
Total deposits											
Total deposits	Total deposits	\$4,198,068	\$3,587,024	\$611,044	17.0 %	\$4,360,574	\$	\$4,401,437	\$	\$ (40,863)	(0.9) (0.9) %
Securities sold under agreements to repurchase	Securities sold under agreements to repurchase	28,900	43,081	(14,181)	(32.9)						
Borrowings	Borrowings	177,650	160,000	17,650	11.0						
Subordinated notes	Subordinated notes	39,454	39,395	59	0.1						
Junior subordinated debentures	Junior subordinated debentures	52,774	37,780	14,994	39.7						
Other liabilities	Other liabilities	38,671	45,822	(7,151)	(15.6)						
<b>Total liabilities</b>	<b>Total liabilities</b>	<b>4,535,517</b>	<b>3,913,102</b>	<b>622,415</b>	<b>15.9</b>						
<b>Total stockholders' equity</b>	<b>Total stockholders' equity</b>	<b>456,251</b>	<b>373,632</b>	<b>82,619</b>	<b>22.1</b>						
<b>Total liabilities and stockholders' equity</b>	<b>Total liabilities and stockholders' equity</b>	<b>\$4,991,768</b>	<b>\$4,286,734</b>	<b>\$705,034</b>	<b>16.4 %</b>	<b>Total liabilities and stockholders' equity</b>	<b>\$5,040,510</b>	<b>\$</b>	<b>\$5,073,170</b>	<b>\$</b>	<b>\$ (32,660)</b>
Tangible assets	Tangible assets										
(1)	(1)	\$4,910,546	\$4,256,342	\$654,204	15.4 %						
Tangible assets (1)											
Tangible assets (1)											
Tangible assets (1)											
Tangible common equity	Tangible common equity										
(1)	(1)	375,029	343,240	31,789	9.3						
Core deposits (1)	Core deposits (1)	\$3,967,155	\$3,559,866	\$407,289	11.4 %						
Core deposits (1)											
Core deposits (1)											
Share and Per Share Information	Share and Per Share Information										
Share and Per Share Information											
Share and Per Share Information											
Book value per share	Book value per share	\$ 14.36	\$ 12.99								
Book value per share											
Tangible book value per share (1)											

Tangible book value per share <sup>(1)</sup>			
Tangible book value per share	Tangible book value per share		
(1)	(1)	11.80	11.94
Shares of common stock outstanding	Shares of common stock outstanding	31,774,140	28,752,626
Shares of common stock outstanding			
Shares of common stock outstanding			
<b>Balance Sheet Ratios</b>			
<b>Balance Sheet Ratios</b>			
Balance Sheet Ratios	Balance Sheet Ratios		
Loan to deposit ratio	Loan to deposit ratio	79.63 %	73.05 %
Loan to deposit ratio			
Loan to deposit ratio			
Core deposits to total deposits <sup>(1)</sup>	Core deposits to total deposits <sup>(1)</sup>		
Core deposits to total deposits <sup>(1)</sup>	Core deposits to total deposits <sup>(1)</sup>		
Core deposits to total deposits <sup>(1)</sup>	Core deposits to total deposits <sup>(1)</sup>	94.50	99.24
Stockholders' equity to total assets	Stockholders' equity to total assets	9.14	8.72
Stockholders' equity to total assets			
Stockholders' equity to total assets			
Tangible common equity to tangible assets <sup>(1)</sup>	Tangible common equity to tangible assets <sup>(1)</sup>	7.64	8.06
Tangible common equity to tangible assets <sup>(1)</sup>			
Tangible common equity to tangible assets <sup>(1)</sup>			

<sup>(1)</sup> See "Non-GAAP Financial Information" for reconciliation of non-GAAP measure to their most closely comparable GAAP measures.

Notable changes in our consolidated balance sheet include the following:

- The Town and Country merger added \$937.2 million in total assets, \$635.4 million in loans held for investment, and \$720.4 million in deposits;
- Excluding Debt securities decreased \$94.4 million, largely due to the impact sale of the Town and Country merger, loan growth since December 31, 2022 was broad-based \$66.8 million of municipal securities with total loans increasing \$87.2 million;
- Following the Town and Country merger, \$145.8 million of the securities acquired from Town and Country were sold with the sales proceeds used to reduce FHLB borrowings and fund loan growth, and an additional \$39.4 million of municipal securities were sold during the third quarter of 2023;
- wholesale funding. Additionally, paydowns, maturities, and calls of debt securities generated another \$74.6 million \$29.6 million of proceeds which were used to reduce FHLB borrowings and fund loan growth; and cash proceeds;
- Excluding the impact Loans decreased by \$58.5 million with lower line of the Town and Country merger, credit utilization as well as early payoffs of loans;
- The \$40.9 million decrease in total deposits decreased \$109.4 million was primarily attributable to decreases an \$89.1 million decrease in balances held in existing smaller balance accounts, brokered deposits, partially offset by the addition of \$115.0 million \$33.9 million of brokered deposits. time deposits from a State of Illinois loan matching program which are a lower cost source of funding; and

- The \$119.0 million increase in cash and cash equivalents was primarily the result of the items noted above.

## Loan Portfolio

The following table sets forth the composition of the loan portfolio, excluding loans held-for-sale, by type of loan.

	September 30, 2023		December 31, 2022		March 31, 2024		March 31, 2024		December 31, 2023	
	(dollars in thousands)	(dollars in thousands)	Balance	Percent	Balance	Percent (dollars in thousands)	Balance	Percent	Balance	Percent
<b>Commercial and industrial</b>										
<b>Commercial and industrial</b>										
Commercial and industrial										
Commercial and industrial										
Commercial and industrial	\$ 386,933	11.6 %	\$ 266,757	10.2 %			402,206	12.0 %	427,800	12.6 %
Commercial real estate - occupied	297,242	8.9	218,503	8.3						
Commercial real estate - non-owner occupied	901,929	27.0	713,202	27.2						
Construction and land development	371,158	11.1	360,824	13.8						
Multi-family	388,742	11.6	287,865	11.0						
One-to-four family residential	488,655	14.6	338,253	12.9						
Agricultural and farmland	275,239	8.2	237,746	9.1						
Municipal, consumer, and other	232,888	7.0	197,103	7.5						
Loans, before allowance for credit losses	3,342,786	100.0 %	2,620,253	100.0 %	Loans, before allowance for credit losses		3,345,962	100.0 %	3,404,417	100.0 %
Allowance for credit losses	(38,863)		(25,333)							
Loans, net of allowance for credit losses	\$3,303,923		\$2,594,920							
Loans, net of allowance for credit losses										
Loans, net of allowance for credit losses										

Loans, before allowance for credit losses were \$3.34 billion \$3.35 billion at September 30, 2023 March 31, 2024, an increase a decrease of \$722.5 million \$58.5 million, or 27.6% 1.7%, from December 31, 2022 December 31, 2023. Excluding the impact of the Town and Country merger, total loans increased \$87.2 million, or 3.3%. Notable changes included with the following notable changes: following:

- The relative percent A \$28.3 million decrease in construction line utilization on existing lines of credit, including \$13.2 million drawn on two customers' lines of credit in late December 2023 that paid off in early January 2024;
- Across the portfolio, early payoffs of loans maturing or repricing beyond 2024 and with fixed rates of 4.00% or less totaled \$14.4 million;
- Construction and land development loans was generally driven decreased by the completion of a number of sizeable \$18.0 million with several completed projects that are now amortizing and have been moved into shifting to other real estate loan categories, including the commercial real estate - non-owner occupied and multi-family categories;
- The increase in commercial and industrial loans was driven by new loan fundings and the purchase of three pools of loans totaling \$49.9 million. Two pools include equipment finance loans purchased from a bank that originated the loans through its equipment finance division. These loans are to borrowers across multiple industries and geographic regions. The remaining pool is a 50% participation in a pool of loans originated by a financial services company with a long-standing history of originating loans to healthcare and professional service borrowers. These loans are to borrowers across multiple geographic regions; and
- Seasonally higher agricultural line Although grain elevator lines of credit usage further contributed increased \$5.7 million during the first quarter of 2024, seasonal line utilization was significantly lower relative to historical levels.

As of March 31, 2024, office commercial real estate loans totaled \$167.3 million, with 3.5% rated pass-watch, less than 0.1% rated substandard, and 1.6% was past due 30 days or more. Management regularly monitors office and other industry concentrations within the loan growth portfolio.

#### Loan Portfolio Maturities

The following table summarizes the scheduled maturities of the loan portfolio as of September 30, 2023 March 31, 2024. Demand loans (loans having no stated repayment schedule or maturity) and overdraft loans are reported as being due in one year or less.

(dollars in thousands)	(dollars in thousands)	After 1 Year			After 5 Years			1 Year or Less	After 1 Year Through 5 Years	After 5 Years Through 15 Years	After 15 Years	Total
		1 Year or Less	Through 5 Years	After 15 Years	15 Years	Total	(dollars in thousands)					
Commercial and industrial												
Commercial and industrial	Commercial and industrial											
Commercial and industrial	Commercial and industrial	\$204,207	\$ 148,503	\$ 34,223	\$ —	\$ 386,933						
Commercial real estate - owner occupied	Commercial real estate - owner occupied	34,905	146,465	107,379	8,493	297,242						
Commercial real estate - non-owner occupied	Commercial real estate - non-owner occupied	110,609	559,662	225,682	5,976	901,929						
Construction and land development	Construction and land development	185,707	164,006	21,369	76	371,158						
Multi-family	Multi-family	31,553	286,438	68,783	1,968	388,742						
One-to-four family residential	One-to-four family residential	50,626	193,438	122,249	122,342	488,655						
Agricultural and farmland	Agricultural and farmland	116,683	108,723	45,311	4,522	275,299						
Municipal, consumer, and other	Municipal, consumer, and other	69,460	64,735	72,128	26,565	232,888						
<b>Total</b>	<b>Total</b>	<b>\$803,750</b>	<b>\$1,671,970</b>	<b>\$697,124</b>	<b>\$169,942</b>	<b>\$3,342,786</b>						

The following table summarizes loans maturing after one year, segregated into variable and fixed interest rates.

Variable Interest Rates
Variable Interest Rates

(dollars in thousands)		Total						Repricing 1 Year or Less		Repricing After 1 Year		Total Variable Interest Rates		Predetermined (Fixed) Interest Rates		Total		
		Repricing 1 Year or Less	Repricing After 1 Year	Variable Interest Rates	Predetermined (Fixed) Interest Rates													
(dollars in thousands)	(dollars in thousands)	1 Year or Less	1 Year	Interest Rates	Interest Rates	Total												
Commercial and industrial																		
Commercial and industrial																		
Commercial and industrial	Commercial and industrial	\$ 39,186	\$ 7,335	\$ 46,521	\$ 136,205	\$ 182,726												
Commercial real estate - owner occupied	Commercial real estate - owner occupied	34,499	39,762	74,261	188,076	262,337												
Commercial real estate - non-owner occupied	Commercial real estate - non-owner occupied	119,511	32,358	151,869	639,451	791,320												
Construction and land development	Construction and land development	82,323	1,422	83,745	101,706	185,451												
Multi-family	Multi-family	43,372	37,932	81,304	275,885	357,189												
One-to-four family residential	One-to-four family residential	80,807	72,131	152,938	285,091	438,029												
Agricultural and farmland	Agricultural and farmland	2,427	11,889	14,316	144,240	158,556												
Municipal, consumer, and other	Municipal, consumer, and other	35,812	20,917	56,729	106,699	163,428												
<b>Total</b>	<b>Total</b>	<b>\$437,937</b>	<b>\$223,746</b>	<b>\$661,683</b>	<b>\$ 1,877,353</b>	<b>\$2,539,036</b>												

#### Nonperforming Assets

The following table sets forth information concerning nonperforming loans and nonperforming assets as of each of the dates indicated.

(dollars in thousands)	September 30, 2023	December 31, 2022
<b>NONPERFORMING ASSETS</b>		
Nonaccrual	\$ 6,678	\$ 2,155
Past due 90 days or more, still accruing <sup>(1)</sup>	—	1
<b>Total nonperforming loans</b>	<b>6,678</b>	<b>2,156</b>
Foreclosed assets	1,519	3,030
<b>Total nonperforming assets</b>	<b>\$ 8,197</b>	<b>\$ 5,186</b>
Nonperforming loans that are wholly or partially guaranteed by the U.S. Government	\$ 1,968	\$ 133
Allowance for credit losses	\$ 38,863	\$ 25,333
Loans, before allowance for credit losses	3,342,786	2,620,253
<b>CREDIT QUALITY RATIOS</b>		
Allowance for credit losses to loans, before allowance for credit losses	1.16 %	0.97 %

Allowance for credit losses to nonaccrual loans	581.96	1,175.55
Allowance for credit losses to nonperforming loans	581.96	1,175.00
Nonaccrual loans to loans, before allowance for credit losses	0.20	0.08
Nonperforming loans to loans, before allowance for credit losses	0.20	0.08
Nonperforming assets to total assets	0.16	0.12
Nonperforming assets to loans, before allowance for credit losses, and foreclosed assets	0.25	0.20

(1) Prior to 2023, excludes loans acquired with deteriorated credit quality that are past due 90 or more days and accruing. Such loans totaled \$145 thousand as of December 31, 2022.

(dollars in thousands)	March 31, 2024	December 31, 2023
<b>NONPERFORMING ASSETS</b>		
Nonaccrual	\$ 9,657	\$ 7,820
Past due 90 days or more, still accruing	—	37
<b>Total nonperforming loans</b>	<b>9,657</b>	<b>7,857</b>
Foreclosed assets	277	852
<b>Total nonperforming assets</b>	<b>\$ 9,934</b>	<b>\$ 8,709</b>
Nonperforming loans that are wholly or partially guaranteed by the U.S. Government	\$ 2,676	\$ 2,641
Allowance for credit losses	\$ 40,815	\$ 40,048
Loans, before allowance for credit losses	3,345,962	3,404,417
<b>CREDIT QUALITY RATIOS</b>		
Allowance for credit losses to loans, before allowance for credit losses	1.22 %	1.18 %
Allowance for credit losses to nonaccrual loans	422.65	512.12
Allowance for credit losses to nonperforming loans	422.65	509.71
Nonaccrual loans to loans, before allowance for credit losses	0.29	0.23
Nonperforming loans to loans, before allowance for credit losses	0.29	0.23
Nonperforming assets to total assets	0.20	0.17
Nonperforming assets to loans, before allowance for credit losses, and foreclosed assets	0.30	0.26

Total nonperforming assets were \$8.2 million \$9.9 million at September 30, 2023 March 31, 2024, increasing by \$3.0 million \$1.2 million since December 31, 2022 December 31, 2023. The increase was primarily attributable to the movement of a few commercial and Country merger industrial and commercial real estate - owner occupied credits to nonaccrual status which added \$3.8 million in nonaccrual loans and \$0.3 million of foreclosed assets, was partially offset by the payoff sale of several smaller credits and sale foreclosed properties. Additionally, of one larger foreclosed property.

the \$9.7 million of nonperforming loans held as of March 31, 2024, \$2.7 million are either wholly or partially guaranteed by the U.S. Government.

#### Risk Classification of Loans

Our risk classifications of loans were as follows:

(dollars in thousands)	(dollars in thousands)	September 30, 2023	December 31, 2022	(dollars in thousands)	March 31, 2024	December 31, 2023
Pass	Pass					
Pass	Pass	\$3,184,165	\$2,479,488			
Pass-watch	Pass-watch	90,359	66,934			
Substandard	Substandard	68,262	73,831			
Doubtful	Doubtful	—	—			
<b>Total</b>	<b>Total</b>	<b>\$3,342,786</b>	<b>\$2,620,253</b>			

Pass-watch loans increased \$23.4 million \$11.1 million, or 35.0% 11.3%, and substandard loans decreased \$5.6 million increased \$4.1 million, or 7.5% 6.4%, from December 31, 2022 December 31, 2023 to September 30, 2023 March 31, 2024. The increase in pass-watch loans was primarily attributable to pass-watch loans acquired from Town the downgrade of two commercial real estate - non-owner occupied credits, and Country. The decrease in substandard loans was primarily attributable to a \$12.4 million substandard relationship in the downgrade of one commercial real estate - non-owner occupied category which paid off during the second quarter of 2023, as well as several other smaller paydowns and payoffs, partially offset by substandard loans acquired from Town and Country.

industrial credit.

**Net Charge-offs and Recoveries (Recoveries)**

The following table summarizes net charge-offs (recoveries) to average loans, before allowance for credit losses, by loan category.

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,
(dollars in thousands)					
(dollars in thousands)	(dollars in thousands)	2023	2022	2023	2022
<b>Net charge-offs</b> (recoveries)	<b>Net charge-offs</b> (recoveries)				
Net charge-offs (recoveries)	Net charge-offs (recoveries)				
Commercial and industrial	Commercial and industrial				
Commercial and industrial	Commercial and industrial	\$ 1	\$ 11	\$ (30)	\$ (733)
Commercial real estate - owner occupied	Commercial real estate - owner occupied	—	(1)	(11)	(101)
Commercial real estate - owner occupied	Commercial real estate - owner occupied				
Commercial real estate - non-owner occupied	Commercial real estate - non-owner occupied				
Commercial real estate - non-owner occupied	Commercial real estate - non-owner occupied				
Commercial real estate - non-owner occupied	Commercial real estate - non-owner occupied	156	(3)	(82)	(273)
Construction and land development	Construction and land development	(44)	(1)	(52)	(1)
Construction and land development	Construction and land development				
Construction and land development	Construction and land development				
Multi-family	Multi-family	(280)	—	(280)	—
One-to-four family residential	One-to-four family residential	(32)	(42)	(101)	(256)
One-to-four family residential	One-to-four family residential				
Agricultural and farmland	Agricultural and farmland				
Agricultural and farmland	Agricultural and farmland				
Agricultural and farmland	Agricultural and farmland	(2)	—	(4)	—
Municipal, consumer, and other	Municipal, consumer, and other	135	96	264	187

Municipal, consumer, and other									
Municipal, consumer, and other									
<b>Total</b>									
<b>Total</b>									
<b>Total</b>	<b>Total</b>	\$	(66)	\$	60	\$	(296)	\$	(1,177)
<b>Average loans, before allowance for credit losses</b>									
<b>Average loans</b>									
<b>Average loans</b>									
<b>Average loans</b>									
Commercial and industrial	Commercial and industrial	\$	393,231	\$	233,046	\$	360,233	\$	271,136
Commercial real estate - owner occupied	Commercial real estate - owner occupied		291,969		212,997		290,025		220,463
Commercial real estate - owner occupied	Commercial real estate - owner occupied								
Commercial real estate - non-owner occupied	Commercial real estate - non-owner occupied								
Commercial real estate - non-owner occupied	Commercial real estate - non-owner occupied								
Commercial real estate - non-owner occupied	Commercial real estate - non-owner occupied								
Construction and land development	Construction and land development		360,319		348,958		366,372		329,781
Construction and land development	Construction and land development								
Construction and land development	Construction and land development								
Multi-family	Multi-family								
Multi-family	Multi-family								
Multi-family	Multi-family								
One-to-four family residential	One-to-four family residential		492,094		327,272		471,483		328,199
One-to-four family residential	One-to-four family residential								
One-to-four family residential	One-to-four family residential								
Agricultural and farmland	Agricultural and farmland								
Agricultural and farmland	Agricultural and farmland								
Agricultural and farmland	Agricultural and farmland								
Agricultural and farmland	Agricultural and farmland								
Municipal, consumer, and other	Municipal, consumer, and other								
Municipal, consumer, and other	Municipal, consumer, and other								
<b>Total</b>									
<b>Total</b>									
<b>Total</b>	<b>Total</b>	\$	3,296,703	\$	2,481,920	\$	3,183,641	\$	2,485,501
<b>Charge-offs (recoveries) to average loans, before allowance for credit losses *</b>									
<b>Charge-offs (recoveries) to average loans *</b>									

Charge-offs (recoveries) to average loans *								
Charge-offs (recoveries) to average loans *								
Commercial and industrial								
Commercial and industrial	Commercial and industrial	—	%	0.02	%	(0.01)	%	(0.36) %
Commercial real estate - owner occupied	Commercial real estate - owner occupied	—		—		(0.01)		(0.06)
Commercial real estate - owner occupied								
Commercial real estate - owner occupied								
Commercial real estate - non-owner occupied								
Commercial real estate - non-owner occupied	Commercial real estate - non-owner occupied	0.07		—		(0.01)		(0.05)
Construction and land development	Construction and land development	(0.05)		—		(0.02)		—
Construction and land development								
Construction and land development								
Multi-family								
Multi-family	Multi-family	(0.29)		—		(0.10)		—
One-to-four family residential	One-to-four family residential	(0.03)		(0.05)		(0.03)		(0.10)
One-to-four family residential								
One-to-four family residential								
Agricultural and farmland								
Agricultural and farmland	Agricultural and farmland	—		—		—		—
Municipal, consumer, and other	Municipal, consumer, and other	0.24		0.21		0.16		0.16
Municipal, consumer, and other								
Municipal, consumer, and other								
<b>Total</b>	<b>Total</b>	<b>(0.01)</b>	<b>%</b>	<b>0.01</b>	<b>%</b>	<b>(0.01)</b>	<b>%</b>	<b>(0.06)</b>
<b>Total</b>								
<b>Total</b>								

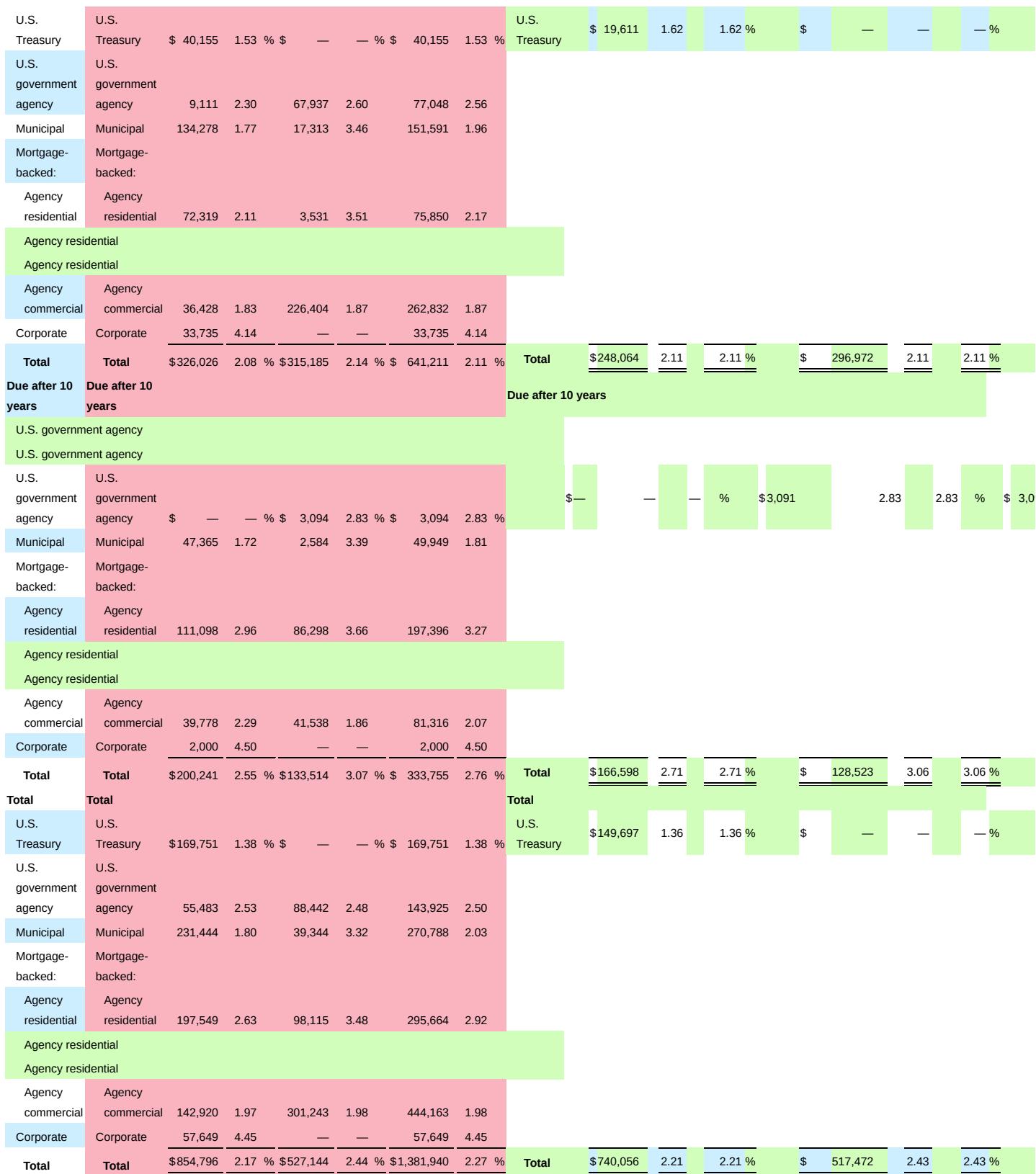
\* Annualized measure.

The net charge-offs (recoveries) to average total loans before allowance for credit losses ratio has remained low for several years. While we believe our continuous credit monitoring and collection efforts have resulted in lower levels of loan losses, while we also recognize that favorable substantial federal economic conditions prior to stimulus following the COVID-19 pandemic and substantial federal the relatively stable economic stimulus during conditions after the pandemic have also contributed to reduced loan losses.

## Securities

The Company's investment policy emphasizes safety of the principal, liquidity needs, expected returns, cash flow targets, and consistency with our interest rate risk management strategy. The composition and maturities of the debt securities portfolio as of **September 30, 2023** **March 31, 2024**, are summarized in the following table. Maturities are based on the final contractual payment dates, and do not reflect the impact of prepayments or early redemptions that may occur. Security yields have not been adjusted to a tax-equivalent basis.

		September 30, 2023								March 31, 2024							
		Available-for-Sale		Held-to-Maturity		Total				Available-for-Sale		Held-to-Maturity		Total			
		Available-for-Sale				Held-to-Maturity				Available-for-Sale				Held-to-Maturity			
(dollars in thousands)	(dollars in thousands)	Weighted Amortized Cost	Weighted Average Yield	Weighted Amortized Cost	Weighted Average Yield	Weighted Amortized Cost	Weighted Average Yield	(dollars in thousands)	Weighted Amortized Cost	Weighted Average Yield	Weighted Amortized Cost	Weighted Average Yield	(dollars in thousands)	Weighted Amortized Cost	Weighted Average Yield	Weighted Amortized Cost	
<b>Due in 1 year or less</b>	<b>Due in 1 year or less</b>																
U.S. Treasury	U.S. Treasury	\$ 30,058	1.56 %	\$ —	— %	\$ 30,058	1.56 %	U.S. Treasury	\$ 40,099	1.42	1.42 %	\$ —	—	—	— %		
U.S. government agency																	
Municipal	Municipal	4,091	2.78	2,643	3.74	6,734	3.16										
Mortgage-backed:	Mortgage-backed:																
Agency residential	Agency residential	54	2.69	—	—	54	2.69										
Agency commercial	Agency commercial	6,376	3.38	—	—	6,376	3.38										
<b>Total</b>	<b>Total</b>	<b>\$ 40,579</b>	<b>1.97 %</b>	<b>\$ 2,643</b>	<b>3.74 %</b>	<b>\$ 43,222</b>	<b>2.08 %</b>										
<b>Total</b>	<b>Total</b>								<b>\$ 53,059</b>	<b>1.82 %</b>	<b>\$ 2,791</b>	<b>3.62 %</b>	<b>\$ 55,8</b>				
<b>Due after 1 year through 5 years</b>	<b>Due after 1 year through 5 years</b>																
U.S. Treasury	U.S. Treasury	\$ 99,538	1.27 %	\$ —	— %	\$ 99,538	1.27 %	U.S. Treasury	\$ 89,987	1.27	1.27 %	\$ —	—	—	— %		
U.S. government agency	U.S. government agency	46,372	2.57	17,411	1.94	63,783	2.40										
Municipal	Municipal	45,710	1.91	16,804	3.11	62,514	2.23										
Mortgage-backed:	Mortgage-backed:																
Agency residential	Agency residential	14,078	2.77	8,286	1.62	22,364	2.34										
Agency residential	Agency residential																
Agency commercial	Agency commercial	60,338	1.70	33,301	2.85	93,639	2.11										
Corporate	Corporate	21,914	4.94	—	—	21,914	4.94										
<b>Total</b>	<b>Total</b>	<b>\$ 287,950</b>	<b>2.02 %</b>	<b>\$ 75,802</b>	<b>2.57 %</b>	<b>\$ 363,752</b>	<b>2.14 %</b>	<b>Total</b>	<b>\$ 272,335</b>	<b>2.07</b>	<b>2.07 %</b>	<b>\$ 89,186</b>	<b>2.57</b>	<b>2.57 %</b>			
<b>Due after 5 years through 10 years</b>	<b>Due after 5 years through 10 years</b>																
10 years	10 years																



## SOURCES OF FUNDS

### Deposits

Management continues to focus on growing deposits through the Company's relationship-driven banking philosophy and community-focused marketing programs. Additionally, the Bank continues to add and improve digital banking services to solidify deposit relationships.

The following table sets forth the distribution of average deposits, by account type:

Three Months Ended March 31,										Three Months Ended March 31,										Percent Change in Average Balance
2024										2023										Percent Change in Average Balance
(dollars in thousands)										(dollars in thousands)										Percent Change in Average Balance
Noninterest-bearing										Noninterest-bearing										Percent Change in Average Balance
Interest-bearing										Interest-bearing										Percent Change in Average Balance
Demand										Demand										Percent Change in Average Balance
Money market										Money market										Percent Change in Average Balance
Savings										Savings										Percent Change in Average Balance
Total non-maturity deposits										Total non-maturity deposits										Percent Change in Average Balance
Time deposits										Time deposits										Percent Change in Average Balance
Brokered										Brokered										Percent Change in Average Balance
Total deposits										Total deposits										Percent Change in Average Balance
Nine Months Ended September 30,										Nine Months Ended September 30,										Percent Change in Average Balance
2023										2022										Percent Change in Average Balance
(dollars in thousands)										(dollars in thousands)										Percent Change in Average Balance
Noninterest-bearing										Noninterest-bearing										Percent Change in Average Balance
Interest-bearing										Interest-bearing										Percent Change in Average Balance
Demand										Demand										Percent Change in Average Balance
Money market										Money market										Percent Change in Average Balance
Savings										Savings										Percent Change in Average Balance
Total non-maturity deposits										Total non-maturity deposits										Percent Change in Average Balance
Time deposits										Time deposits										Percent Change in Average Balance
Brokered										Brokered										Percent Change in Average Balance
Total deposits										Total deposits										Percent Change in Average Balance
Nine Months Ended September 30,										Nine Months Ended September 30,										Percent Change in Average Balance
2023										2022										Percent Change in Average Balance
(dollars in thousands)										(dollars in thousands)										Percent Change in Average Balance
Noninterest-bearing										Noninterest-bearing										Percent Change in Average Balance
Interest-bearing										Interest-bearing										Percent Change in Average Balance
Demand										Demand										Percent Change in Average Balance
Money market										Money market										Percent Change in Average Balance
Savings										Savings										Percent Change in Average Balance
Total non-maturity deposits										Total non-maturity deposits										Percent Change in Average Balance
Time deposits										Time deposits										Percent Change in Average Balance
Brokered										Brokered										Percent Change in Average Balance
Total deposits										Total deposits										Percent Change in Average Balance
Nine Months Ended September 30,										Nine Months Ended September 30,										Percent Change in Average Balance
2023										2022										Percent Change in Average Balance
(dollars in thousands)										(dollars in thousands)										Percent Change in Average Balance
Noninterest-bearing										Noninterest-bearing										Percent Change in Average Balance
Interest-bearing										Interest-bearing										Percent Change in Average Balance
Demand										Demand										Percent Change in Average Balance
Money market										Money market										Percent Change in Average Balance
Savings										Savings										Percent Change in Average Balance
Total non-maturity deposits										Total non-maturity deposits										Percent Change in Average Balance
Time deposits										Time deposits										Percent Change in Average Balance
Brokered										Brokered										Percent Change in Average Balance
Total deposits										Total deposits										Percent Change in Average Balance
Nine Months Ended September 30,										Nine Months Ended September 30,										Percent Change in Average Balance
2023										2022										Percent Change in Average Balance
(dollars in thousands)										(dollars in thousands)										Percent Change in Average Balance
Noninterest-bearing										Noninterest-bearing										Percent Change in Average Balance
Interest-bearing										Interest-bearing										

The increase in average deposits balances in 2023 compared to 2022 is primarily attributable to the Town and Country merger which added \$576.8 million to \$720.4 million of non-maturity deposits and \$143.6 million in time deposits on February 1, 2023. Recent increases in market interest rates have increased and competition for deposits. As a result, deposits drove an increase in deposit costs throughout 2023 as well as a shift from lower to higher cost deposit products. Additionally, we brought the majority of our wealth management customer reciprocal deposits on balance sheet in December 2023, which increased average money market deposits by \$142.4 million during the three months ended March 31, 2024.

As of March 31, 2024, the Company had \$55.8 million of wholesale brokered deposits outstanding. Brokered deposits are generally considered to be deposits that have been received from a third party who is engaged in the business of placing deposits on behalf of others. A traditional deposit broker will direct deposits to the banking institution offering the highest interest rate available. Federal banking laws and regulations place restrictions on depository institutions regarding brokered deposits because of the general concern that these deposits are not relationship based and are expected to continue to increase during 2023, relative to 2022, at a greater risk of being withdrawn and core placed on deposit at another institution offering a higher interest rate, thus posing liquidity risk for institutions that gather brokered deposits balances may decrease. Additionally, outgoing core deposits may be replaced by higher cost funding sources, such as FHLB advances and brokered deposits.

in significant amounts.

The following table sets forth time deposits by remaining maturity as of September 30, 2023 March 31, 2024:

	3 Months (dollars in thousands)	Over 3 or Less Months	Over 6 through 12 Months	Over Months	Total	3 Months or Less (dollars in thousands)	Over 3 through 6 Months	Over 6 through 12 Months	Over 12 Months	Total
<b>Time deposits:</b>										
<b>Time and brokered time deposits:</b>										
<b>Time and brokered time deposits:</b>										
<b>Time and brokered time deposits:</b>										
<b>Amounts less than \$100,000</b>										
Amounts less than \$100,000										
\$100,000 \$100,000 \$ 46,386 \$ 141,889 \$ 136,841 \$ 52,182 \$ 377,298 \$										
105,985 \$103,418 \$115,414 \$37,669 \$362,486										
<b>Amounts of \$100,000 or more but less than \$250,000</b>										
Amounts of \$100,000 or more but less than \$250,000										
\$250,000 \$250,000 36,487 40,472 86,034 23,376 186,369 less than \$250,000										
57,543 96,712 67,912 12,858 235,025										
<b>Amounts of \$250,000 or more</b>										
Amounts of \$250,000 or more										
\$250,000 \$250,000 25,867 33,484 47,831 8,758 115,940 Amounts of \$250,000 or more										
42,648 45,427 76,098 7,220 171,393										
<b>Total time deposits</b>										
\$108,740 \$215,845 \$ 270,706 \$ 84,316 \$ 679,607										
<b>Total time and brokered time deposits</b>										
\$ 206,176 \$ 245,557 \$ 259,424 \$ 57,747 \$ 768,904										

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Bank's uninsured deposits were estimated to be \$876.0 million \$867.9 million and \$739.0 million \$867.7 million, respectively.

## LIQUIDITY

## Bank Liquidity

The overall objective of bank liquidity management is to ensure the availability of sufficient cash funds to meet all financial commitments and to take advantage of investment opportunities. The Bank manages liquidity in order to meet deposit withdrawals on demand or at contractual maturity, to repay borrowings as they mature, and to fund new loans and investments as opportunities arise.

The Bank continuously monitors its liquidity positions to ensure that assets and liabilities are managed in a manner that will meet all of our short-term and long-term cash requirements. The Bank manages its liquidity position to meet our daily cash flow needs, while maintaining an appropriate balance between assets and liabilities to meet the return on investment objectives. The Bank also monitors liquidity requirements in light of interest rate trends, changes in the economy, the scheduled maturity and interest rate sensitivity of the investment and loan portfolios and deposits, and regulatory capital requirements.

As part of the Bank's liquidity management strategy, the Bank is also focused on minimizing costs of liquidity and attempts to decrease these costs by promoting noninterest-bearing and low-cost deposits. While the Bank does not control the types of deposit instruments our clients choose, those choices can be influenced with the rates and the deposit specials offered.

Additional sources of liquidity include unpledged securities, federal funds purchased, borrowings from the FHLB and FRB, Federal Reserve, and brokered deposits. Unpledged securities may be sold or pledged as collateral for borrowings to meet liquidity needs. Interest is charged at the prevailing market rate on federal funds purchased and FHLB borrowings rate.

As of September 30, 2023 March 31, 2024, management believed the current liquidity and available sources of liquidity are adequate to meet all of the reasonably foreseeable short-term and intermediate-term demands of the Bank. As of September 30, 2023 March 31, 2024, the Bank had no material commitments for capital expenditures.

## Holding Company Liquidity

The Holding Company, or HBT Financial, Inc. on an unconsolidated basis, is a corporation separate and apart from the Bank and, therefore, it must provide for its own liquidity. As of September 30, 2023 March 31, 2024, the Holding Company had cash and cash equivalents of \$13.0 million \$12.8 million.

The Holding Company's main source of funding is dividends declared and paid to it by the Bank. Due to state banking laws, the Bank may not declare dividends in any calendar year in an amount that would exceed accumulated retained earnings, after giving effect to any unrecognized losses and bad debts, without the prior approval of the Illinois Department of Financial and Professional Regulation. In addition, dividends paid by the Bank to the Holding Company would be prohibited if the effect thereof would cause the Bank's capital to be reduced below applicable minimum capital requirements. Management believes that these limitations will not impact the Holding Company's ability to meet its ongoing short-term cash obligations. During the three months ended September 30, 2023 March 31, 2024 and 2022, the Bank paid \$12.0 million \$8.0 million and \$6.0 million in dividends to the Holding Company, respectively. During the nine months ended September 30, 2023 and 2022, the Bank paid \$52.0 million and \$18.0 million \$25.0 million in dividends to the Holding Company, respectively.

The liquidity needs of the Holding Company on an unconsolidated basis consist primarily of operating expenses, interest payments on the subordinated notes and junior subordinated debentures, and shareholder distributions in the form of dividends and stock repurchases. During the three months ended September 30, 2023 March 31, 2024 and 2022, holding company operating expenses consisted of interest expense of \$1.4 million and \$0.9 million \$1.2 million, respectively, and other operating expenses of \$1.2 million \$1.1 million and \$1.4 million, respectively. During the nine months ended September 30, 2023 and 2022, holding company operating expenses consisted of interest expense of \$4.0 million and \$2.6 million, respectively, and other operating expenses of \$4.6 million and \$4.0 million \$2.2 million, respectively.

Additionally, the Holding Company paid \$5.4 million \$6.1 million and \$4.6 million \$5.5 million of dividends to stockholders during the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and paid \$16.4 million and \$14.0 million of dividends to stockholders during the nine months ended September 30, 2023 and 2022, 2023, respectively. The Holding Company also paid \$38.0 million in cash consideration in the acquisition of Town and Country during the first quarter of 2023.

As of September 30, 2023 March 31, 2024, management was not aware of any known trends, events or uncertainties that had or were reasonably likely to have a material impact on the Holding Company's liquidity.

As of September 30, 2023 March 31, 2024, management believed the current liquidity and available sources of liquidity are adequate to meet all of the reasonably foreseeable short-term and intermediate-term demands of the Holding Company. As of September 30, 2023 March 31, 2024, the Holding Company had no material commitments for capital expenditures.

## CAPITAL RESOURCES

The overall objectives of capital management are to ensure the availability of sufficient capital to support loan, deposit and other asset and liability growth opportunities and to maintain capital to absorb unforeseen losses or write-downs that are inherent in the business risks associated with the banking industry. The Company seeks to balance the need for higher capital levels to address such unforeseen risks and the goal to achieve an adequate return on the capital invested by our stockholders.

### Regulatory Capital Requirements

The Company and Bank are each subject to various regulatory capital requirements administered by federal and state banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory, and possibly additional discretionary, actions by regulators that, if undertaken, could have a direct material effect on the financial statements of the Company and the Bank.

In addition to meeting minimum capital requirements, the Company and the Bank must also maintain a "capital conservation buffer" to avoid becoming subject to restrictions on capital distributions and certain discretionary bonus payments to management. As of September 30, 2023 and December 31, 2022, the The capital conservation buffer requirement

was is 2.5% of risk-weighted assets.

As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, the Company and the Bank met all capital adequacy requirements to which they were subject. As of those dates, the Bank was "well capitalized" under the regulatory prompt corrective action provisions.

The following table sets forth actual capital ratios of the Company and the Bank as of the dates indicated, as well as the minimum ratios for capital adequacy purposes with the capital conservation buffer, and the minimum ratios to be well capitalized under regulatory prompt corrective action provisions.

September 30, 2023	December 31, 2022	For Capital Adequacy Purposes				To Be Well Capitalized Under Prompt Corrective Action Provisions (2)
		March 31, 2024	December 31, 2023	For Capital Adequacy Purposes With Capital		
				Conversation Buffer (1)		
<b>Consolidated HBT Financial, Inc.</b>						
		<b>15.09</b> 15.79 %	<b>16.27</b> 15.33 %		10.50 %	N/A
		<b>13.18</b> 13.77	<b>14.23</b> 13.42		8.50	N/A
		Common Equity Tier 1 Capital (to Risk Weighted Assets)	<b>11.88</b> 12.44	<b>13.07</b> 12.12	7.00	N/A
		Tier 1 Capital (to Average Assets)	<b>10.34</b> 10.65	<b>10.48</b> 10.49	4.00	N/A
<b>Heartland Bank and Trust Company</b>						
		<b>14.78</b> 15.45 %	<b>15.43</b> 14.92 %		10.50 %	10.00 %
		<b>13.89</b> 14.44	<b>14.63</b> 14.01		8.50	8.00
		Common Equity Tier 1 Capital (to Risk Weighted Assets)	<b>13.89</b> 14.44	<b>14.63</b> 14.01	7.00	6.50
		Tier 1 Capital (to Average Assets)	<b>10.89</b> 11.17	<b>10.78</b> 10.96	4.00	5.00

(1) The Tier 1 capital to average assets ratio (known as the "leverage ratio") is not impacted by the capital conservation buffer.

(2) The prompt corrective action provisions are not applicable to bank holding companies.

N/A Not applicable.

As of **September 30, 2023** **March 31, 2024**, management was not aware of any known trends, events or uncertainties that had or were reasonably likely to have a material impact on the Company's capital resources.

### Cash Dividends

During **2022**, **2023**, the Company paid quarterly cash dividends of **\$0.16** **\$0.17** per share. On **January 24, 2023** **January 23, 2024**, the Company announced an increase of **\$0.01** **\$0.02** and paid a **\$0.17** **\$0.19** per share dividend through **the third** **first** quarter of **2023**, **2024**.

### Stock Repurchase Program

Under the Company's stock repurchase program, the Company repurchased **91,728** **179,281** shares of its common stock at a weighted average price of **\$18.48** **\$18.93** during the three months ended **September 30, 2023** **March 31, 2024**. The Company's Board of Directors authorized the repurchase of up to \$15.0 million of its common stock under its stock repurchase program in effect until **January 1, 2024** **January 1, 2025**. As of **September 30, 2023** **March 31, 2024**, the Company had **\$7.6** **\$11.6** million remaining under the current stock repurchase authorization.

### OFF-BALANCE SHEET ARRANGEMENTS

As a financial services provider, the Bank routinely is a party to various financial instruments with off-balance sheet risks, such as commitments to extend credit, standby letters of credit, unused lines of credit, commitments to sell loans, and interest rate swaps. While these contractual obligations represent our future cash requirements, a significant portion of commitments to extend credit may expire without being drawn upon. Such commitments are subject to the same credit policies and

approval process afforded to loans originated by the Bank. For additional information, see "Note 1514 – Commitments and Contingencies" to the consolidated financial statements.

#### **CRITICAL ACCOUNTING ESTIMATES**

Critical accounting estimates are those that are critical to the portrayal and understanding of the Company's financial condition and results of operations and require management to make assumptions that are difficult, subjective, or complex. These estimates involve judgments, assumptions, and uncertainties that are susceptible to change. In the event that different assumptions or conditions were to prevail, and depending on the severity of such changes, the possibility of a materially different financial condition or materially different results of operations is a reasonable likelihood. Further, changes in accounting standards could impact the Company's critical accounting estimates. The following accounting estimates **estimate** could be deemed critical:

##### **Allowance for Credit Losses**

The allowance for credit losses reflects an estimate of lifetime expected credit losses. Measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts. The allowance for credit losses is established through a provision for credit losses which is charged to expense. Additions to the allowance for credit losses are expected to maintain the adequacy of the total allowance for credit losses. Loan losses are charged off against the allowance for credit losses when the Company determines the loan balance to be uncollectible. Cash received on previously charged off amounts is recorded as a recovery to the allowance for credit losses.

Management uses the discounted cash flow method to estimate expected credit losses for all loan categories, except for consumer loans where the weighted average remaining maturity method is utilized. The Company uses regression analysis of historical internal and peer data to determine which macroeconomic variables are most closely correlated with credit losses, such as the unemployment rate and changes in GDP. Management leverages economic projections from a reputable third party to inform its economic forecasts with a reversion to historical averages for periods beyond a reasonable and supportable forecast period.

Nonaccrual loans and loans which do not share risk characteristics with other loans in the pool are individually evaluated to determine expected credit losses.

The allowance for credit losses on unfunded commitments is estimated in the same manner as the associated loans adjusted for anticipated funding rate.

##### **Fair Value of Assets Acquired and Liabilities Assumed in Business Combinations**

Business combinations are accounted for using the acquisition method of accounting. Under the acquisition method of accounting, assets acquired and liabilities assumed are recorded at their estimated fair value on the acquisition date. Estimating such fair values may require highly subjective assumptions or the use of a valuation specialist. In the Town and Country acquisition, the fair value for loans was most significant estimate and relatively small changes in assumptions used in this estimate could result in a materially different conclusion.

The fair value for loans was based on a discounted cash flow methodology that considered credit loss and prepayment expectations, market interest rates and other market factors, such as liquidity, from the perspective of a market participant. Loan cash flows were generated on an individual loan basis. The probability of default, loss given default, exposure at default, and prepayment assumptions are key factors in this analysis.

#### **NON-GAAP FINANCIAL INFORMATION**

This Quarterly Report on Form 10-Q contains certain financial information determined by methods other than those in accordance with GAAP. Management believes that it is a standard practice in the banking industry to present these non-GAAP financial measures, and accordingly believes that providing these measures may be useful for peer comparison purposes. These disclosures should not be viewed as substitutes for the results determined to be in accordance with GAAP; nor are they necessarily comparable to non-GAAP financial measures that may be presented by other companies. See our reconciliation of non-GAAP financial measures to their most closely comparable GAAP financial measures below.

Non-GAAP Financial Measure	Definition	How the Measure Provides Useful Information to Investors
Adjusted Net Income	<ul style="list-style-type: none"> <li>Net income, with the following adjustments: <ul style="list-style-type: none"> <li>excludes acquisition expenses, including the day 2 provision for credit losses on non-PCD loans and unfunded commitments,</li> <li>excludes branch closure expenses,</li> <li>excludes charges related to termination of certain employee benefit plans,</li> <li>excludes net earnings (losses) from closed or sold operations,</li> <li>excludes realized gains (losses) on sales of closed branch premises,</li> <li>excludes realized gains (losses) on sales of securities,</li> <li>excludes mortgage servicing rights fair value adjustment, and</li> <li>the income tax effect of these pre-tax adjustments.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Enhances comparisons to prior periods and, accordingly, facilitates the development of future projections and earnings growth prospects.</li> <li>We also sometimes refer to ratios that include Adjusted Net Income, such as: <ul style="list-style-type: none"> <li>Adjusted Return on Average Assets, which is Adjusted Net Income divided by average assets.</li> <li>Adjusted Return on Average Equity, which is Adjusted Net Income divided by average equity.</li> <li>Adjusted Earnings Per Share - Basic, which is Adjusted Net Income allocated to common shares divided by weighted average common shares outstanding.</li> <li>Adjusted Earnings Per Share - Diluted, which is Adjusted Net Income allocated to common shares divided by weighted average common shares outstanding, including all dilutive potential shares.</li> </ul> </li> </ul>
Net Interest Income (Tax Equivalent Basis)	<ul style="list-style-type: none"> <li>Net interest income adjusted for the tax-favored status of tax-exempt loans and securities. <sup>(1)</sup></li> </ul>	<ul style="list-style-type: none"> <li>We believe the tax equivalent basis is the preferred industry measurement of net interest income.</li> <li>Enhances comparability of net interest income arising from taxable and tax-exempt sources.</li> <li>We also sometimes refer to Net Interest Margin (Tax Equivalent Basis), which is Net Interest Income (Tax Equivalent Basis) divided by average interest-earning assets.</li> </ul>
Efficiency Ratio (Tax Equivalent Basis)	<ul style="list-style-type: none"> <li>Noninterest expense less amortization of intangible assets divided by the sum of net interest income (tax equivalent basis) and noninterest income. <sup>(1)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Provides a measure of productivity in the banking industry.</li> <li>Calculated to measure the cost of generating one dollar of revenue. That is, the ratio is designed to reflect the percentage of one dollar which must be expended to generate that dollar of revenue.</li> </ul>

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

Non-GAAP Financial Measure	Definition	How the Measure Provides Useful Information to Investors
<b>Ratio of Tangible Common Equity to Tangible Assets</b>	<ul style="list-style-type: none"> <li>Tangible Common Equity is total stockholders' equity less goodwill and other intangible assets.</li> <li>Tangible Assets is total assets less goodwill and other intangible assets.</li> </ul>	<ul style="list-style-type: none"> <li>Generally used by investors, our management, and banking regulators to evaluate capital adequacy.</li> <li>Facilitates comparison of our earnings with the earnings of other banking organization with significant amounts of goodwill or intangible assets.</li> <li>We also sometimes refer to ratios that include Tangible Common Equity, such as: <ul style="list-style-type: none"> <li>Tangible Book Value Per Share, which is Tangible Common Equity divided by shares of common stock outstanding.</li> <li>Return on Average Tangible Common Equity, which is net income divided by average Tangible Common Equity.</li> <li>Adjusted Return on Average Tangible Common Equity, which is Adjusted Net Income divided by average Tangible Common Equity.</li> </ul> </li> </ul>
<b>Core Deposits</b>	<ul style="list-style-type: none"> <li>Total deposits, excluding: <ul style="list-style-type: none"> <li>Time deposits of \$250,000 or more, and</li> <li>Brokered deposits</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Provides investors with information regarding the stability of the Company's sources of funds.</li> <li>We also sometimes refer to the ratio of Core Deposits to total deposits.</li> </ul>

**Reconciliation of Non-GAAP Financial Measure - — Adjusted Net Income and Adjusted Return on Average Assets**

	Three Months Ended September 30,		Nine Months Ended September 30,					
	Three Months Ended March 31,							
	Three Months Ended March 31,							
(dollars in thousands)								
(dollars in thousands)								
(dollars in thousands)	(dollars in thousands)	2023	2022	2023				
Net income	Net income	\$ 19,715	\$ 15,627	\$ 47,396				
Net income				\$ 43,316				
Adjustments:								
Adjustments:								
Acquisition expenses <sup>(1)</sup>	Acquisition expenses <sup>(1)</sup>	—	(462)	(13,691)				
Acquisition expenses <sup>(1)</sup>				(462)				
Acquisition expenses <sup>(1)</sup>								

Gains (losses) on sales of closed branch premises	—	(38)	75	141
Gains (losses) on closed branch premises				
Gains (losses) on closed branch premises				
Gains (losses) on closed branch premises				
Realized gains (losses) on sales of securities				
Realized gains (losses) on sales of securities				
Realized gains (losses) on sales of securities	Realized gains (losses) on sales of securities	Realized gains (losses) on sales of securities	(813)	—
Mortgage servicing rights fair value adjustment	Mortgage servicing rights fair value adjustment	adjustment	23	351
Mortgage servicing rights fair value adjustment				(460)
Mortgage servicing rights fair value adjustment				2,446
Total adjustments				
Total adjustments				
Total adjustments	Total adjustments		(790)	(149)
Tax effect of adjustments	Tax effect of adjustments		226	(80)
Tax effect of adjustments				4,382
Tax effect of adjustments				(728)
Total adjustments	Total adjustments			
after tax effect	after tax effect		(564)	(229)
Total adjustments after tax effect				(11,514)
Total adjustments after tax effect				1,397
Adjusted net income				
Adjusted net income				
Adjusted net income	Adjusted net income	\$ 20,279	\$ 15,856	\$ 58,910
Average assets	Average assets	\$ 4,964,832	\$ 4,208,722	\$ 4,902,783
Average assets				\$ 4,278,997
Average assets				
Average assets				
Return on average assets *	Return on average assets *			
Adjusted return on average assets *	Adjusted return on average assets *	1.58 %	1.47 %	1.29 %
Return on average assets *	Return on average assets *			1.35 %
Adjusted return on average assets *	Adjusted return on average assets *	1.62	1.49	1.61
Return on average assets *	Return on average assets *			1.31

Adjusted return on average assets *
Adjusted return on average assets *

\* 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 in connection with the Town and Country merger during the first quarter of 2023. [2023](#) in accordance with ASC 326 which was adopted on January 1, 2023.

**Reconciliation of Non-GAAP Financial Measure - **  
**Adjusted Earnings Per Share**

	Three Months Ended September 30,		Nine Months Ended September 30,					
	Three Months Ended March 31,							
	Three Months Ended March 31,							
<i>(dollars in thousands, except per share amounts)</i>								
<i>(dollars in thousands, except per share amounts)</i>								
(dollars in thousands, except per share amounts)	(dollars in thousands, except per share amounts)		2023	2022				
<b>Numerator:</b>	<b>Numerator:</b>							
<b>Numerator:</b>								
Net income								
Net income								
Net income	Net income	\$ 19,715	\$ 15,627	\$ 47,396				
Earnings allocated to participating securities <sup>(1)</sup>	Earnings allocated to participating securities <sup>(1)</sup>	(10)	(17)	(26)				
Earnings allocated to participating securities <sup>(1)</sup>	Earnings allocated to participating securities <sup>(1)</sup>			(51)				
<b>Earnings allocated to participating securities <sup>(1)</sup></b>								
Earnings allocated to participating securities <sup>(1)</sup>								
Numerator for earnings per share - basic and diluted								
Numerator for earnings per share - basic and diluted								
Numerator for earnings per share - basic and diluted	Numerator for earnings per share - basic and diluted							
and diluted	and diluted	\$ 19,705	\$ 15,610	\$ 47,370				
Adjusted net income	Adjusted net income	\$ 20,279	\$ 15,856	\$ 58,910				
Adjusted net income				\$ 41,919				
<b>Adjusted net income</b>								
<b>Adjusted net income</b>								

Earnings allocated to participating securities <sup>(1)</sup>	Earnings allocated to participating securities <sup>(1)</sup>	(10)	(17)	(33)	(49)
Earnings allocated to participating securities <sup>(1)</sup>					
Earnings allocated to participating securities <sup>(1)</sup>					
Numerator for adjusted earnings per share - basic and diluted					
Numerator for adjusted earnings per share - basic and diluted					
Numerator for adjusted earnings per share - basic and diluted	Numerator for adjusted earnings per share - basic and diluted	\$ 20,269	\$ 15,839	\$ 58,877	\$ 41,870
<b>Denominator:</b>	<b>Denominator:</b>				
<b>Denominator:</b>					
<b>Denominator:</b>					
Weighted average common shares outstanding					
Weighted average common shares outstanding					
Weighted average	Weighted average				
common	common				
shares	shares				
outstanding	outstanding	31,829,250	28,787,662	31,598,650	28,887,757
Dilutive effect of outstanding restricted stock units	Dilutive effect of outstanding restricted stock units				
Weighted average common shares outstanding, including all dilutive potential shares	Weighted average common shares outstanding, including all dilutive potential shares				
Weighted average common shares outstanding, including all dilutive potential shares	Weighted average common shares outstanding, including all dilutive potential shares				
Weighted average	Weighted average				
common	common				
shares	shares				
outstanding,	outstanding,				
including all	including all				
dilutive	dilutive				
potential shares	potential shares	31,966,437	28,860,305	31,701,224	28,944,518
<b>Earnings per share - Basic</b>	<b>Earnings per share - Basic</b>				
<b>Earnings per share - Basic</b>					
<b>Earnings per share - Basic</b>					

<b>Earnings per share - Diluted</b>								
<b>Earnings per share - Diluted</b>								
Earnings per share - Diluted	Earnings per share - Diluted	\$ 0.62	\$ 0.54	\$ 1.49	\$ 1.49			
Adjusted earnings per share - Basic	Adjusted earnings per share - Basic	\$ 0.64	\$ 0.55	\$ 1.86	\$ 1.45			
<b>Adjusted earnings per share - Basic</b>								
<b>Adjusted earnings per share - Basic</b>								
Adjusted earnings per share - Diluted	Adjusted earnings per share - Diluted	\$ 0.63	\$ 0.55	\$ 1.86	\$ 1.45			
<b>Adjusted earnings per share - Diluted</b>								
<b>Adjusted earnings per share - Diluted</b>								

(1) The Company has previously granted certain restricted stock units that contain contained non-forfeitable rights to dividend equivalents. Such restricted stock units are equivalents which were considered participating securities. As such, we have included Prior to 2024, these restricted stock units were included in the calculation of basic earnings per share and calculate basic earnings per share using the two-class method. The two-class method of computing earnings per share is an earnings allocation formula that determines earnings per share for each class of common stock and participating security according to dividends declared (or accumulated) and participation rights in undistributed earnings.

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

	Three Months Ended September 30,		Nine Months Ended September 30,		
	Three Months Ended	March 31,	Three Months Ended	March 31,	Three Months Ended
(dollars in thousands)					
(dollars in thousands)					
(dollars in thousands)	2023		2022		2023
(dollars in thousands)					
<b>Net interest income (tax-equivalent basis)</b>					
<b>Net interest income (tax-equivalent basis)</b>					
Net interest income					
Net interest income					
Net interest income	\$ 48,279		\$ 37,390		\$ 143,988
Net interest income					
					\$ 103,691

Tax-equivalent adjustment	(1)	Tax-equivalent adjustment	(1)	675	674	2,092	1,801
<b>Tax-equivalent adjustment</b>							
(1)							
<b>Tax-equivalent adjustment</b>							
(1)							
<b>Net interest income (tax-equivalent basis) (1)</b>							
<b>Net interest income (tax-equivalent basis) (1)</b>							
Net interest income (tax-equivalent basis) (1)		Net interest income (tax-equivalent basis) (1)		\$ 48,954	\$ 38,064	\$ 146,080	\$ 105,492
<b>Net interest margin (tax-equivalent basis)</b>							
<b>Net interest margin (tax-equivalent basis)</b>							
<b>Net interest margin (tax-equivalent basis)</b>							
Net interest margin *							
Net interest margin *							
Net interest margin *							
Tax-equivalent adjustment							
(1)							
Tax-equivalent adjustment							
(1)							
Tax-equivalent adjustment							
(1)							
<b>Net interest margin (tax-equivalent basis) (1)</b>		<b>Net interest margin (tax-equivalent basis) (1)</b>					
Net interest margin *		4.07 %		3.65 %		4.14 %	
Tax-equivalent adjustment							
(1)		0.06		0.07		0.06	
Net interest margin (tax-equivalent basis) * (1)		4.13 %		3.72 %		4.20 %	
<b>Net interest margin (tax-equivalent basis) (1)</b>							
<b>Net interest margin (tax-equivalent basis) (1)</b>							
Average interest-earning assets		\$ 4,708,331		\$ 4,059,978		\$ 4,649,993	
Average interest-earning assets							
Average interest-earning assets							
Average interest-earning assets							

\* Annualized measure.

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

#### Reconciliation of Non-GAAP Financial Measure -

Efficiency Ratio (Tax Equivalent Basis)						
Three Months Ended September 30,			Nine Months Ended September 30,			
		Three Months Ended March 31,				
		Three Months Ended March 31,				
		Three Months Ended March 31,				
(dollars in thousands)		(dollars in thousands)				
(dollars in thousands)	(dollars in thousands)		2023	2022	2023	2022
<b>Efficiency ratio (tax-equivalent basis)</b>	<b>Efficiency ratio (tax-equivalent basis)</b>					
<b>Efficiency ratio (tax-equivalent basis)</b>						
<b>Efficiency ratio (tax-equivalent basis)</b>						
Total noninterest expense						
Total noninterest expense						
Total noninterest expense	Total noninterest expense	\$ 30,671	\$ 23,998	\$ 100,577	\$ 71,997	
Less: amortization of intangible assets	Less: amortization of intangible assets					
		720	243	1,950	733	
<b>Adjusted noninterest expense</b>	<b>\$ 29,951</b>	<b>\$ 23,755</b>	<b>\$ 98,627</b>	<b>\$ 71,264</b>		
Less: amortization of intangible assets						
Less: amortization of intangible assets						
<b>Noninterest expense excluding amortization of intangible assets</b>						
<b>Noninterest expense excluding amortization of intangible assets</b>						
<b>Noninterest expense excluding amortization of intangible assets</b>						
Net interest income						
Net interest income						
Net interest income	Net interest income	\$ 48,279	\$ 37,390	\$ 143,988	\$ 103,691	
Total noninterest income	Total noninterest income					
		9,490	8,234	26,841	26,828	
Total noninterest income						
Total noninterest income						
<b>Operating revenue</b>						
<b>Operating revenue</b>						
Operating revenue	Operating revenue	57,769	45,624	170,829	130,519	

Tax-equivalent adjustment <sup>(1)</sup>	Tax-equivalent adjustment <sup>(1)</sup>	675	674	2,092	1,801
Tax-equivalent adjustment <sup>(1)</sup>					
Tax-equivalent adjustment <sup>(1)</sup>					
Operating revenue (tax-equivalent basis) <sup>(1)</sup>					
Operating revenue (tax-equivalent basis) <sup>(1)</sup>					
Operating revenue (tax-equivalent basis) <sup>(1)</sup>	Operating revenue (tax-equivalent basis) <sup>(1)</sup>	\$ 58,444	\$ 46,298	\$ 172,921	\$ 132,320
Efficiency ratio	Efficiency ratio	51.85 %	52.07 %	57.73 %	54.60 %
Efficiency ratio					
Efficiency ratio					
Efficiency ratio (tax-equivalent basis) <sup>(1)</sup>	Efficiency ratio (tax-equivalent basis) <sup>(1)</sup>	51.25	51.31	57.04	53.86
Efficiency ratio (tax-equivalent basis) <sup>(1)</sup>					
Efficiency ratio (tax-equivalent basis) <sup>(1)</sup>					

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

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

(dollars in thousands, except per share data)	(dollars in thousands, except per share data)	September 30, 2023	December 31, 2022	(dollars in thousands, except per share data)	March 31, 2024	December 31, 2023
<b>Tangible Common Equity</b>						
<b>Tangible Common Equity</b>						
Total stockholders' equity						
Tangible	Tangible					
Common	Common					
Equity	Equity					
<b>Tangible Common Equity</b>						
<b>Tangible Common Equity</b>						
Total stockholders' equity						
Total stockholders' equity						
Total stockholders' equity						
Total stockholders' equity						
Less:	Less:					
Goodwill	Goodwill	59,820	29,322			
Less:	Less:					
Intangible assets, net	Intangible assets, net	21,402	1,070			
Tangible common equity	Tangible common equity					
equity	equity	\$ 375,029	\$ 343,240			
Tangible Assets	Tangible Assets					

<b>Tangible Assets</b>					
<b>Tangible Assets</b>					
Total assets					
	Total assets	\$4,991,768	\$4,286,734		
Less:	Less:				
Goodwill	Goodwill	59,820	29,322		
Less:	Less:				
Intangible assets, net	Intangible assets, net	21,402	1,070		
<b>Tangible assets</b>	<b>Tangible assets</b>	<b>\$4,910,546</b>	<b>\$4,256,342</b>		
Total stockholders' equity to assets	Total stockholders' assets	9.14 %	8.72 %		
Total stockholders' equity to total assets					
Total stockholders' equity to total assets		9.85 %	9.65 %		
Tangible common equity to tangible assets	Tangible common assets	7.64	8.06		
Shares of common stock outstanding	Shares of common stock outstanding	31,774,140	28,752,626		
Shares of common stock outstanding					
		31,612,888	31,695,828		
Book value per share	Book value per share	\$ 14.36	\$ 12.99		
Book value per share					
Tangible book value per share	Tangible book value per share	11.80	11.94		
<b>Reconciliation of Non-GAAP Financial Measure – <span style="color: #0070C0;">■</span></b>					
<b>Return on Average Tangible Common Equity, Adjusted Return on Average Stockholders' Equity, and Adjusted Return on Average Tangible Common Equity</b>					
Three Months Ended September 30,		Nine Months Ended September 30,			
Three Months Ended		Nine Months Ended			
March 31,		September 30,			
Three Months Ended		September 30,			
March 31,		September 30,			
Three Months Ended		September 30,			
March 31,		September 30,			
(dollars in thousands)					
(dollars in thousands)					
(dollars in thousands)	(dollars in thousands)	2023	2022		
2023	2022	2023	2022		

Average	Average
Tangible	Tangible
Common	Common
Equity	Equity
<b>Average Tangible Common Equity</b>	
<b>Average Tangible Common Equity</b>	
Total stockholders' equity	
Total stockholders' equity	
Total stockholders' equity	Total stockholders' equity
\$ 459,601	\$ 380,983
Less: Goodwill	Less: Goodwill
59,875	29,322
Less: Goodwill	Less: Goodwill
Less: Intangible assets, net	Less: Intangible assets, net
Intangible assets, net	Intangible assets, net
21,793	1,356
<b>Average tangible common equity</b>	
<b>Average tangible common equity</b>	
Average tangible	Average tangible
common	common
equity	equity
\$ 377,933	\$ 350,305
Net income	Net income
\$ 19,715	\$ 15,627
Net income	Net income
Adjusted net income	Adjusted net income
Adjusted net income	Adjusted net income
20,279	15,856
Return on average	Return on average
stockholders' equity *	stockholders' equity *
17.02 %	16.27 %
Return on average stockholders' equity *	Return on average stockholders' equity *
Return on average tangible common equity *	Return on average tangible common equity *
Return on average tangible common equity *	Return on average tangible common equity *
Return on average	Return on average
tangible	tangible
common equity	common equity
*	*
	20.70
	17.70
	17.17
	16.20

Adjusted return on average stockholders' equity *	Adjusted return on average stockholders' equity *	17.51 %	16.51 %	17.68 %	14.43 %
Adjusted return on average stockholders' equity *					
Adjusted return on average stockholders' equity *					
Adjusted return on average tangible	Adjusted return on average common equity				
*	*	21.29	17.96	21.34	15.67
Adjusted return on average tangible common equity *					
Adjusted return on average tangible common equity *					

\* Annualized measure.

**Reconciliation of Non-GAAP Financial Measure -  Core Deposits**

(dollars in thousands)	(dollars in thousands)	September 30, 2023	December 31, 2022	(dollars in thousands)	March 31, 2024	December 31, 2023
<b>Core Deposits</b>						
<b>Core Deposits</b>						
Total deposits						
Total	Total					
deposits	deposits	\$4,198,068	\$3,587,024			
Less: time deposits	Less: time deposits					
of	of					
\$250,000	\$250,000					
or more	or more	115,940	27,158			
Less:	Less:					
brokered	brokered					
deposits	deposits	114,973	—			
<b>Core</b>	<b>Core</b>					
<b>deposits</b>	<b>deposits</b>	\$3,967,155	\$3,559,866			
Core	Core					
deposits to	deposits to					
total	total					
deposits	deposits	94.50 %	99.24 %			
Core deposits to total deposits						
Core deposits to total deposits						
		94.79 %	93.75 %			

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Managing risk is an essential part of successfully managing a financial institution. Our most prominent risk exposures are interest rate risk and credit risk.

## Interest Rate Risk

Our most significant form of market risk is interest rate risk inherent in the normal course of lending and deposit-taking activities. Interest rate risk is the potential reduction of net interest income as a result of changes in interest rates. Management believes that our ability to successfully respond to changes in interest rates will have a significant impact on our financial results. To that end, management actively monitors and manages our interest rate exposure.

The Company's Asset/Liability Management Committee ("ALCO"), which is authorized by the Company's board of directors, monitors our interest rate sensitivity and makes decisions relating to that process. The ALCO's goal is to structure our asset/liability composition to maximize net interest income while managing interest rate risk so as to minimize the adverse impact of changes in interest rates on net interest income and capital in either a rising or declining interest rate environment. Profitability is affected by fluctuations in interest rates. A sudden and substantial change in interest rates may adversely impact our earnings because the interest rates borne by assets and liabilities do not change at the same speed, to the same extent or on the same basis.

We monitor the impact of changes in interest rates on our net interest income and economic value of equity ("EVE") using rate shock analysis. Net interest income simulations measure the short-term earnings exposure from changes in market rates of interest in a rigorous and explicit fashion. Our current financial position is combined with assumptions regarding future business to calculate net interest income under varying hypothetical rate scenarios. EVE measures our long-term earnings exposure from changes in market rates of interest. EVE is defined as the present value of assets minus the present value of liabilities at a point in time. A decrease in EVE due to a specified rate change indicates a decline in the long-term earnings capacity of the balance sheet assuming that the rate change remains in effect over the life of the current balance sheet.

The following table sets forth the estimated impact on our EVE and net interest income of immediate and parallel changes in interest rates at the specified levels.

December 31, 2023								
December 31, 2023								
December 31, 2023								
<u>+400</u>								
<u>+400</u>								
+400	+400	11.9 %	8.7 %	12.7 %	10.7	%	7.5 %	13.0 %
+300	+300	11.0	6.9	10.5				
+200	+200	8.7	4.8	7.6				
+100	+100	5.3	2.5	4.2				
-100	-100	(7.9)	(4.0)	(5.9)				
-200	-200	(19.5)	(9.6)	(13.6)				
-300	-300	(27.0)	(14.7)	(20.5)				
<b>-400</b>								

Certain shortcomings are inherent in the methodology used in the above interest rate risk measurements. Modeling changes in EVE and net interest income requires that we make certain assumptions that may or may not reflect the manner in which actual yields and costs respond to changes in market interest rates. The EVE and net interest income table presented above assumes that the composition of our interest-rate-sensitive assets and liabilities existing at the beginning of a period remains constant over the period being measured and, accordingly, the data does not reflect any actions that we may undertake in response to changes in interest rates, such as changes in rates paid on certain deposit accounts based on local competitive factors, which could change the actual impact on EVE and net interest income. The table also assumes that a particular change in interest rates is reflected uniformly across the yield curve regardless of the duration to maturity or the repricing characteristics of specific assets and liabilities. Accordingly, although the EVE and net interest income table provides an indication of our sensitivity to interest rate changes at a particular point in time, such measurements are not intended to and do not provide a precise forecast of the effect of changes in market interest rates on our net interest income and will differ from actual results.

#### Credit Risk

Credit risk is the risk that borrowers or counterparties will be unable or unwilling to repay their obligations in accordance with the underlying contractual terms. We manage and control credit risk in the loan portfolio by adhering to well-defined underwriting criteria and account administration standards established by management. Our loan policy documents underwriting standards, approval levels, exposure limits and other limits or standards deemed necessary and prudent. Portfolio diversification at the borrower, industry, and product levels is actively managed to mitigate concentration risk. In addition, credit risk management also includes an independent loan review process that assesses compliance with loan policy, compliance with loan documentation standards, accuracy of the risk rating and overall credit quality of the loan portfolio.

#### ITEM 4. CONTROLS AND PROCEDURES

##### Evaluation of Disclosure Controls and Procedures

An evaluation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) or Rule 15d-15(e) under the Exchange Act) as of the end of the period covered by this report was carried out under the supervision and with the participation of the Company's Chief Executive Officer, Chief Financial Officer and other members of the Company's senior management. The Company's Chief Executive Officer and Chief Financial Officer concluded that, as of **September 30, 2023** **March 31, 2024**, the end of the period covered by this report, the Company's disclosure controls and procedures were effective in ensuring that the information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is: (i) accumulated and communicated to the Company's management (including the Chief Executive Officer and Chief Financial Officer) to allow timely decisions regarding required disclosure; and (ii) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

## Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) or Rule 15d-15(f) under the Exchange Act) that occurred during the quarter ended **September 30, 2023** **March 31, 2024**, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

We are sometimes party to legal actions that are routine and incidental to our business. Management, in consultation with legal counsel, does not expect the ultimate disposition of any or a combination of these matters to have a material adverse effect on our assets, business, cash flow, financial condition, liquidity, prospects and results of operations; however, given the nature, scope and complexity of the extensive legal and regulatory landscape applicable to our business, including laws and regulations governing consumer protection, fair lending, fair labor, privacy, information security, and anti-money laundering and anti-terrorism laws, we, like all banking organizations, are subject to heightened legal and regulatory compliance and litigation risk.

### ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors disclosed under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**, filed with the SEC on **March 8, 2023** **March 6, 2024**.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS, AND ISSUER PURCHASES OF EQUITY SECURITIES

#### Unregistered Sales of Equity Securities

None.

#### Issuer Purchases of Equity Securities

On **December 20, 2022** **December 19, 2023**, the Company's board of directors approved a stock repurchase program that authorizes the Company to repurchase up to \$15.0 million of its common stock. The stock repurchase program will be in effect until January 1, 2024 **January 1, 2025**, with the timing of purchases and number of shares repurchased dependent upon a variety of factors including price, trading volume, corporate and regulatory requirements, and market conditions. The Company is not obligated to purchase any shares under the stock repurchase program, and the stock repurchase program may be suspended or discontinued at any time without notice.

The following table sets forth information about the Company's purchases of its common stock during the **third** **first** quarter of 2023: 2024:

Period	Approximate Dollar Value of Shares That May Yet be Purchased			
	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Under the Plans or Programs (in thousands)
July 1 - 31, 2023	19,632	\$ 18.59	19,632	\$ 8,906
August 1 - 31, 2023	34,996	18.81	34,996	8,248
September 1 - 30, 2023	37,100	18.12	37,100	7,576
<b>Total</b>	<b>91,728</b>	<b>\$ 18.48</b>	<b>91,728</b>	<b>\$ 7,576</b>

Period					Approximate Dollar Value of Shares That May Yet be Purchased
	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Under the Plans or Programs (in thousands)	
	—	—	—	\$ 15,000	
January 1 - 31, 2024	—	\$ —	—	\$ 15,000	
February 1 - 29, 2024	123,191	18.91	123,191	12,670	
March 1 - 31, 2024	56,090	18.97	56,090	11,606	
<b>Total</b>	<b>179,281</b>	<b>\$ 18.93</b>	<b>179,281</b>	<b>\$ 11,606</b>	

#### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

#### ITEM 4. MINE SAFETY DISCLOSURES

None.

#### ITEM 5. OTHER INFORMATION

During the fiscal quarter ended September 30, 2023 March 31, 2024, none of the Company's directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any non-Rule 10b5-1 trading arrangement.

#### ITEM 6. EXHIBITS

Exhibit No.	Description
10.1 §	<a href="#">Amendment to Amended and Restated Employment Agreement, dated March 15, 2024, by and between the Company, the Bank, and Fred L. Drake.</a>
10.2 §	<a href="#">Amendment to Amended and Restated Employment Agreement, dated March 15, 2024, by and between the Company, the Bank, and J. Lance Carter.</a>
10.3 §	<a href="#">Amendment to Employment Agreement, dated March 15, 2024, by and between the Company, the Bank, and Peter Chapman.</a>
31.1	<a href="#">Certification of the Chief Executive Officer pursuant to Rule 13a-14(a).</a>
31.2	<a href="#">Certification of the Chief Financial Officer pursuant to Rule 13a-14(a).</a>
32.1 *	<a href="#">Certification of the Chief Executive Officer pursuant to 18 U.S.C. 1350.</a>
32.2 *	<a href="#">Certification of the Chief Financial Officer pursuant to 18 U.S.C. 1350.</a>
101.INS	iXBRL <a href="#">Inline XBRL Instance Document</a> .
101.SCH	iXBRL <a href="#">Inline XBRL Taxonomy Extension Schema Document</a> .
101.CAL	iXBRL <a href="#">Inline XBRL Taxonomy Extension Calculation Linkbase Document</a> .
101.LAB	iXBRL <a href="#">Inline XBRL Taxonomy Extension Label Linkbase Document</a> .
101.PRE	iXBRL <a href="#">Inline XBRL Taxonomy Extension Presentation Linkbase Document</a> .
101.DEF	iXBRL <a href="#">Inline XBRL Taxonomy Extension Definition Linkbase Document</a> .
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibits 101).

\* This exhibit shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent the Company specifically incorporates it by reference.

§ A management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 601 of Regulation S-K.

## SIGNATURES

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

HBT FINANCIAL, INC.

November 3, 2023 May 1, 2024

By: /s/ Peter R. Chapman

Peter R. Chapman

Chief Financial Officer

(on behalf of the registrant and as principal financial officer)

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## AMENDMENTTOAMENDEDANDRESTATEDEMPLOYMENTAGREEMENT

This Amendment to Amended and Restated Employment Agreement (this "Amendment") is made and entered into as of March 15, 2024, by and among HBT Financial, Inc., a Delaware corporation ("HBT"), Heartland Bank and Trust Company, an Illinois state-chartered bank (the "Bank," and together with HBT, "Heartland"), and Fred L. Drake ("Employee") (HBT, the Bank and Employee, the "Parties").

## RECITALS

A. Employee is currently employed by Heartland as Executive Chairman of Heartland, pursuant to that certain Amended and Restated Employment Agreement by and among Heartland and Employee dated February 22, 2021, which was amended May 24, 2023, (the "Employment Agreement").

B. As part of its retention strategy for its executive officer, the Parties have discussed from time-to-time Employee's performance and plans to retain and reward employee's service to Heartland

C. Pursuant to Section 14 of the Employment Agreement, Heartland and Employee may amend the Employment Agreement in writing executed by all parties thereto.

D. Heartland and Employee desire to amend the Employment Agreement as provided herein for the purpose of setting forth provisions applicable to Employee's employment and service as of the Effective Date.

## AGREEMENTS

In consideration of the foregoing and of the mutual promises and covenants of the Parties set forth in this Amendment, and for other good and valuable consideration, thereceiptandsufficiencyof which are hereby acknowledged, the Parties, intending to be legally bound, hereby covenant and agree to the following revisions to the Employment Agreement:

1. Effective as of March 4, 2024, Exhibit A of the Employment Agreement shall be amended and restated in its entirety to read as set forth on Exhibit 1 to this Amendment.
2. Except as expressly amended pursuant to clause 1 above, the Employment Agreement shall continue in full force and effect.
3. Capitalized terms not defined in this Amendment shall have the meanings proscribed to such terms in the Employment Agreement.
4. Employee acknowledges and agrees that nothing contained in this Amendment will constitute Good Reason for purposes of the Employment Agreement.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first set forth above.

---

HBT FINANCIAL, INC.

EMPLOYEE

By: /s/ J. Lance Carter  
Name: J. Lance Carter  
Its: President and Chief Executive Officer

/s/ Fred L. Drake  
Name: Fred L. Drake

HEARTLAND BANK AND TRUST  
COMPANY

By: /s/ J. Lance Carter  
Name: J. Lance Carter  
Its: President and Chief Executive Officer

Exhibit 1

(Modifies Exhibit A Amendment to Amended and Restate Employment Agreement)

"Employee": Fred L. Drake

"Effective Date": March 4, 2024

"Position": Executive Chairman of HBT Financial, Inc. and Executive Chairman of Heartland Bank and Trust Company (expected time commitment of 75% of time commitment while serving as Chairman and Chief Executive Officer)

"Initial Expiration Date": December 31, 2026

Reporting Person: Board of Directors of HBT Financial, Inc.

Location of Employment: Principal headquarters of HBT Financial, Inc.

Base Salary: \$350,000

Target Bonus: 40% of Base Salary

Annual LTI Awards Target: 40% of Base Salary

Annual PTO Days: 28 days (which includes vacation, personal, and sick days)

Outside Covered Period Severance Months: 6

Covered Period Severance Amount: 2 times the sum of Base Salary and Target Bonus for the year in which Involuntary Termination occurs

COBRA Months: 18

Restricted Period: 6 months following your Involuntary Termination outside of a Covered Period or your Termination due to your Disability inside or outside of a Covered Period; 12 months following your Termination initiated by HBT and Heartland for Cause or by you without Good Reason (including non-extension of the Employment Period by you in accordance with Section 2 above), in each case either inside or outside of a Covered Period; or 24 months following your Involuntary Termination inside of a Covered Period

#### AMENDMENT TO AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amendment to Amended and Restated Employment Agreement (this "Amendment") is made and entered into as of March 15, 2024, by and among HBT Financial, Inc., a Delaware corporation ("HBT"), Heartland Bank and Trust Company, an Illinois state-chartered bank (the "Bank," and together with HBT, "Heartland"), and J. Lance Carter ("Employee") (HBT, the Bank and Employee, the "Parties").

#### RECITALS

A. Employee is currently employed by Heartland as President and Chief Executive Officer of Heartland, pursuant to that certain Amended and Restated Employment Agreement by and among Heartland and Employee dated February 22, 2021, which was amended May 24, 2023, (the "Employment Agreement").

B. As part of its retention strategy for its executive officers, the Parties have discussed from time-to-time Employee's performance and plans to retain and reward Employee's service to Heartland.

C. Pursuant to Section 14 of the Employment Agreement, Heartland and Employee may amend the Employment Agreement in writing executed by all parties thereto.

D. Heartland and Employee desire to amend the Employment Agreement as provided herein for the purpose of setting forth provisions applicable to Employee's employment and service as of the Effective Date.

#### AGREEMENTS

In consideration of the foregoing and of the mutual promises and covenants of the Parties set forth in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of

which are hereby acknowledged, the Parties, intending to be legally bound, hereby covenant and agree to the following revisions to the Employment Agreement:

1. Effective as of March 4, 2024, Exhibit A of the Employment Agreement shall be amended and restated in its entirety to read as set forth on Exhibit 1 to this Amendment.
2. Except as expressly amended pursuant to clause 1 above, the Employment Agreement shall continue in full force and effect.
3. Capitalized terms not defined in this Amendment shall have the meanings proscribed to such terms in the Employment Agreement.
4. Employee acknowledges and agrees that nothing contained in this Amendment will constitute Good Reason for purposes of the Employment Agreement.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first set forth above.

---

HBT FINANCIAL, INC.

EMPLOYEE

By: /s/ Fred L. Drake

Name: Fred L. Drake

Its: Executive Chairman

/s/ J. Lance Carter

Name: J. Lance Carter

HEARTLAND BANK AND TRUST  
COMPANY

By: /s/ Fred L. Drake

Name: Fred L. Drake

Its: Executive Chairman

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Exhibit 1

"Employee": J. Lance Carter

"Effective Date": March 4, 2024

"Position": President and Chief Executive Officer of HBT Financial, Inc. and President and Chief Executive Officer of Heartland Bank and Trust Company

"Initial Expiration Date": December 31, 2026

Reporting Person: Executive Chairman and Board of Directors of HBT Financial, Inc.

Location of Employment: Principal headquarters of HBT Financial, Inc.

Base Salary: \$557,185

Target Bonus: 50% of Base Salary

Annual LTI Awards Target: 50% of Base Salary

Annual PTO Days: 28 days (which includes vacation, personal and sick days)

Outside Covered Period Severance Months: 6

Covered Period Severance Amount: 2 times the sum of Base Salary and Target Bonus for the year in which Involuntary Termination occurs

COBRA Months: 18

Restricted Period: 6 months following your Involuntary Termination outside of a Covered Period or your Termination due to your Disability inside or outside of a Covered Period; 12 months following your Termination initiated by HBT and Heartland for Cause or by you without Good Reason (including non-extension of the Employment Period by you in accordance with Section 2 above), in each case either inside or outside of a Covered Period; or 24 months following your Involuntary Termination inside of a Covered Period

#### **AMENDMENTTOEMPLOYMENTAGREEMENT**

This Amendment to Employment Agreement (this "Amendment") is made and entered into as of March 15, 2024, by and among HBT Financial, Inc., a Delaware corporation ("HBT"), Heartland Bank and Trust Company, an Illinois state-chartered bank (the "Bank," and together with HBT, "Heartland"), and Peter Chapman ("Employee") (HBT, the Bank and Employee, the "Parties").

#### **RECITALS**

A. Employee is currently employed by Heartland as Executive Vice President and Chief Financial Officer of Heartland, pursuant to that certain Employment Agreement by and among Heartland and Employee dated October 3, 2022, (the "Employment Agreement").

B. As part of its retention strategy for its executive officers, the Parties have discussed from time-to-time Employee's performance and plans to retain and reward Employee's service to Heartland.

C. Pursuant to Section 14 of the Employment Agreement, Heartland and Employee may amend the Employment Agreement in writing executed by all parties thereto.

D. Heartland and Employee desire to amend the Employment Agreement as provided herein for the purpose of setting forth provisions applicable to Employee's employment and service as of the Effective Date.

#### **AGREEMENTS**

In consideration of the foregoing and of the mutual promises and covenants of the Parties set forth in this Amendment, and for other good and valuable consideration, thereceiptandsufficiencyof

which are hereby acknowledged, the Parties, intending to be legally bound, hereby covenant and agree to the following revisions to the Employment Agreement:

1. Effective as of March 4, 2024, Exhibit A of the Employment Agreement shall be amended and restated in its entirety to read as set forth on Exhibit 1 to this Amendment.
2. Except as expressly amended pursuant to clause 1 above, the Employment Agreement shall continue in full force and effect.
3. Capitalized terms not defined in this Amendment shall have the meanings proscribed to such terms in the Employment Agreement.
4. Employee acknowledges and agrees that nothing contained in this Amendment will constitute Good Reason for purposes of the Employment Agreement.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first set forth above.

---

HBT FINANCIAL, INC.

EMPLOYEE

By: /s/ J. Lance Carter  
Name: J. Lance Carter  
Its: President and Chief Executive Officer

/s/ Peter Chapman  
Name: Peter Chapman

HEARTLAND BANK AND TRUST  
COMPANY

By: /s/ J. Lance Carter  
Name: J. Lance Carter  
Its: President and Chief Executive Officer

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Exhibit 1

(Modifies Exhibit A to Employment Agreement)

"Employee": Peter Chapman

"Effective Date": March 4, 2024

"Position": Executive Vice President and Chief Financial Officer of HBT Financial, Inc. and Heartland Bank and Trust Company

"Initial Expiration Date": December 31, 2026

"Reporting Person": President and Chief Executive Officer of HBT Financial, Inc. and Heartland Bank and Trust Company

"Location of Employment": Principal headquarters of HBT Financial, Inc.

"Base Salary": \$336,000

"Target Bonus": 40% of Base Salary

"Annual LTI Awards Target": 40% of Base Salary

"Annual PTO Days": 28 days (which includes vacation, personal, and sick days)

"Outside Covered Period Severance Months": 6

"Covered Period Severance Amount": 2 times the sum of your Base Salary and Target Bonus for the year in which Involuntary Termination occurs

"COBRA Months": 18

"Restricted Period": 6 months following your Involuntary Termination outside of a Covered Period or your Termination due to your Disability inside or outside of a Covered Period; 12 months following your Termination initiated by HBT and Heartland for Cause or by you without Good Reason (including non-extension of the Employment Period by you in accordance with Section 2 above), in each case either inside or outside of a Covered Period; or 24 months following your Involuntary Termination inside of a Covered Period

#### EXHIBIT 31.1

**Certification of Chief Executive Officer  
Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934  
and Section 302 of the Sarbanes-Oxley Act of 2002**

I, J. Lance Carter, certify that:

1. I have reviewed this quarterly report on Form 10-Q of HBT Financial, Inc.:
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **November 3, 2023** **May 1, 2024**

*/s/* **J. Lance Carter**

**J. Lance Carter**

**President and Chief Executive Officer**

*(Principal Executive Officer)*

**EXHIBIT 31.2**

**Certification of Chief Financial Officer**  
**Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934**  
**and Section 302 of the Sarbanes-Oxley Act of 2002**

I, Peter R. Chapman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of HBT Financial, Inc.:

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **November 3, 2023** **May 1, 2024**

**/s/ Peter R. Chapman**

Peter R. Chapman  
Executive Vice President and Chief Financial Officer  
(*Principal Financial Officer*)

**EXHIBIT 32.1**

**Certification Pursuant to  
18 U.S.C. Section 1350,  
as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of HBT Financial, Inc. (the "Company") on Form 10-Q for the period ended **September 30, 2023** **March 31, 2024** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

1. The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

*/s/ J. Lance Carter*

J. Lance Carter  
President and Chief Executive Officer  
(*Principal Executive Officer*)

**November 3, 2023** **May 1, 2024**

**EXHIBIT 32.2**

**Certification Pursuant to  
18 U.S.C. Section 1350,  
as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of HBT Financial, Inc. (the "Company") on Form 10-Q for the period ended **September 30, 2023** **March 31, 2024** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

1. The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

*/s/ Peter R. Chapman*

Peter R. Chapman  
Executive Vice President and Chief Financial Officer  
(*Principal Financial Officer*)

**November 3, 2023** **May 1, 2024**

#### DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

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