# First Busey Announces Fourth Quarter and Full Year 2020 Earnings

Jan 26, 2021

CHAMPAIGN, Ill., Jan. 26, 2021 (GLOBE NEWSWIRE) -- First Busey Corporation (Nasdaq: BUSE)

***Message from our Chairman & CEO***

**Highlights of fourth quarter and full-year 2020 financial results:**

- *Fourth quarter 2020 net income of $28.3 million and diluted EPS of $0.52*
- *Fourth quarter 2020 adjusted net income [1] of $34.3 million and adjusted diluted EPS [1] of $0.62, an increase from $32.8 million and $0.60, respectively, in the third quarter of 2020, and $31.8 million and $0.57, respectively, in the fourth quarter of 2019*
- *Full year 2020 net income of $100.3 million and diluted EPS of $1.83*
- *Full year 2020 adjusted net income [1] of $108.7 million and adjusted diluted EPS [1] of $1.98*
- *Tangible book value per common share [1] of $16.66 at December 31, 2020, as compared to $16.32 at September 30, 2020, and $15.46 at December 31, 2019, an increase of 7.8% year-over-year*
- *Wealth management assets under care of $10.23 billion at December 31, 2020, up from $9.50 billion at September 30, 2020, and $9.70 billion at December 31, 2019*

**Other recent highlights:**

- *Completion of the previously announced branch consolidation plan*
- *Definitive agreement to acquire Cummins-American Corp., the holding company for Glenview State Bank*
- *Temporary relief via regulatory Interim Final Rule pronouncement on the interchange revenue impacts of the Durbin Amendment*
- *January 2021 dividend of $0.23 per common share, up from $0.22 in October 2020, which represents nearly a 5% increase*
- *For additional information, please refer to the 4Q20 Quarterly Earnings Supplement*

*Fourth Quarter Financial Results*
Net income for First Busey Corporation ("First Busey" or the "Company") for the fourth quarter of 2020 was $28.3 million, or $0.52 per diluted common share, as compared to $30.8 million, or $0.56 per diluted common share, for the third quarter of 2020 and $28.6 million, or $0.52 per diluted common share, for the fourth quarter of 2019. Adjusted net income[1] for the fourth quarter of 2020 was $34.3 million, or $0.62 per diluted common share, as compared to $32.8 million, or $0.60 per diluted common share, for the third quarter of 2020 and $31.8 million, or $0.57 per diluted common share, for the fourth quarter of 2019. For the fourth quarter of 2020, annualized return on average assets and annualized return on average tangible common equity[1] were 1.08% and 12.58%, respectively. Based on adjusted net income[1], annualized return on average assets was 1.31% and annualized return on average tangible common equity[1] was 15.21% for the fourth quarter of 2020.

Pre-provision net revenue[1] for the fourth quarter of 2020 was $38.5 million as compared to $45.9 million for the third quarter of 2020 and $37.5 million for the fourth quarter of 2019. Adjusted pre-provision net revenue[1] for the fourth quarter of 2020 was $47.2 million, as compared to $48.7 million for the third quarter of 2020 and $41.1 million for the fourth quarter of 2019. Annualized pre-provision net revenue to average assets[1] for the fourth quarter of 2020 was 1.47%, as compared to 1.71% for the third quarter of 2020 and 1.53% for the fourth quarter of 2019. Annualized adjusted pre-provision net revenue to average assets[1] for the fourth quarter of 2020 was 1.80%, as compared to 1.81% for the third quarter of 2020 and 1.68% for the fourth quarter of 2019.

[1] See "Non-GAAP Financial Information" below.

The Company views certain non-operating items, including acquisition-related and other restructuring charges, as adjustments to net income reported under U.S. generally accepted accounting principles ("GAAP"). Non-operating pretax adjustments for the fourth quarter of 2020 included $0.8 million of expenses related to acquisitions and $6.8 million of other restructuring costs. The Company believes that non-GAAP measures (including adjusted pre-provision net revenue, adjusted net income, adjusted diluted earnings per share, adjusted return on average assets, adjusted net interest margin, adjusted efficiency ratio, tangible common equity, tangible common equity to tangible assets, tangible book value per share and return on average tangible common equity), facilitate the assessment of its financial results and peer comparability. A reconciliation of these non-GAAP measures is included in tabular form at the end of this release.

In accordance with the Company's previously announced plans, 12 banking centers were closed on October 23, 2020, as part of the Company's efforts to ensure a balance between its physical banking center network and robust digital banking services while also optimizing operating efficiency. When fully realized, annualized expense savings net of expected associated revenue impacts are anticipated to be approximately $3.3 million. A significant majority of these cost savings began to be realized in the fourth quarter of 2020. Non-operating pretax expenses in salaries, wages and employee benefits in relation to the banking center closings were $0.6 million during the third quarter of 2020 and $0.1 million in the fourth quarter of 2020. Further, fixed asset impairment of $6.7 million was recorded during the fourth quarter of 2020 related to these banking centers.

On January 1, 2020, the Company adopted ASU 2016-13 (Topic 326), "Measurement of Credit Losses on Financial Instruments," commonly referenced as the Current Expected Credit Loss ("CECL") model. Upon adoption of CECL, the Company recognized a $16.8 million increase in its

allowance for credit losses, substantially attributable to the remaining loan fair value marks on prior acquisitions, and a $5.5 million increase in its reserve for unfunded commitments. Under accounting rules, the reserve for unfunded commitments is carried on the balance sheet in other liabilities rather than as a component of the allowance for credit losses. These one-time increases, net of tax, were $15.9 million and recorded as an adjustment to beginning retained earnings. Ongoing impacts of the CECL methodology will be dependent upon changes in economic conditions and forecasts, originated and acquired loan portfolio composition, credit performance trends, portfolio duration, and other factors. During the fourth quarter of 2020, the Company recorded provision for credit losses of $3.1 million, primarily as a result of economic factors and continued uncertainty due to the coronavirus disease 2019 ("COVID-19") pandemic. An insignificant amount from provision for unfunded commitments was reversed in the fourth quarter. The allowance for credit losses increased from $53.7 million at December 31, 2019, to $101.0 million at December 31, 2020, representing 1.48% of total portfolio loans outstanding and 1.59% of portfolio loans excluding the Paycheck Protection Program ("PPP") loans, up from 0.80% at December 31, 2019. The allowance represented 415.82% of non-performing loans at December 31, 2020.

*Acquisition of Cummins-American Corp.*
On January 19, 2020, the Company and Cummins-American Corp. ("CAC"), the holding company for Glenview State Bank ("GSB"), jointly announced the signing of a definitive agreement pursuant to which the Company will acquire CAC and GSB through a merger transaction. The partnership will enhance the Company's existing deposit, commercial banking and wealth management presence in the Chicago-Naperville-Elgin, IL-IN-WI Metropolitan Statistical Area. It is anticipated GSB will be merged with and into Busey Bank at a date following the completion of the merger. At the time of the bank merger, GSB banking centers will become banking centers of Busey Bank.

Under the terms of the merger agreement, CAC's shareholders will have the right to receive 444.4783 shares of First Busey's common stock and $27,969.67 in cash for each share of common stock of CAC with total consideration to consist of approximately 73% cash and 27% stock. Based upon the closing price of Busey's common stock of $23.54 on January 15, 2021, the implied per share purchase price is $38,432.69 with an aggregate transaction value of approximately $190.8 million. The transaction is expected to close in the second quarter of 2021, subject to customary closing conditions and required approvals, including the approval of CAC's shareholders.

*COVID-19 Update*
The Company continues to navigate the economic environment caused by COVID-19 effectively and prudently. The Company entered this crisis from a position of strength and remains resolute in its focus on serving its customers, communities and associates while protecting its balance sheet. Nevertheless, the Company remains vigilant, given that the negative impacts of COVID-19 are expected to continue in future quarters as the course of the economic recovery remains unclear. These negative impacts may include further margin compression, increased provision expense, lower customer service fees and a deterioration in asset quality.

To alleviate some of the financial hardships qualifying customers faced as a result of COVID-19, First Busey offered an internal Financial Relief Program. The program included options for short-term loan payment deferrals and certain fee waivers. As of December 31, 2020, the Company had 98 commercial loans on payment deferrals representing $208.6 million in loans, 351 mortgage/personal loans on payment deferrals representing $47.7 million in loans and an additional loan for $0.1 million related to a purchased HELOC pool.

As part of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), Congress appropriated approximately $349 billion for the creation of PPP and then authorized a second phase for another $310 billion in PPP loans. The program provided payroll assistance for the nation's nearly 30 million small businesses—and select nonprofits—in the form of 100% government-guaranteed low-interest loans from the U.S. Small Business Administration ("SBA"). First Busey served as a bridge for the program, actively helping existing and new business clients sign up for this important financial resource, and originated a total of $749.4 million in PPP loans representing 4,569 new and existing customers. At December 31, 2020, First Busey had $451.5 million in PPP loans outstanding, with an amortized cost of $446.4 million, representing 2,922 customers. As of December 31, 2020, the Company had received approximately $287.8 million in borrower loan forgiveness from the SBA and had submitted forgiveness applications to the SBA on behalf of borrowers for another $167.4 million.

On December 27, 2020, the Economic Aid Act became law, extending the authority to make PPP loans through March 31, 2021 and revising certain PPP requirements. On January 6, 2021, the SBA issued Interim Final Rules related to first and second draw loans under the PPP. The Company is actively assisting customers under the extended PPP programs.

*Regulatory Relief*
On November 20, 2020, the federal bank regulatory agencies announced an Interim Final Rule, providing temporary relief for certain community banking organizations related to certain regulations and reporting requirements as a result of growth in size from the COVID-19 response. Programs, including the PPP, caused many community banking organizations to experience rapid and unexpected increases in size, which generally are expected to be temporary. Under the interim rule, which applies to financial institutions with less than $10 billion in total assets as of December 31, 2019, community banks that have crossed a relevant threshold will have until 2022 to either reduce their size or prepare for new regulatory and reporting standards. Asset growth in 2020 or 2021 will not trigger new regulatory requirements for the banks until January 1, 2022. The Company will be provided relief under this rule with respect to the interchange revenue impacts of the Durbin Amendment.

*Announced Dividend Increase*
The Company will pay a cash dividend on January 29, 2021 of $0.23 per common share to stockholders of record as of January 22, 2021, which represents nearly a 5% increase from the previous quarterly dividend of $0.22 per common share.

*Community Bank*
First Busey's goal of being a strong community bank for the communities it serves begins with outstanding associates. The Company is honored to be named among the 2020 Best Banks to Work For by American Banker, the 2020 Best Places to Work in Illinois by Daily Herald Business Ledger, the 2020 Best Companies to Work For in Florida by Florida Trend magazine, the 2020 Best Place to Work in Indiana by the Indiana Chamber of Commerce, and the 2020 Best Places to Work in Money Management by Pensions and Investments.

As we reflect back on 2020 and look ahead to 2021, the Company remains steadfast in our commitment to the customers and communities we serve. The pending CAC transaction fits with our acquisition strategy as the addition of GSB will grow the Company's current geographic footprint, allowing the Company to serve customers by expanding in the Chicago-Naperville-Elgin, IL-IN-WI Metropolitan Statistical Area and significantly adding to the Company's wealth management business. We are excited to welcome our CAC colleagues into the Busey family and feel confident that this transaction and our continued efforts will lead to attractive financial returns in future periods.

/s/ Van A. Dukeman
Chairman, President & Chief Executive Officer
First Busey Corporation

**SELECTED FINANCIAL HIGHLIGHTS** [1]
(*dollars in thousands, except per share data*)

| | As of and for the Three Months Ended | | | | As of and for the Year Ended | |
|---|---|---|---|---|---|---|
| | **December 31, 2020** | September 30, 2020 | June 30, 2020 | December 31, 2019 | **December 31, 2020** | December 31, 2019 |
| **EARNINGS & PER SHARE DATA** | | | | | | |
| Net income | **$ 28,345** | $ 30,829 | $ 25,806 | $ 28,571 | **$ 100,344** | $ 102,953 |
| Diluted earnings per share | **0.52** | 0.56 | 0.47 | 0.52 | **1.83** | 1.87 |
| Cash dividends paid per share | **0.22** | 0.22 | 0.22 | 0.21 | **0.88** | 0.84 |
| Pre-provision net revenue[2,3] | **38,507** | 45,922 | 45,394 | 37,479 | **165,672** | 144,862 |
| Revenue[4] | **102,580** | 102,464 | 98,462 | 102,969 | **399,869** | 403,656 |
| Net income by operating segment | | | | | | |
| Banking | **$ 28,573** | $ 31,744 | $ 25,985 | $ 29,573 | **$ 101,226** | $ 106,409 |
| Remittance Processing | **406** | 578 | 528 | 958 | **2,372** | 4,060 |
| Wealth Management | **3,334** | 3,166 | 3,082 | 3,465 | **13,181** | 11,135 |
| **AVERAGE BALANCES** | | | | | | |
| Cash and cash equivalents | **$ 551,844** | $ 836,097 | $ 563,022 | $ 533,519 | **$ 607,525** | $ 427,223 |
| Investment securities | **2,077,284** | 1,824,327 | 1,717,790 | 1,677,962 | **1,840,100** | 1,769,291 |
| Loans held for sale | **52,745** | 104,965 | 108,821 | 68,480 | **82,106** | 38,447 |
| Portfolio loans | **6,990,414** | 7,160,757 | 7,216,825 | 6,657,283 | **7,006,946** | 6,469,920 |
| Interest-earning assets | **9,557,265** | 9,805,948 | 9,485,200 | 8,810,505 | **9,417,938** | 8,590,262 |
| Total assets | **10,419,364** | 10,680,995 | 10,374,820 | 9,713,858 | **10,292,256** | 9,443,690 |
| Non-interest bearing deposits | **2,545,830** | 2,592,130 | 2,472,568 | 1,838,523 | **2,364,442** | 1,746,938 |
| Interest-bearing deposits | **5,985,020** | 6,169,377 | 6,073,795 | 6,052,529 | **6,077,539** | 5,927,154 |
| Total deposits | **8,530,850** | 8,761,507 | 8,546,363 | 7,891,052 | **8,441,981** | 7,674,092 |
| Securities sold under agreements to repurchase | **194,610** | 190,046 | 184,208 | 204,076 | **187,811** | 196,681 |
| Interest-bearing liabilities | **6,482,475** | 6,694,561 | 6,527,709 | 6,537,611 | **6,554,428** | 6,414,969 |
| Total liabilities | **9,158,066** | 9,432,547 | 9,141,550 | 8,489,411 | **9,051,882** | 8,257,563 |
| Stockholders' common equity | **1,261,298** | 1,248,448 | 1,233,270 | 1,224,447 | **1,240,374** | 1,186,127 |
| Tangible stockholders' common Equity[3] | **896,178** | 880,958 | 863,571 | 845,179 | **871,750** | 814,461 |
| **PERFORMANCE RATIOS** | | | | | | |
| Pre-provision net revenue to average assets[2,3] | **1.47%** | 1.71% | 1.76% | 1.53% | **1.61%** | 1.53% |
| Return on average assets | **1.08%** | 1.15% | 1.00% | 1.17% | **0.97%** | 1.09% |
| Return on average common equity | **8.94%** | 9.82% | 8.42% | 9.26% | **8.09%** | 8.68% |
| Return on average tangible common equity[3] | **12.58%** | 13.92% | 12.02% | 13.41% | **11.51%** | 12.64% |
| Net interest margin[3,5] | **3.06%** | 2.86% | 3.03% | 3.27% | **3.03%** | 3.38% |
| Efficiency ratio[3] | **59.70%** | 52.42% | 50.97% | 60.54% | **55.68%** | 61.29% |
| Non-interest revenue as a % of total revenue[4] | **28.90%** | 31.92% | 28.08% | 30.14% | **29.24%** | 28.84% |
| **NON-GAAP INFORMATION** | | | | | | |
| Adjusted pre-provision net revenue[2,3] | **$ 47,156** | $ 48,701 | $ 46,448 | $ 41,131 | **$ 180,516** | $ 166,156 |
| Adjusted net income[3] | **34,255** | 32,803 | 26,191 | 31,782 | **108,728** | 118,429 |
| Adjusted diluted earnings per share[3] | **0.62** | 0.60 | 0.48 | 0.57 | **1.98** | 2.15 |
| Adjusted pre-provision net revenue to average assets[3] | **1.80%** | 1.81% | 1.80% | 1.68% | **1.75%** | 1.76% |
| Adjusted return on average assets[3] | **1.31%** | 1.22% | 1.02% | 1.30% | **1.06%** | 1.25% |
| Adjusted return on average tangible common equity[3] | **15.21%** | 14.81% | 12.20% | 14.92% | **12.47%** | 14.54% |
| Adjusted net interest margin[3,5] | **2.96%** | 2.75% | 2.93% | 3.14% | **2.92%** | 3.23% |
| Adjusted efficiency ratio[3] | **52.39%** | 49.97% | 50.48% | 57.02% | **53.02%** | 56.35% |

[1] Results are unaudited.

[2] Net interest income plus non-interest income, excluding security gains and losses, less non-interest expense.

[3] See “Non-GAAP Financial Information” below.

[4] Revenue consist of net interest income plus non-interest income, excluding security gains and losses.

[5] On a tax-equivalent basis, assuming a federal income tax rate of 21%.

**Condensed Consolidated Balance Sheets** [1]
*(dollars in thousands, except per share data)*

| As of | | | | |
|---|---|---|---|---|
| **December 31, 2020** | September 30, 2020 | June 30, 2020 | March 31, 2020 | December 31, 2019 |

| | | | | | |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and cash equivalents | **$ 688,537** | $ 479,721 | $ 1,050,072 | $ 342,848 | $ 529,288 |
| Investment securities | **2,266,717** | 2,098,657 | 1,701,992 | 1,770,881 | 1,654,209 |
| Loans held for sale | **42,813** | 87,772 | 108,140 | 89,943 | 68,699 |
| Commercial loans | **5,368,897** | 5,600,705 | 5,637,999 | 5,040,507 | 4,943,646 |
| Retail real estate and retail other loans | **1,445,280** | 1,520,606 | 1,591,021 | 1,704,992 | 1,743,603 |
| Portfolio loans | **$ 6,814,177** | $ 7,121,311 | $ 7,229,020 | $ 6,745,499 | $ 6,687,249 |
| Allowance | **(101,048)** | (98,841) | (96,046) | (84,384) | (53,748) |
| Premises and equipment | **135,191** | 144,001 | 146,951 | 149,772 | 151,267 |
| Goodwill and other intangibles | **363,521** | 365,960 | 368,053 | 370,572 | 373,129 |
| Right of use asset | **7,714** | 7,251 | 8,511 | 9,074 | 9,490 |
| Other assets | **326,425** | 333,796 | 319,272 | 327,200 | 276,146 |
| **Total assets** | **$ 10,544,047** | $ 10,539,628 | $ 10,835,965 | $ 9,721,405 | $ 9,695,729 |
| **Liabilities & Stockholders' Equity** | | | | | |
| Non-interest bearing deposits | **$ 2,552,039** | $ 2,595,075 | $ 2,764,408 | $ 1,910,673 | $ 1,832,619 |
| Interest-bearing checking, savings, and money market deposits | **5,006,462** | 4,819,859 | 4,781,761 | 4,580,547 | 4,534,927 |
| Time deposits | **1,119,348** | 1,227,767 | 1,363,497 | 1,482,013 | 1,534,850 |
| Total deposits | **$ 8,677,849** | $ 8,642,701 | $ 8,909,666 | $ 7,973,233 | $ 7,902,396 |
| Securities sold under agreements to repurchase | **175,614** | 201,641 | 194,249 | 167,250 | 205,491 |
| Short-term borrowings | **4,658** | 4,651 | 24,648 | 21,358 | 8,551 |
| Long-term debt | **226,792** | 226,801 | 256,837 | 134,576 | 182,522 |
| Junior subordinated debt owed to unconsolidated trusts | **71,468** | 71,427 | 71,387 | 71,347 | 71,308 |
| Lease liability | **7,757** | 7,342 | 8,601 | 9,150 | 9,552 |
| Other liabilities | **109,840** | 129,360 | 134,493 | 126,906 | 95,475 |
| **Total liabilities** | **$ 9,273,978** | $ 9,283,923 | $ 9,599,881 | $ 8,503,820 | $ 8,475,295 |
| **Total stockholders' equity** | **$ 1,270,069** | $ 1,255,705 | $ 1,236,084 | $ 1,217,585 | $ 1,220,434 |
| **Total liabilities & stockholders' equity** | **$ 10,544,047** | $ 10,539,628 | $ 10,835,965 | $ 9,721,405 | $ 9,695,729 |
| **Share Data** | | | | | |
| Book value per common share | **$ 23.34** | $ 23.03 | $ 22.67 | $ 22.38 | $ 22.28 |
| Tangible book value per common share[2] | **$ 16.66** | $ 16.32 | $ 15.92 | $ 15.57 | $ 15.46 |
| Ending number of common shares outstanding | **54,404,379** | 54,522,231 | 54,516,000 | 54,401,208 | 54,788,772 |

[1] Results are unaudited except for amounts reported as of December 31, 2019.

[2] See “Non-GAAP Financial Information” below, excludes tax effect of other intangible assets.

**Condensed Consolidated Statements of Income [1]**

*(dollars in thousands, except per share data)*

| | For the Three Months Ended December 31, | | For the Year Ended December 31, | |
|---|---|---|---|---|
| | **2020** | **2019** | **2020** | **2019** |
| Interest and fees on loans | **$ 71,525** | $ 76,290 | **$ 284,959** | $ 304,193 |
| Interest on investment securities | **9,651** | 10,682 | **39,916** | 45,721 |
| Other interest income | **127** | 1,824 | **1,723** | 6,320 |
| **Total interest income** | **$ 81,303** | $ 88,796 | **$ 326,598** | $ 356,234 |
| Interest on deposits | **4,638** | 13,670 | **30,691** | 55,077 |
| Interest on securities sold under agreements to repurchase | **64** | 559 | **660** | 2,348 |
| Interest on short-term borrowings | **19** | 156 | **234** | 1,041 |
| Interest on long-term debt | **2,906** | 1,719 | **9,118** | 7,131 |
| Interest on junior subordinated debt owed to unconsolidated trusts | **740** | 756 | **2,960** | 3,414 |
| **Total interest expense** | **$ 8,367** | $ 16,860 | **$ 43,663** | $ 69,011 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Net interest income** | **$ 72,936** | $ 71,936 | | **$ 282,935** | $ 287,223 | |
| Provision for credit losses | **3,141** | 2,367 | | **38,797** | 10,406 | |
| **Net interest income after provision for credit losses** | **$ 69,795** | $ 69,569 | | **$ 244,138** | $ 276,817 | |
| | | | | | | |
| Wealth management fees | **10,632** | 11,223 | | **42,928** | 38,561 | |
| Fees for customer services | **8,204** | 9,048 | | **31,604** | 36,683 | |
| Remittance processing | **3,930** | 3,765 | | **15,396** | 15,042 | |
| Mortgage revenue | **3,159** | 3,576 | | **13,038** | 11,703 | |
| Income on bank owned life insurance | **1,019** | 1,142 | | **5,380** | 5,795 | |
| Security gains (losses), net | **855** | 605 | | **1,331** | (18) | |
| Other | **2,700** | 2,279 | | **8,588** | 8,649 | |
| **Total non-interest income** | **$ 30,499** | $ 31,638 | | **$ 118,265** | $ 116,415 | |
| | | | | | | |
| Salaries, wages and employee benefits | **31,322** | 35,117 | | **126,719** | 140,473 | |
| Data processing | **4,043** | 6,462 | | **16,426** | 21,511 | |
| Net occupancy expense of premises | **4,188** | 4,811 | | **17,607** | 18,176 | |
| Furniture and equipment expense | **2,239** | 2,570 | | **9,550** | 9,506 | |
| Professional fees | **2,888** | 2,103 | | **8,396** | 11,104 | |
| Amortization of intangible assets | **2,439** | 2,681 | | **10,008** | 9,547 | |
| Other | **16,954** | 11,746 | | **45,491** | 48,477 | |
| **Total non-interest expense** | **$ 64,073** | $ 65,490 | | **$ 234,197** | $ 258,794 | |
| | | | | | | |
| Income before income taxes | **$ 36,221** | $ 35,717 | | **$ 128,206** | $ 134,438 | |
| Income taxes | **7,876** | 7,146 | | **27,862** | 31,485 | |
| **Net income** | **$ 28,345** | $ 28,571 | | **$ 100,344** | $ 102,953 | |
| | | | | | | |
| **Per Share Data** | | | | | | |
| Basic earnings per common share | **$ 0.52** | $ 0.52 | | **$ 1.84** | $ 1.88 | |
| Diluted earnings per common share | **$ 0.52** | $ 0.52 | | **$ 1.83** | $ 1.87 | |
| Average common shares outstanding | **54,532,705** | 55,055,530 | | **54,567,429** | 54,851,652 | |
| Diluted average common shares outstanding | **54,911,458** | 55,363,258 | | **54,826,939** | 55,132,494 | |

[1] Results are unaudited.

**Balance Sheet Growth**

Total assets were $10.54 billion at December 31, 2020 and September 30, 2020, up from $9.70 billion at December 31, 2019. At December 31, 2020, portfolio loans were $6.81 billion, as compared to $7.12 billion as of September 30, 2020 and $6.69 billion as of December 31, 2019. The amortized cost of PPP loans of $446.4 million are included in the December 31, 2020 balance. When excluding the PPP loans, total commercial loans increased by $58.2 million and retail real estate and retail other loans declined by $75.3 million during the fourth quarter.

Average portfolio loans were $6.99 billion for the fourth quarter of 2020 as compared to $7.16 billion for the third quarter of 2020 and $6.66 billion in the fourth quarter of 2019. The average balance of PPP loans in the fourth quarter of 2020 were $608.9 million compared to $734.2 million in the third quarter of 2020. Average interest-earning assets for the fourth quarter of 2020 were $9.56 billion compared to $9.81 billion for the third quarter of 2020 and $8.81 billion for the fourth quarter of 2019.

Total deposits were $8.68 billion at December 31, 2020, compared to $8.64 billion at September 30, 2020 and $7.90 billion at December 31, 2019. Recent fluctuations in deposit balances can be attributed to the retention of PPP loan funding in customer deposit accounts, the impacts of economic stimulus, other core deposit growth and the seasonality of public funds, as well as the Company's efforts to efficiently manage the size of its balance sheet. The Company remains funded substantially through core deposits with significant market share in its primary markets.

**Net Interest Margin and Net Interest Income**

Net interest margin for the fourth quarter of 2020 was 3.06%, compared to 2.86% for the third quarter of 2020 and 3.27% for the fourth quarter of 2019. Net interest income was $72.9 million in the fourth quarter of 2020 compared to $69.8 million in the third quarter of 2020 and $71.9 million in the fourth quarter of 2019.

During the fourth quarter of 2020, PPP loan interest and net fees combined were $9.5 million, contributing 21 basis points to net interest margin, as compared to $6.1 million and 4 basis points in the third quarter of 2020. The Federal Open Market Committee rate cuts during the first quarter of 2020 contributed to the decline in net interest margin over the year, as assets, in particular commercial loans, repriced more quickly and to a greater extent than liabilities.

Net interest margin was also negatively impacted by the sizeable balance of lower-yielding PPP loans, the Company's significant liquidity position and the issuance of subordinated debt completed during the second quarter. Those impacts were partially offset by the Company's efforts to lower deposit funding costs (cost of deposits declined to 0.22% in the fourth quarter of 2020, as compared to 0.69% in the fourth quarter of 2019) as well as the fees recognized related to the PPP loans described above.

**Asset Quality**

The Company continues to see sound and stable asset quality metrics. Loans 30-89 days past due were $7.6 million as of December 31, 2020, compared to $6.7 million as of September 30, 2020 and $14.3 million as of December 31, 2019. Non-performing loans totaled $24.3 million as of December 31, 2020, compared to $24.2 million as of September 30, 2020, and $29.5 million as of December 31, 2019. Continued disciplined credit

management resulted in non-performing loans as a percentage of total loans of 0.36% at December 31, 2020, as compared to 0.34% at September 30, 2020 and 0.44% at December 31, 2019. Non-performing loans as a percentage of total loans, excluding the amortized cost of PPP loans, was 0.38% at December 31, 2020.

Net charge-offs totaled $0.9 million for the quarter ended December 31, 2020 compared to $2.8 million and $1.6 million for the quarters ended September 30, 2020 and December 31, 2019, respectively. The allowance as a percentage of portfolio loans increased to 1.48% at December 31, 2020, as compared to 1.39% at September 30, 2020 and 0.80% at December 31, 2019. The allowance as a percentage of portfolio loans, excluding the amortized cost of PPP loans, was 1.59% at December 31, 2020. The allowance as a percentage of non-performing loans increased to 415.82% at December 31, 2020 compared to 408.82% at September 30, 2020 and 182.15% at December 31, 2019.

As a matter of policy and practice, the Company limits the level of concentration exposure in any particular loan segment and maintains a well-diversified loan portfolio.

**Asset Quality** [1]

*(dollars in thousands)*

| | As of and for the Three Months Ended | | | | |
|---|---|---|---|---|---|
| | **December 31, 2020** | September 30, 2020 | June 30, 2020 | March 31, 2020 | December 31, 2019 |
| Portfolio loans | **$ 6,814,177** | $ 7,121,311 | $ 7,229,020 | $ 6,745,499 | $ 6,687,249 |
| Portfolio loans excluding amortized cost of PPP loans | **6,367,774** | 6,384,916 | 6,499,734 | 6,745,499 | 6,687,249 |
| Loans 30-89 days past due | **7,578** | 6,708 | 5,166 | 10,150 | 14,271 |
| Non-performing loans: | | | | | |
| Non-accrual loans | **22,930** | 23,898 | 25,095 | 25,672 | 27,896 |
| Loans 90+ days past due | **1,371** | 279 | 285 | 1,540 | 1,611 |
| Total non-performing loans | **$ 24,301** | $ 24,177 | $ 25,380 | $ 27,212 | $ 29,507 |
| Total non-performing loans, segregated by geography | | | | | |
| Illinois/ Indiana | **16,234** | 15,097 | 16,285 | 17,761 | 20,428 |
| Missouri | **6,764** | 6,867 | 5,327 | 5,711 | 5,227 |
| Florida | **1,303** | 2,213 | 3,768 | 3,740 | 3,852 |
| Other non-performing assets | **4,571** | 4,978 | 3,755 | 3,553 | 3,057 |
| Total non-performing assets | **$ 28,872** | $ 29,155 | $ 29,135 | $ 30,765 | $ 32,564 |
| Total non-performing assets to total assets | **0.27%** | 0.28% | 0.27% | 0.32% | 0.34% |
| Total non-performing assets to portfolio loans and non-performing assets | **0.42%** | 0.41% | 0.40% | 0.46% | 0.49% |
| Allowance to portfolio loans | **1.48%** | 1.39% | 1.33% | 1.25% | 0.80% |
| Allowance to portfolio loans, excluding PPP | **1.59%** | 1.55% | 1.48% | 1.25% | 0.80% |
| Allowance as a percentage of non-performing loans | **415.82%** | 408.82% | 378.43% | 310.10% | 182.15% |
| Net charge-offs | **$ 934** | $ 2,754 | $ 1,229 | $ 3,413 | $ 1,584 |
| Provision | **3,141** | 5,549 | 12,891 | 17,216 | 2,367 |

[1] Results are unaudited.

**Non-Interest Income**

Total non-interest income of $30.5 million for the fourth quarter of 2020 decreased as compared to $32.3 million for the third quarter of 2020 and $31.6 million in the fourth quarter of 2019. The decline in non-interest income in the fourth quarter of 2020 compared to the third quarter of 2020 is substantially attributable to lower mortgage revenue, which is described further below. Revenues from wealth management fees and remittance processing activities represented 47.7% of the Company's non-interest income for the quarter ended December 31, 2020, providing a balance to spread-based revenue from traditional banking activities.

Wealth management fees were $10.6 million for the fourth quarter of 2020, an increase from $10.5 million for the third quarter of 2020 but a decrease from $11.2 million for the fourth quarter of 2019. Net income from the Wealth Management segment was $3.3 million for the fourth quarter of 2020, an increase from $3.2 million for the third quarter of 2020 but a decrease from $3.5 million in the fourth quarter of 2019. First Busey's Wealth Management division ended the fourth quarter of 2020 with $10.23 billion in assets under care as compared to $9.50 billion at the end of the third quarter of 2020 and $9.70 billion at the end of the fourth quarter 2019.

Remittance processing revenue from the Company's subsidiary, FirsTech, of $3.9 million for the fourth quarter of 2020 decreased from $4.0 million for the third quarter of 2020 but increased from $3.8 million in the fourth quarter of 2019. The Remittance Processing operating segment generated net income of $0.4 million for the fourth quarter of 2020 compared to $0.6 million for the third quarter of 2020 and $1.0 million in the fourth quarter of 2019. The net income decline in 2020 is attributable to the cost of strategic planning initiatives to enhance future growth.

Fees for customer services were $8.2 million for the fourth quarter of 2020, an increase from $8.0 million for the third quarter of 2020, but below the $9.0 million reported for the fourth quarter of 2019. Fees for customer services have been impacted by changing customer behaviors resulting from COVID-19.

Mortgage revenue of $3.2 million in the fourth quarter of 2020 decreased compared to $5.8 million in the third quarter of 2020 and $3.6 million in the

fourth quarter of 2019. The decrease in the fourth quarter of 2020 was due to closed and sold loan volume declines and increased mortgage servicing revenue ("MSR") amortization.

**Operating Efficiency**

Total non-interest expense was $64.1 million in the fourth quarter of 2020 as compared to $56.5 million in the third quarter of 2020 and $65.5 million in the fourth quarter of 2019. Non-interest expense including amortization of intangible assets but excluding non-operating adjustment items[1] was $56.5 million in the fourth quarter of 2020 as compared to $54.0 million in the third quarter of 2020 and $61.8 million in the fourth quarter of 2019.

The efficiency ratio was 59.70% for the quarter ended December 31, 2020 compared to 52.42% for the quarter ended September 30, 2020 and 60.54% for the quarter ended December 31, 2019. The adjusted efficiency ratio[1] was 52.39% for the quarter ended December 31, 2020, 49.97% for the quarter ended September 30, 2020, and 57.02% for the quarter ended December 31, 2019. The Company remains focused on expense discipline.

Noteworthy components of non-interest expense are as follows:

- Salaries, wages and employee benefits were $31.3 million in the fourth quarter of 2020, a decrease from $32.8 million in the third quarter of 2020 and $35.1 million from the fourth quarter of 2019. Excluding non-operating adjustments[1], salaries, wages and employee benefits increased from $30.8 million in the third quarter of 2020 to $31.2 million in the fourth quarter of 2020. The third quarter of 2020 included $2.0 million in non-operating severance expense related to the banking center closures and operating model reorganization. Total full-time equivalents at December 31, 2020 numbered 1,346 compared to 1,371 at September 30, 2020 and 1,531 at December 31, 2019, a decline of 12% year-over-year.

- Data processing expenses were $4.0 million in the fourth quarter of 2020 as compared to $3.9 million in the third quarter of 2020 and $6.5 million in the fourth quarter of 2019. The fourth quarter of 2019 included $1.4 million of non-operating expenses related to payment of merger and conversion expenses.

- Other expense in the fourth quarter of 2020 of $17.0 million increased as compared to $9.0 million in the third quarter of 2020 and $11.7 million in the fourth quarter of 2019. Non-operating pretax acquisition expenses and other restructuring costs recorded in the fourth quarter of 2020 included $6.9 million of fixed asset impairments related to the October 2020 banking centers closures and further impairment on a banking center that had been closed related to a past acquisition. Excluding those items, other expense increased $1.1 million in the quarter, primarily related to Federal new market tax credit amortization which reduces income taxes.

**Capital Strength**

The Company's strong capital levels, coupled with its earnings, have allowed First Busey to provide a steady return to its stockholders through dividends. The Company will pay a cash dividend on January 29, 2021 of $0.23 per common share to stockholders of record as of January 22, 2021, which represents nearly a 5% increase from the previous quarterly dividend of $0.22 per common share. The Company has consistently paid dividends to its common stockholders since the bank holding company was organized in 1980.

As of December 31, 2020, the Company continued to exceed the capital adequacy requirements necessary to be considered "well-capitalized" under applicable regulatory guidelines. The Company's tangible common equity [1] ("TCE") was $921.1 million at December 31, 2020, compared to $905.0 million at September 30, 2020 and $864.6 million at December 31, 2019. TCE represented 9.03% of tangible assets at December 31, 2020, compared to 8.88% at September 30, 2020 and 9.26% at December 31, 2019.[1]

[1] See "Non-GAAP Financial Information" below.

**4Q20 Quarterly Earnings Supplement**

**For additional information on the Company's response to COVID-19, financial condition and operating results, please refer to the 4Q20 Quarterly Earnings Supplement presentation furnished via Form 8-K on January 26, 2021, in conjunction with this earnings release.**

**Corporate Profile**

As of December 31, 2020, First Busey Corporation (Nasdaq: BUSE) was a $10.54 billion financial holding company headquartered in Champaign, Illinois.

Busey Bank, the wholly-owned bank subsidiary of First Busey Corporation, had total assets of $10.52 billion as of December 31, 2020 and is headquartered in Champaign, Illinois. Busey Bank currently has 53 banking centers serving Illinois, ten banking centers serving Missouri, four banking centers serving southwest Florida and a banking center in Indianapolis, Indiana. Through Busey Bank's Wealth Management division, the Company provides asset management, investment and fiduciary services to individuals, businesses and foundations. As of December 31, 2020, assets under care were $10.23 billion. Busey Bank owns a retail payment processing subsidiary, FirsTech, Inc., which processes approximately 28 million transactions for a total of $8.3 billion on an annual basis. FirsTech, Inc. operates across all of North America, providing payment solutions which include but are not limited to; electronic payments, mobile payments, phone payments, remittance processing, in person payments and merchant services. FirsTech, Inc. partners with 5,800+ agents across the U.S. More information about FirsTech, Inc. can be found at firstechpayments.com.

Busey has been named a Best Place to Work across the company footprint since 2016 by Best Companies Group. We are honored to be consistently recognized by national and local organizations for our engaged culture of integrity and commitment to community development.

For more information about us, visit busey.com.

Category: Financial
Source: First Busey Corporation

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**Non-GAAP Financial Information**

This earnings release contains certain financial information determined by methods other than GAAP. These measures include adjusted pre-provision net revenue, adjusted net income, adjusted diluted earnings per share, adjusted return on average assets, adjusted net interest margin, adjusted efficiency ratio, tangible common equity, tangible common equity to tangible assets, tangible book value per share and return on average tangible common equity. Management uses these non-GAAP measures, together with the related GAAP measures, in analysis of the Company's performance and in making business decisions. Management also uses these measures for peer comparisons.

A reconciliation to what management believes to be the most direct compared GAAP financial measures, specifically total net interest income in the case of adjusted pre-provision net revenue, net income in the case of adjusted net income, adjusted diluted earnings per share and adjusted return on average assets, total net interest income in the case of adjusted net interest margin, total non-interest income and total non-interest expense in the case of adjusted efficiency ratio, and total stockholders' equity in the case of tangible common equity, tangible common equity to tangible assets, tangible book value per share and return on average tangible common equity, appears below. The Company believes the adjusted measures are useful for investors and management to understand the effects of certain non-recurring non-interest items and provide additional perspective on the Company's performance over time as well as comparison to the Company's peers.

These non-GAAP disclosures have inherent limitations and are not audited. They should not be considered in isolation or as a substitute for the results reported in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. Tax effected numbers included in these non-GAAP disclosures are based on estimated statutory rates or effective rates as appropriate.

**Reconciliation of Non-GAAP Financial Measures – Adjusted Pre-Provision Net Revenue**

*(dollars in thousands)*

| | Three Months Ended | | | Year Ended | |
|---|---|---|---|---|---|
| | **December 31, 2020** | September 30, 2020 | December 31, 2019 | **December 31, 2020** | December 31, 2019 |
| Net interest income | **$ 72,936** | $ 69,753 | $ 71,936 | **$ 282,935** | $ 287,223 |
| Non-interest income | **30,499** | 32,285 | 31,638 | **118,265** | 116,415 |
| Less securities (gains) and losses, net | **(855)** | 426 | (605) | **(1,331)** | 18 |
| Non-interest expense | **(64,073)** | (56,542) | (65,490) | **(234,197)** | (258,794) |
| Pre-provision net revenue | **$ 38,507** | $ 45,922 | $ 37,479 | **$ 165,672** | $ 144,862 |
| Acquisition and other restructuring expenses | **7,550** | 2,529 | 3,652 | **10,711** | 20,094 |
| Provision for unfunded commitments | **(12)** | 250 | - | **1,822** | - |
| New Market Tax Credit amortization | **1,111** | - | - | **2,311** | 1,200 |
| Adjusted pre-provision net revenue | **$ 47,156** | $ 48,701 | $ 41,131 | **$ 180,516** | $ 166,156 |
| Average total assets | **$ 10,419,364** | $ 10,680,995 | $ 9,713,858 | **$ 10,292,256** | $ 9,443,690 |
| **Reported: Pre-provision net revenue to average assets**[1] | **1.47%** | 1.71% | 1.53% | **1.61%** | 1.53% |
| **Adjusted: Pre-provision net revenue to average assets**[1] | **1.80%** | 1.81% | 1.68% | **1.75%** | 1.76% |

[1] Annualized measure.

**Reconciliation of Non-GAAP Financial Measures – Adjusted Net Income, Adjusted Diluted Earnings Per Share and Adjusted Return on Average Assets**

*(dollars in thousands)*

| | Three Months Ended | | | Year Ended | |
|---|---|---|---|---|---|
| | **December 31, 2020** | September 30, 2020 | December 31, 2019 | **December 31, 2020** | December 31, 2019 |
| Net income | **$ 28,345** | $ 30,829 | $ 28,571 | **$ 100,344** | $ 102,953 |
| Acquisition expenses | | | | | |
| Salaries, wages and employee benefits | **-** | - | 367 | **-** | 4,083 |
| Data processing | **56** | - | 1,017 | **56** | 1,523 |
| Lease or fixed asset impairment | **245** | 234 | 165 | **479** | 580 |
| Professional fees and other | **479** | 99 | 879 | **864** | 8,477 |
| Other restructuring costs | | | | | |
| Salaries, wages and employee benefits | **113** | 2,011 | 38 | **2,470** | 495 |
| Data processing | **-** | - | 351 | **-** | 827 |
| Fixed asset impairment | **6,657** | - | 1,861 | **6,657** | 1,861 |
| Professional fees and other | **-** | 185 | 796 | **185** | 2,248 |
| MSR valuation impairment | **-** | - | (1,822) | **-** | - |
| Related tax benefit | **(1,640)** | (555) | (441) | **(2,327)** | (4,618) |
| Adjusted net income | **$ 34,255** | $ 32,803 | $ 31,782 | **$ 108,728** | $ 118,429 |

| | | | | | |
|---|---|---|---|---|---|
| Diluted average common shares outstanding | **54,911,458** | 54,737,920 | 55,363,258 | **54,826,939** | 55,132,494 |
| **Reported**: Diluted earnings per share | **$ 0.52** | $ 0.56 | $ 0.52 | **$ 1.83** | $ 1.87 |
| **Adjusted**: Diluted earnings per share | **$ 0.62** | $ 0.60 | $ 0.57 | **$ 1.98** | $ 2.15 |
| Average total assets | **$ 10,419,364** | $ 10,680,995 | $ 9,713,858 | **$ 10,292,256** | $ 9,443,690 |
| **Reported**: Return on average assets[1] | **1.08%** | 1.15% | 1.17% | **0.97%** | 1.09% |
| **Adjusted**: Return on average assets [1] | **1.31%** | 1.22% | 1.30% | **1.06%** | 1.25% |

[1] Annualized measure.

**Reconciliation of Non-GAAP Financial Measures – Adjusted Net Interest Margin**

*(dollars in thousands)*

| | Three Months Ended | | | Year Ended | |
|---|---|---|---|---|---|
| | **December 31, 2020** | September 30, 2020 | December 31, 2019 | **December 31, 2020** | December 31, 2019 |
| **Reported**: Net interest income | **$ 72,936** | $ 69,753 | $ 71,936 | **$ 282,935** | $ 287,223 |
| Tax-equivalent adjustment | **655** | 638 | 781 | **2,740** | 3,013 |
| Purchase accounting accretion related to business combinations | **(2,469)** | (2,618) | (2,983) | **(10,391)** | (12,422) |
| **Adjusted**: Net interest income | **$ 71,122** | $ 67,773 | $ 69,734 | **$ 275,284** | $ 277,814 |
| **Average interest-earning assets** | **$ 9,557,265** | $ 9,805,948 | $ 8,810,505 | **$ 9,417,938** | $ 8,590,262 |
| **Reported**: Net interest margin[1] | **3.06%** | 2.86% | 3.27% | **3.03%** | 3.38% |
| **Adjusted**: Net Interest margin[1] | **2.96%** | 2.75% | 3.14% | **2.92%** | 3.23% |

[1] Annualized measure.

**Reconciliation of Non-GAAP Financial Measures – Adjusted Efficiency Ratio**

*(dollars in thousands)*

| | Three Months Ended | | | Year Ended | |
|---|---|---|---|---|---|
| | **December 31, 2020** | September 30, 2020 | December 31, 2019 | **December 31, 2020** | December 31, 2019 |
| **Reported**: Net Interest income | **$ 72,936** | $ 69,753 | $ 71,936 | **$ 282,935** | $ 287,223 |
| Tax- equivalent adjustment | **655** | 638 | 781 | **2,740** | 3,013 |
| Tax-equivalent interest income | **$ 73,591** | $ 70,391 | $ 72,717 | **$ 285,675** | $ 290,236 |
| **Reported**: Non-interest income | **30,499** | 32,285 | $ 31,638 | **118,265** | $ 116,415 |
| Less securities (gains) and losses, net | **(855)** | 426 | (605) | **(1,331)** | 18 |
| **Adjusted:** Non-interest income | **$ 29,644** | $ 32,711 | $ 31,033 | **$ 116,934** | $ 116,433 |
| **Reported**: Non-interest expense | **64,073** | 56,542 | $ 65,490 | **234,197** | $ 258,794 |
| Amortization of intangible assets | **(2,439)** | (2,493) | (2,681) | **(10,008)** | (9,547) |
| Non-operating adjustments: | | | | | |
| Salaries, wages and employee benefits | **(113)** | (2,011) | (405) | **(2,470)** | (4,578) |
| Data processing | **(56)** | - | (1,368) | **(56)** | (2,350) |
| Impairment, professional fees and other | **(7,381)** | (518) | (1,879) | **(8,185)** | (13,166) |
| **Adjusted:** Non-interest expense | **$ 54,084** | $ 51,520 | $ 59,157 | **$ 213,478** | $ 229,153 |
| **Reported:** Efficiency ratio | **59.70%** | 52.42% | 60.54% | **55.68%** | 61.29% |
| **Adjusted**: Efficiency ratio | **52.39%** | 49.97% | 57.02% | **53.02%** | 56.35% |

**Reconciliation of Non-GAAP Financial Measures – Tangible Common Equity, Tangible Common Equity to Tangible Assets, Tangible Book Value per Share and Return on Average Tangible Common Equity**

*(dollars in thousands)*

| | As of and for the Three Months Ended | | |
|---|---|---|---|
| | **December 31, 2020** | September 30, 2020 | December 31, 2019 |
| Total assets | **$ 10,544,047** | $ 10,539,628 | $ 9,695,729 |
| Goodwill and other intangible assets, net | **(363,521)** | (365,960) | (373,129) |
| Tax effect of other intangible assets, net | **14,556** | 15,239 | 17,247 |
| Tangible assets | **$ 10,195,082** | $ 10,188,907 | $ 9,339,847 |
| Total stockholders' equity | **1,270,069** | 1,255,705 | 1,220,434 |
| Goodwill and other intangible assets, net | **(363,521)** | (365,960) | (373,129) |
| Tax effect of other intangible assets, net | **14,556** | 15,239 | 17,247 |
| Tangible common equity | **$ 921,104** | $ 904,984 | $ 864,552 |
| Ending number of common shares outstanding | **54,404,379** | 54,522,231 | 54,788,772 |
| **Tangible common equity to tangible assets** [1] | **9.03%** | 8.88% | 9.26% |
| **Tangible book value per share** | **$ 16.66** | $ 16.32 | $ 15.46 |
| Average common equity | **$ 1,261,298** | $ 1,248,448 | $ 1,224,447 |
| Average goodwill and other intangible assets, net | **(365,120)** | (367,490) | (379,268) |
| Average tangible common equity | **$ 896,178** | $ 880,958 | $ 845,179 |
| **Reported:** Return on average tangible common equity[2] | **12.58%** | 13.92% | 13.41% |
| **Adjusted:** Return on average tangible common equity[2,3] | **15.21%** | 14.81% | 14.92% |

| | Year Ended | |
|---|---|---|
| | **December 31, 2020** | December 31, 2019 |
| Average common equity | **$ 1,240,374** | $ 1,186,127 |
| Average goodwill and other intangible assets, net | **(368,624)** | (371,666) |
| Average tangible common equity | **$ 871,750** | $ 814,461 |
| **Reported:** Return on average tangible common equity[2] | **11.51%** | 12.64% |
| **Adjusted:** Return on average tangible common equity[2,3] | **12.47%** | 14.54% |

[1] Tax-effected measure, 28% estimated deferred tax rate.

[2] Annualized measure.

[3] Calculated using adjusted net income.

**Special Note Concerning Forward-Looking Statements**

Statements made in this document, other than those concerning historical financial information, may be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, plans, objectives, future performance and business of the Company. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of the Company's management and on information currently available to management, are generally identifiable by the use of words such as "believe," "expect," "anticipate," "plan," "intend," "estimate," "may," "will," "would," "could," "should" or other similar expressions. Additionally, all statements in this document, including forward-looking statements, speak only as of the date they are made, and the Company undertakes no obligation to update any statement in light of new information or future events. A number of factors, many of which are beyond the Company's ability to control or predict, could cause actual results to differ materially from those in the Company's forward-looking statements. These factors include, among others, the following: (i) the strength of the local, state, national and international economy (including the impact of the new presidential administration and the impact of tariffs, a U.S. withdrawal from or significant negotiation of trade agreements, trade wars and other changes in trade regulations); (ii) the economic impact of any future terrorist threats or attacks, widespread disease or pandemics (including the COVID-19 pandemic in the United States), or other adverse external events that could cause economic deterioration or instability in credit markets; (iii) changes in state and federal laws, regulations and governmental policies concerning the Company's general business; (iv) changes in accounting policies and practices, including CECL, which changed how the Company estimates credit losses; (v) changes in interest rates and prepayment rates of the Company's assets (including the impact of the London Inter-bank Offered Rate phase-out); (vi) increased competition in the financial services sector and the inability to attract new customers; (vii) changes in technology and the ability to develop and maintain secure and reliable electronic systems; (viii) the loss of key executives or associates; (ix) changes in consumer spending; (x) unexpected results of current and/or future acquisitions, which may include failure to realize the anticipated benefits of any acquisition and the possibility that the transaction costs may be greater than anticipated; (xi) unexpected outcomes of existing or new litigation involving the Company; and (xii) the economic impact of exceptional weather occurrences such as tornadoes, hurricanes, floods, and blizzards. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be

placed on such statements. Additional information concerning the Company and its business, including additional factors that could materially affect its financial results, is included in the Company's filings with the Securities and Exchange Commission.




Source: First Busey Corporation