

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

IRC sections 354, 356, 358 and 1001

18 Can any resulting loss be recognized? ▶ No loss can be recognized upon the exchange of M&M common shares for those M&M shareholders who receive First Busey common shares exclusively or who receive a combination of First Busey common shares and cash in the exchange. A loss can only be recognized by those M&M shareholders who receive cash exclusively in the exchange.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶

The transaction was consummated on April 1, 2024. Consequently, the reportable tax year of the M&M shareholders for reporting the tax effect of the share exchange is the tax year that includes the April 1, 2024 date. This is the 2024 calendar year for those M&M shareholders who report taxable income on the basis of a calendar year.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶

Date ▶

5/14/2024

Print your name ▶

JEFFREY D. JONES

Title ▶

EVP & CFO

Paid Preparer Use Only

Print/Type preparer's name

David A. Thornton, CPA

Preparer's signature

Date

4/24/2024

Check if self-employed

PTIN

P00032537

Firm's name ▶ Crowe LLP

Firm's EIN ▶ 35-0921680

Firm's address ▶ 485 Lexington Avenue, 11th Fl., New York, NY 10017

Phone no. 212-572-5500

First Busey Corporation
37-1078406
Attachment to Form 8937

REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

Form 8937 Part I, Box 9:

The securities subject to reporting include all shares of First Busey Corporation ("First Busey") common stock issued in exchange for the outstanding common stock of Merchants and Manufacturers Bank Corporation ("M&M") as a result of the merger of M&M with and into First Busey on April 1, 2024.

Form 8937 Part II, Box 14:

The reportable organizational action involves the merger of M&M with and into First Busey on April 1, 2024. As a result of this merger, each share of M&M common stock was, at the election of each M&M shareholder, exchanged for either (i) \$117.74 in cash; (ii) 4.0481 shares of First Busey common stock and \$34.55 in cash; or (iii) 5.7294 shares of First Busey common stock. To the extent that the exchange would have resulted in the issuance of a fractional share of First Busey common stock to a M&M shareholder, a cash payment equal to the market value equivalent of the fractional share was paid in lieu of issuing a fractional share of First Busey common stock.

Form 8937 Part II, Box 15:

The merger of M&M with and into First Busey qualifies as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. As a result, each M&M shareholder who receives shares of First Busey common stock in the exchange under options (ii) and (iii) described above will recognize a taxable gain, but not a loss, equal to the lesser of:

- The amount of cash received in the exchange; or
- The amount, if any, by which the sum of the cash received plus the fair market value of the shares of First Busey common stock received in the exchange (measured at the time of the exchange) exceeds the M&M shareholder's tax basis in the M&M shares surrendered in the exchange.

For purposes of calculating this taxable gain, the amount of cash received in the exchange does not include cash received in lieu of fractional shares of First Busey common stock (see discussion of cash received in lieu of fractional shares below).

For those M&M shareholders who receive shares of First Busey common stock in the exchange, gain or loss must be calculated separately for each identifiable block of M&M common shares surrendered in the exchange having a common tax basis. A loss realized on one block of M&M common shares may not be used to offset a gain realized on another block of M&M common shares. Each M&M shareholder is encouraged to consult their own personal tax advisor regarding the determination of this realized gain or loss on the exchange.

Each M&M shareholder who receives shares of First Busey common stock in the exchange is required to determine the tax basis of the shares of First Busey stock received in the exchange by performing the following calculations separately for each identifiable block of M&M common shares surrendered in the exchange having a common tax basis:

- Begin with the aggregate tax basis of the M&M common shares surrendered in the exchange
- Add the amount of taxable gain, if any, determined from the above calculation (excluding any gain or loss resulting from the deemed receipt and sale of fractional shares described below)
- Subtract the total amount of cash received (excluding any cash received in lieu of fractional shares described below)
- Subtract the tax basis in any fractional shares of First Busey common stock that were deemed to have been received in the exchange and immediately sold (see the treatment of fractional shares described below)

The resulting figure represents the aggregate tax basis of the shares of First Busey common stock received in the exchange for that identifiable block of M&M common shares transferred. The tax basis of each individual share of First Busey common stock within this identifiable block is determined by dividing this aggregate tax basis by the number of First Busey common shares that comprise this identifiable block.

M&M shareholders who receive cash in lieu of a fractional share of First Busey common stock are, for purposes of determining the taxability of that cash, deemed to have received the fractional share in the exchange and then as having sold the fractional share for cash. These M&M shareholders will generally recognize a taxable gain or loss equal to the difference between the tax basis of the M&M common shares deemed to have been exchanged for the fractional share and the amount of cash received.

Form 8937 Part II, Box 16:

Refer to the description of the basis calculation in Part II, Box 15 above. The April 1, 2024 closing price of a single share of First Busey common stock on the Nasdaq stock exchange was \$23.48.