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

FORM 8-K
CURRENT REPORT

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

Date of Report (Date of earliest event reported): January 23, 2024

First Busey Corporation
(Exact name of Registrant as specified in its charter)

Nevada	**0-15950**	**37-1078406**
(State of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

100 W. University Ave.
Champaign, Illinois 61820
(Address of Principal Executive Offices)

(217) 365-4544
(Registrant’s telephone number, including area code)

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☑ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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, $0.001 par value	BUSE	Nasdaq Stock Market LLC

Indicate by check mark whether the Registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). ☐

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. ☐

Item 2.02 Results of Operations and Financial Condition.

On January 23, 2024, First Busey Corporation ("Busey" or the "Company") issued a press release ("Earnings Release") disclosing financial results for the quarter ended December 31, 2023. A copy of the Earnings Release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information in Item 2.02 of this Current Report on Form 8-K and Exhibit 99.1 attached hereto is being "furnished" and will not, except to the extent required by applicable law or regulation, be deemed "filed" by Busey for purposes of Section 18 of the Securities Exchange Act of 1934, as amended ("Exchange Act"), or otherwise subject to the liabilities of that section, nor will any of such information or exhibits be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended ("Securities Act"), or the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On January 23, 2024, Busey published its Earnings Investor Presentation discussing financial results for the quarter ended December 31, 2023. A copy is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

The information in Item 7.01 of this Current Report on Form 8-K and Exhibit 99.2 attached hereto is being "furnished" and will not, except to the extent required by applicable law or regulation, be deemed "filed" by Busey for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor will any of such information or exhibits be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

Item 9.01. Financial Statements and Exhibits.

Exhibit Number	**Description of Exhibit**
99.1	Earnings Release issued by First Busey Corporation, dated January 23, 2024
99.2	Earnings Investor Presentation issued by First Busey Corporation, dated January 23, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and included in Exhibit 101)

Signature

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.

FIRST BUSEY CORPORATION

Date:	January 23, 2024	By:	/s/ Jeffrey D. Jones Jeffrey D. Jones Chief Financial Officer

FIRST BUSEY CORPORATION

ANNOUNCES

2023 FOURTH QUARTER

EARNINGS

Q4 | 2023

FIRST BUSEY CORPORATION

January 23, 2024

First Busey Corporation Announces 2023 Fourth Quarter Earnings

CHAMPAIGN, IL – (GLOBE NEWSWIRE) – First Busey Corporation (Nasdaq: BUSE)

Net Income of $25.7 million
Diluted EPS of $0.46

Fourth Quarter 2023 Highlights

- Adjusted net income[1] at $29.1 million, or $0.52 per diluted common share
- Entered into a definitive agreement to acquire Merchants & Manufacturers Bank Corporation ("M&M"), the holding company for Merchants & Manufacturers Bank ("M&M Bank")
- Executed a two-part balance sheet repositioning related to the securities portfolio, expected to be both capital and earnings accretive
- Non-performing assets declined 34.4% during the fourth quarter of 2023, to $7.9 million, now representing 0.06% of total assets
- Annualized quarterly net charge-off ratio of 0.02% and full year net charge-off ratio of 0.03%
- Tangible book value per common share[1] of $16.62 at December 31, 2023, compared to $15.07 at September 30, 2023, and $14.14 at December 31, 2022, an increase of 17.5% year-over-year

For additional information, please refer to the 4Q23 Earnings Investor Presentation

Message from our Chairman & CEO

Fourth Quarter Financial Results

Net income for First Busey Corporation ("Busey," "Company," "we," "us," or "our") was $25.7 million for the fourth quarter of 2023, or $0.46 per diluted common share, compared to $30.7 million, or $0.54 per diluted common share, for the third quarter of 2023, and $34.4 million, or $0.61 per diluted common share, for the fourth quarter of 2022. Adjusted net income[1] was $29.1 million, or $0.52 per diluted common share, for the fourth quarter of 2023, compared to $30.7 million, or $0.55 per diluted common share, for the third quarter of 2023, and $36.3 million, or $0.65 per diluted common share, for the fourth quarter of 2022. Annualized return on average assets and annualized return on average tangible common equity[1] were 0.83% and 12.06%, respectively, for the fourth quarter of 2023. Annualized adjusted return on average assets[1] and annualized adjusted return on average tangible common equity[1] were 0.94% and 13.64%, respectively, for the fourth quarter of 2023. Fourth quarter results included $0.8 million in net securities gains, a majority of which were unrealized. Excluding these gains, adjusted net income[1] would have been $28.5 million, equating to adjusted diluted earnings per common share[1] of $0.51.

Pre-provision net revenue[1] was $32.9 million for the fourth quarter of 2023, compared to $38.1 million for the third quarter of 2023 and $46.4 million for the fourth quarter of 2022. Pre-provision net revenue to average assets[1] was 1.06% for the fourth quarter of 2023, compared to 1.24% for the third quarter of 2023, and 1.49% for the fourth quarter of 2022. The decline in pre-provision net revenue in the fourth quarter, compared to the third quarter, was the result of a $0.7 million decrease in net interest income, which is primarily the result of deposits migrating into higher cost offerings, as well as an increase of $4.0 million in noninterest expense, resulting from $4.2 million in non-recurring expenses related to corporate restructuring and acquisition related activities.

Adjusted pre-provision net revenue[1] was $40.2 million for the fourth quarter of 2023, compared to $40.5 million for the third quarter of 2023 and $50.0 million for the fourth quarter of 2022. Adjusted pre-provision net revenue to average assets[1] was 1.30% for the fourth quarter of 2023, compared to 1.32% for the third quarter of 2023 and 1.61% for the fourth quarter of 2022.

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[1] See "*Non-GAAP Financial Information*" for a reconciliation.

Taking into account our fourth quarter results, full year 2023 pre-provision net revenue[2] and adjusted pre-provision net revenue[2] were $158.5 million and $172.3 million, respectively. Net income and adjusted net income[2] were $122.6 million, or $2.18 per diluted common share, and $126.0 million, or $2.24 per diluted common share, respectively. For the full year of 2023, return on average assets and return on average tangible common equity[2] were 1.00% and 14.62%, respectively. Based on adjusted net income[2], return on average assets was 1.03% and return on average tangible common equity[2] was 15.03%. Full year 2023 net income and adjusted net income[2] include the impact of net securities losses of $1.8 million[3], which are primarily related to unrealized losses recognized on equity securities. Excluding the impact of these securities losses, adjusted net income[2] would have been $127.8 million, equating to adjusted diluted earnings per common share[2] of $2.27.

Our fee-based businesses continue to add revenue diversification. Noninterest income excluding net securities gains and losses[2] was $30.8 million, or 28.5% of operating revenue[4], during the fourth quarter of 2023, compared to $31.3 million, or 28.7% of total operating revenue, for the third quarter of 2023 and $28.9 million, or 24.1% of total operating revenue, for the fourth quarter of 2022. For the full year 2023, noninterest income excluding net securities gains and losses was $124.6 million, or 28.1% of operating revenue. Busey wealth management fees and FirsTech payment technology solutions contributed $57.3 million and $21.2 million, respectively, to our reported consolidated noninterest income for 2023, representing 64.1% on a combined basis. For FirsTech, both the fourth quarter 2023 and full-year 2023 represented record revenue quarterly and annual reporting periods for the company.

Busey 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 acquisition and other restructuring charges in the fourth quarter of 2023 were $4.2 million. Busey believes that non-GAAP measures—including pre-provision net revenue, adjusted pre-provision net revenue, pre-provision net revenue to average assets, adjusted pre-provision net revenue to average assets, adjusted net income, adjusted diluted earnings per share, adjusted return on average assets, return on average tangible common equity, adjusted return on average tangible common equity, adjusted net interest income, adjusted net interest margin, adjusted noninterest expense, adjusted core expense, efficiency ratio, adjusted efficiency ratio, adjusted core efficiency ratio, tangible book value per common share, tangible common equity, tangible common equity to tangible assets, core loans, core loans to portfolio loans, core deposits, core deposits to total deposits, and core loans to core deposits—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 (see "*Non-GAAP Financial Information*").

We have effectively managed our noninterest expense during a time of decades-high inflation, and have been purposeful in our efforts to rationalize our expense base given our economic outlook and our view on the future of banking. In the fourth quarter, Busey completed an executive reorganization and executed a targeted efficiency optimization plan, expected to generate annual salary and benefit savings of approximately $5.6 million. Busey incurred one-time pre-tax severance and other related restructuring costs of $4.0 million during the fourth quarter of 2023 related to the executive reorganization and targeted efficiency optimization plan. We expect to reinvest approximately half of the anticipated savings to support ongoing growth initiatives across our franchise over the next several quarters.

Noninterest expense was $75.0 million in the fourth quarter of 2023, compared to $70.9 million in the third quarter of 2023 and $73.7 million in the fourth quarter of 2022. Adjusted core expense[2] decreased to $65.2 million in the fourth quarter of 2023, compared to $66.0 million in the third quarter of 2023 and $67.2 million in the fourth quarter of 2022. As we enter 2024, we expect to continue to prudently manage our expenses.

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[2] See "*Non-GAAP Financial Information*" for a reconciliation.

[3] Tax effected measure. See "*Non-GAAP Financial Information*" for a reconciliation.

[4] Operating revenue consists of net interest income plus noninterest income, net of securities gains and losses.

Fourth quarter 2023 results were negatively impacted by an increase in income tax expense as a result of adjusting our estimated annual effective tax rate ("AETR"). Busey estimates income tax expense for the year based on amounts expected to be owed to federal and state tax jurisdictions. An estimated AETR is established based on this estimate and is used to calculate our quarterly income tax provision. The fourth quarter effective tax rate increased to 22.5% compared to 18.2% in the third quarter, bringing our effective tax rate for the full year 2023 to 20.4%.

Acquisition of Merchants and Manufacturers Bank Corporation Planned for The Second Quarter of 2024

On November 27, 2023, Busey announced the signing of a definitive agreement with M&M, pursuant to which Busey will acquire M&M and its wholly-owned subsidiary, M&M Bank, through a merger transaction. This partnership will add M&M's Life Equity Loan® products to Busey's existing suite of services, and expand Busey's presence in the Chicago Metropolitan Statistical Area.

Under the terms of the merger agreement, M&M's stockholders will have the right to receive for each share of M&M common stock, at the election of each stockholder and subject to proration, either (i) $117.74 in cash, (ii) 5.7294 shares of Busey common stock, or (iii) mixed consideration of $34.55 in cash and 4.0481 shares of Busey common stock, with total consideration to consist of approximately 71% stock and 29% cash. Based upon Busey's 20-day volume-weighted average closing price as of November 24, 2023, the aggregate implied transaction value is approximately $41.6 million.

The merger is expected to be finalized in the second quarter of 2024, subject to customary closing conditions and required approvals, including the approval of M&M's stockholders. At the time of the merger, M&M Bank's banking centers will become banking centers of Busey Bank. It is anticipated that M&M Bank will be merged with and into Busey Bank at a date following the completion of the merger. Busey incurred one-time acquisition-related expenses of $0.3 million in the fourth quarter of 2023.

Busey executed a two-part balance sheet repositioning strategy

During the fourth quarter of 2023, Busey sold all 16,878 shares of Visa Class B common stock it previously held (the "Visa Sale") for a pre-tax gain of approximately $5.5 million.

Busey also executed a balance sheet repositioning of its available-for-sale securities portfolio (the "Repositioning") during the fourth quarter of 2023. Busey sold securities with a carrying value of approximately $110 million yielding 1.56%, resulting in an approximate pre-tax loss of $5.3 million. The proceeds were deposited into an interest-bearing account at the Federal Reserve yielding 5.40%.

The increased net interest spread as a result of the Visa Sale and the Repositioning is expected to increase net interest income by approximately $4.3 million on an annualized basis and improve our net interest margin run rate by 4 basis points. In addition, execution of these transactions further bolsters Busey's liquidity position and balance sheet flexibility, while also strengthening its capital position. Busey anticipates reinvesting the proceeds into loan and investment security opportunities over time.

The combined impact of the gain generated from the Visa Sale and the loss generated from the Repositioning will have an immediate positive impact on consolidated stockholders' equity and book value per share. Risk-based regulatory capital ratios will increase modestly as a result of the Repositioning proceeds rotating into lower risk-weighted assets. Busey expects the above transactions to be accretive to capital and earnings per share in future periods.

Busey's Conservative Banking Strategy
Busey's financial strength is built on a long-term conservative operating approach. That focus will not change now or in the future.

The quality of our core deposit franchise is a critical value driver of our institution. Since March 31, 2023, our deposit base has grown by $490.0 million, allowing us to reduce our higher cost Federal Home Loan Bank ("FHLB") borrowings to zero. Our granular deposit base continues to position us well, and as of December 31, 2023, our estimated uninsured and uncollateralized deposits[5] percentage was 27%, and 96.2% of our deposits were core deposits[6]. Our retail deposit base was comprised of more than 257,000 accounts with an average balance of $22 thousand and an average tenure of 16.5 years as of December 31, 2023. Our commercial deposit base was comprised of more than 33,000 accounts with an average balance of $102 thousand and an average tenure of 12.4 years as of December 31, 2023. We have sufficient on- and off-balance sheet liquidity to manage deposit fluctuations and the liquidity needs of our customers.

Asset quality remains strong by both Busey's historical and current industry trends. Non-performing assets saw a further 34.4% decline during the fourth quarter of 2023 to $7.9 million, now representing only 0.06% of total assets. Busey's results for the fourth quarter of 2023 include a $0.5 million provision expense for credit losses and a $0.8 million provision expense for unfunded commitments. The allowance for credit losses was $91.7 million as of December 31, 2023, representing 1.20% of total portfolio loans outstanding, and 1,173.7% of non-performing loans. Busey recorded net charge offs of $0.4 million in the fourth quarter of 2023, which equates to 0.02% of average loans on an annualized basis. As of December 31, 2023, our commercial real estate loan portfolio of investor-owned office properties within Central Business District[7] areas remained low at $9.4 million. Our credit performance continues to reflect our highly diversified, conservatively underwritten loan portfolio, which has been originated predominantly to established customers with tenured relationships with our company.

The strength of our balance sheet is also reflected in our capital foundation. In the fourth quarter, Common Equity Tier 1 and Total Capital to Risk Weighted Assets ratios[8] increased to 13.09% and 17.44%, respectively. In fact, our regulatory capital ratios continue to provide a buffer of more than $520 million above levels required to be designated well-capitalized. Our Tangible Common Equity ratio[6] increased to 7.75% during the fourth quarter of 2023, compared to 7.06% for the third quarter of 2023 and 6.60% for the fourth quarter of 2022. Busey's tangible book value per common share[6] increased to $16.62 at December 31, 2023, from $15.07 at September 30, 2023 and $14.14 at December 31, 2022, reflecting a 17.5% year-over-year increase. During the fourth quarter of 2023, we paid a common share dividend of $0.24 and repurchased 117,812 shares of our common stock at a weighted average price of $19.30 per share.

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5 Estimated uninsured and uncollateralized deposits consist of account balances in excess of the $250 thousand FDIC insurance limit, less intercompany accounts and collateralized accounts (including preferred deposits).
6 See "*Non-GAAP Financial Information*" for a reconciliation.
7 Central Business District areas within Busey's footprint include downtown St. Louis, downtown Indianapolis, and downtown Chicago.
8 Capital ratios for the fourth quarter of 2023 are not yet finalized, and are subject to change.

Community Banking
Busey's Community Banking team now offers new, second chance checking and savings products—which are proudly BankON certified—offering hassle-free, affordable options with digital banking access designed to provide peace of mind. With a suite of online tools that make it easy to track and manage money, these products offer qualified customers tools to build financial strength, improve banking history, and avoid monthly maintenance fees.

As we reflect back on 2023 and look ahead to 2024, we remain cognizant of the evolving economic outlook and extremely focused on balance sheet strength, profitability, and growth, in that order. The pending M&M transaction fits with our acquisition strategy and we are excited to welcome our M&M colleagues into the Busey family. We are grateful for the opportunities to earn the business of our customers, based on the contributions of our talented associates and the continued support of our loyal shareholders.

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

SELECTED FINANCIAL HIGHLIGHTS *(unaudited)*
(dollars in thousands, except per share amounts)

	Three Months Ended			Years Ended	
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022
EARNINGS & PER SHARE AMOUNTS					
Net income	$ 25,749	$ 30,666	$ 34,387	$ 122,565	$ 128,311
Diluted earnings per common share	0.46	0.54	0.61	2.18	2.29
Cash dividends paid per share	0.24	0.24	0.23	0.96	0.92
Pre-provision net revenue[1, 2]	32,909	38,139	46,360	158,502	168,493
Revenue[3]	107,888	109,084	120,037	444,034	452,374
Net income by operating segments:					
Banking	25,164	31,189	37,564	123,853	131,596
FirsTech	325	317	(453)	830	847
Wealth Management	4,233	4,781	3,855	18,804	18,543
AVERAGE BALANCES					
Cash and cash equivalents	$ 608,647	$ 252,730	$ 281,926	$ 330,952	$ 411,785
Investment securities	2,995,223	3,148,759	3,451,471	3,188,815	3,731,048
Loans held for sale	1,679	2,267	1,623	1,885	5,178
Portfolio loans	7,736,010	7,834,285	7,619,199	7,759,472	7,445,962
Interest-earning assets	11,229,326	11,118,167	11,242,126	11,164,594	11,473,063
Total assets	12,308,491	12,202,783	12,330,132	12,246,218	12,492,948
Noninterest bearing deposits	2,827,696	2,925,244	3,494,001	3,018,563	3,550,517
Interest-bearing deposits	7,545,234	7,217,463	6,843,688	7,052,370	6,958,436
Total deposits	10,372,930	10,142,707	10,337,689	10,070,933	10,508,953
Securities sold under agreements to repurchase and federal funds purchased	182,735	190,112	236,656	200,894	244,004
Interest-bearing liabilities	8,054,663	7,864,355	7,500,294	7,825,459	7,583,331
Total liabilities	11,106,074	10,994,376	11,207,585	11,048,707	11,297,777
Stockholders' equity - common	1,202,417	1,208,407	1,122,547	1,197,511	1,195,171
Tangible common equity[2]	846,948	850,382	756,420	838,164	824,747
PERFORMANCE RATIOS					
Pre-provision net revenue to average assets[1, 2,4]	1.06 %	1.24 %	1.49 %	1.29 %	1.35 %
Return on average assets[4]	0.83 %	1.00 %	1.11 %	1.00 %	1.03 %
Return on average common equity[4]	8.50 %	10.07 %	12.15 %	10.23 %	10.74 %
Return on average tangible common equity[2,4]	12.06 %	14.31 %	18.04 %	14.62 %	15.56 %
Net interest margin[2, 5]	2.74 %	2.80 %	3.24 %	2.88 %	2.84 %
Efficiency ratio[2]	66.89 %	62.38 %	58.77 %	61.65 %	59.89 %
Noninterest revenue as a % of total revenues[3]	28.51 %	28.69 %	24.07 %	28.06 %	28.50 %
NON-GAAP FINANCIAL INFORMATION					
Adjusted pre-provision net revenue[1, 2]	$ 40,223	$ 40,491	$ 50,003	$ 172,290	$ 179,424
Adjusted net income[2]	29,123	30,730	36,290	126,012	131,910
Adjusted diluted earnings per share[2]	0.52	0.55	0.65	2.24	2.35
Adjusted pre-provision net revenue to average assets[2,4]	1.30 %	1.32 %	1.61 %	1.41 %	1.44 %
Adjusted return on average assets[2,4]	0.94 %	1.00 %	1.17 %	1.03 %	1.06 %
Adjusted return on average tangible common equity[2,4]	13.64 %	14.34 %	19.03 %	15.03 %	15.99 %
Adjusted net interest margin[2, 5]	2.73 %	2.79 %	3.22 %	2.87 %	2.81 %
Adjusted efficiency ratio[2]	62.98 %	62.31 %	56.75 %	60.68 %	58.89 %

1. Net interest income plus noninterest income, excluding securities gains and losses, less noninterest expense.
2. See *"Non-GAAP Financial Information"* for reconciliation.
3. Revenue consists of net interest income plus noninterest income, excluding securities gains and losses.
4. For quarterly periods, measures are annualized.
5. On a tax-equivalent basis, assuming a federal income tax rate of 21%.

CONDENSED CONSOLIDATED BALANCE SHEETS *(unaudited)*
(dollars in thousands, except per share amounts)

	As of				
	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
ASSETS					
Cash and cash equivalents	$ 719,581	$ 337,919	$ 232,703	$ 275,569	$ 227,164
Investment securities	2,970,011	3,074,237	3,186,984	3,302,024	3,391,240
Loans held for sale	2,379	3,051	1,545	2,714	1,253
Commercial loans	5,635,048	5,824,800	5,793,426	5,815,703	5,766,496
Retail real estate and retail other loans	2,015,986	2,031,360	2,011,858	1,968,105	1,959,206
Portfolio loans	7,651,034	7,856,160	7,805,284	7,783,808	7,725,702
Allowance for credit losses	(91,740)	(91,710)	(91,639)	(91,727)	(91,608)
Premises and equipment	122,594	122,538	122,669	126,515	126,524
Goodwill and other intangible assets, net	353,864	356,343	358,898	361,567	364,296
Right of use asset	11,027	11,500	11,806	12,291	12,829
Other assets	544,665	588,212	580,779	571,794	579,277
Total assets	$ 12,283,415	$ 12,258,250	$ 12,209,029	$ 12,344,555	$ 12,336,677
LIABILITIES & STOCKHOLDERS' EQUITY					
Noninterest bearing deposits	$ 2,834,655	$ 2,918,574	$ 3,086,885	$ 3,173,783	$ 3,393,666
Interest checking, savings, and money market deposits	5,637,227	5,747,136	5,504,255	5,478,715	5,822,239
Time deposits	1,819,274	1,666,652	1,471,615	1,148,671	855,375
Total deposits	$ 10,291,156	$ 10,332,362	$ 10,062,755	$ 9,801,169	$ 10,071,280
Securities sold under agreements to repurchase	$ 187,396	$ 183,702	$ 202,953	$ 210,977	$ 229,806
Short-term borrowings	12,000	12,000	212,000	615,881	351,054
Long-term debt	240,882	243,666	246,454	249,245	252,038
Junior subordinated debt owed to unconsolidated trusts	71,993	71,946	71,900	71,855	71,810
Lease liability	11,308	11,783	12,059	12,515	12,995
Other liabilities	196,699	212,633	198,960	184,355	201,717
Total liabilities	11,011,434	11,068,092	11,007,081	11,145,997	11,190,700
Total stockholders' equity	1,271,981	1,190,158	1,201,948	1,198,558	1,145,977
Total liabilities & stockholders' equity	$ 12,283,415	$ 12,258,250	$ 12,209,029	$ 12,344,555	$ 12,336,677
SHARE AND PER SHARE AMOUNTS					
Book value per common share	$ 23.02	$ 21.51	$ 21.74	$ 21.68	$ 20.73
Tangible book value per common share[1]	$ 16.62	$ 15.07	$ 15.25	$ 15.14	$ 14.14
Ending number of common shares outstanding	55,244,119	55,342,017	55,290,847	55,294,455	55,279,124

1. See "*Non-GAAP Financial Information*" for reconciliation.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS *(unaudited)*

(dollars in thousands, except per share amounts)

	Three Months Ended			Years Ended	
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022
INTEREST INCOME					
Interest and fees on loans held for sale and portfolio	$ 101,425	$ 99,844	$ 84,947	$ 385,848	$ 287,477
Interest on investment securities	20,634	21,234	19,560	82,994	69,412
Other interest income	6,641	1,591	1,377	10,531	3,097
Total interest income	$ 128,700	$ 122,669	$ 105,884	$ 479,373	$ 359,986
INTEREST EXPENSE					
Interest on deposits	$ 45,409	$ 37,068	$ 8,277	$ 123,985	$ 16,112
Interest on securities sold under agreements to repurchase and federal funds purchased	1,431	1,327	810	5,203	1,475
Interest on short-term borrowings	248	1,964	1,221	12,775	1,647
Interest on long-term debt	3,475	3,528	3,546	14,106	14,285
Junior subordinated debt owed to unconsolidated trusts	1,004	991	881	3,853	3,029
Total interest expense	$ 51,567	$ 44,878	$ 14,735	$ 159,922	$ 36,548
Net interest income	$ 77,133	$ 77,791	$ 91,149	$ 319,451	$ 323,438
Provision for credit losses	455	364	859	2,399	4,623
Net interest income after provision for credit losses	$ 76,678	$ 77,427	$ 90,290	$ 317,052	$ 318,815
NONINTEREST INCOME					
Wealth management fees	$ 13,715	$ 14,235	$ 12,956	$ 57,309	$ 55,378
Fees for customer services	7,484	7,502	6,989	29,044	33,111
Payment technology solutions	5,420	5,226	5,022	21,192	20,067
Mortgage revenue	218	311	198	1,089	1,895
Income on bank owned life insurance	1,019	1,001	947	4,701	3,663
Net securities gains (losses)	761	(285)	191	(2,199)	(2,133)
Other noninterest income	2,899	3,018	2,776	11,248	14,822
Total noninterest income	$ 31,516	$ 31,008	$ 29,079	$ 122,384	$ 126,803
NONINTEREST EXPENSE					
Salaries, wages, and employee benefits	$ 42,730	$ 39,677	$ 41,790	$ 162,597	$ 159,016
Data processing expense	6,236	5,930	5,848	23,708	21,648
Net occupancy expense	4,318	4,594	4,638	18,214	19,130
Furniture and equipment expense	1,694	1,638	1,771	6,759	7,645
Professional fees	2,574	1,542	1,432	7,147	6,125
Amortization of intangible assets	2,479	2,555	2,795	10,432	11,628
Interchange expense	1,355	1,786	1,692	6,864	6,298
FDIC insurance	1,167	1,475	950	5,650	4,058
Other operating expenses	12,426	11,748	12,761	44,161	48,333
Total noninterest expense	$ 74,979	$ 70,945	$ 73,677	$ 285,532	$ 283,881
Income before income taxes	$ 33,215	$ 37,490	$ 45,692	$ 153,904	$ 161,737
Income taxes	7,466	6,824	11,305	31,339	33,426
Net income	$ 25,749	$ 30,666	$ 34,387	$ 122,565	$ 128,311
SHARE AND PER SHARE AMOUNTS					
Basic earnings per common share	$ 0.46	$ 0.55	$ 0.62	$ 2.21	$ 2.32
Diluted earnings per common share	$ 0.46	$ 0.54	$ 0.61	$ 2.18	$ 2.29
Average common shares outstanding	55,403,662	55,486,700	55,350,423	55,432,322	55,387,073
Diluted average common shares outstanding	56,333,033	56,315,492	56,177,790	56,256,148	56,137,164

Balance Sheet Strength

Our balance sheet remains a source of strength. Total assets were $12.28 billion as of December 31, 2023, compared to $12.26 billion as of September 30, 2023, and $12.34 billion as of December 31, 2022.

As has been our practice, we remain steadfast in our conservative approach to underwriting and disciplined approach to pricing, particularly given our outlook for the economy in the coming quarters, and this approach has impacted loan growth as predicted. Portfolio loans totaled $7.65 billion at December 31, 2023, compared to $7.86 billion at September 30, 2023, and $7.73 billion at December 31, 2022. The $205.1 million decline in portfolio loans during the fourth quarter of 2023 resulted from customer payoffs, reduced customer line utilization, and lower new origination volume.

Average portfolio loans were $7.74 billion for the fourth quarter of 2023, compared to $7.83 billion for the third quarter of 2023 and $7.62 billion for the fourth quarter of 2022. Average interest-earning assets were $11.23 billion for the fourth quarter of 2023, compared to $11.12 billion for the third quarter of 2023, and $11.24 billion for the fourth quarter of 2022.

Total deposits were $10.29 billion at December 31, 2023, compared to $10.33 billion at September 30, 2023, and $10.07 billion at December 31, 2022. Average deposits were $10.37 billion for the fourth quarter of 2023, compared to $10.14 billion for the third quarter of 2023 and $10.34 billion for the fourth quarter of 2022. Deposit fluctuations over the last several quarters were driven by a number of elements, including (1) seasonal factors, including ordinary course public fund flows and fluctuations in the normal course of business operations of certain core commercial customers, (2) the macroeconomic environment, including prevailing interest rates and anticipated future Federal Open Market Committee ("FOMC") rate moves, as well as inflationary pressures, (3) depositors moving some funds to accounts at competitors offering above-market rates, including state-sponsored investment programs that provide rates in excess of where we can borrow in the wholesale marketplace, and (4) deposits moving within the Busey ecosystem from deposit accounts to our wealth management group. Core deposits[9] accounted for 96.2% of total deposits as of December 31, 2023. Cost of deposits was 1.74% in the fourth quarter of 2023, which represents a 29 basis point increase from the third quarter of 2023. Excluding time deposits, Busey's cost of deposits was 1.31% in the fourth quarter of 2023, a 22 basis point increase from the third quarter of 2023.

Short term borrowings were $12.0 million at both December 31, 2023, and September 30, 2023, compared to $351.1 million at December 31, 2022. We had no borrowings from the FHLB at the end of the third or fourth quarter of 2023, compared to $339.1 million at the end of the fourth quarter of 2022. We have sufficient on- and off-balance sheet liquidity[10] to manage deposit fluctuations and the liquidity needs of our customers. As of December 31, 2023, our available sources of on- and off-balance sheet liquidity totaled $6.77 billion. We increased deposit campaigns starting in the first quarter of 2023 to attract term funding and savings accounts at a lower rate than our marginal cost of funds. In addition, we instituted a company-wide incentive campaign to drive new customer account openings. Our time deposit campaigns generated increased traction and production beginning in the second quarter and we expect to continue to implement prudent and measured strategies to generate deposit growth. New certificate of deposit production in the fourth quarter of 2023 had a weighted average term of 9.3 months at a rate of 4.34%, 101 basis points below our average marginal wholesale funding cost during the quarter. In total, our deposit initiatives contributed $192 million of retail deposit growth in the fourth quarter of 2023 and $289 million for the full year 2023. Furthermore, our balance sheet liquidity profile continues to be aided by the cash flows we expect from our relatively short-duration securities portfolio. Those cash flows were $83.4 million in the fourth quarter of 2023. For 2024, cash flows from our securities portfolio are expected to be approximately $342.0 million with a yield of 1.57%.

[9] See "*Non-GAAP Financial Information*" for a reconciliation.
[10] On- and off-balance sheet liquidity is comprised of cash and cash equivalents, debt securities excluding those pledged as collateral, brokered deposits, and Busey's borrowing capacity through its revolving credit facility, the FHLB, the Federal Reserve Bank, and federal funds purchased lines.

Asset Quality

Credit quality continues to be exceptionally strong. Loans 30-89 days past due totaled $5.8 million as of December 31, 2023, compared to $5.9 million as of September 30, 2023, and $6.5 million as of December 31, 2022. Non-performing loans were $7.8 million as of December 31, 2023, compared to $12.0 million as of September 30, 2023, and $15.7 million as of December 31, 2022. Continued disciplined credit management resulted in non-performing loans as a percentage of portfolio loans of 0.10% as of December 31, 2023, 0.15% as of September 30, 2023, and 0.20% as of December 31, 2022. Non-performing assets were 0.06% of total assets for fourth quarter of 2023, compared to 0.10% for the third quarter of 2023 and 0.13% for the fourth quarter of 2022. Our total classified assets increased to $72.3 million at December 31, 2023, from $59.6 million at September 30, 2023, while remaining significantly below the level of $107.1 million reported at December 31, 2022.

Net charge-offs were $0.4 million for the fourth quarter of 2023, compared to $0.3 million for the third quarter of 2023, and net recoveries of an immaterial amount for the fourth quarter of 2022. Our ratio of net charge-offs to average loans was 0.02% during the fourth quarter of 2023 and 0.03% for the full year. The allowance as a percentage of portfolio loans was 1.20% as of December 31, 2023, compared to 1.17% as of September 30, 2023, and 1.19% as of December 31, 2022. The allowance as a percentage of non-performing loans was 1,173.7% as of December 31, 2023, compared to 763.8% as of September 30, 2023, and 582.0% as of December 31, 2022.

Busey maintains a well-diversified loan portfolio and, as a matter of policy and practice, limits concentration exposure in any particular loan segment.

ASSET QUALITY *(unaudited)*
(dollars in thousands)

	As of				
	December 31, 2023	**September 30, 2023**	**June 30, 2023**	**March 31, 2023**	**December 31, 2022**
Total assets	$ 12,283,415	$ 12,258,250	$ 12,209,029	$ 12,344,555	$ 12,336,677
Portfolio loans	7,651,034	7,856,160	7,805,284	7,783,808	7,725,702
Loans 30 – 89 days past due	5,779	5,934	5,169	5,472	6,548
Non-performing loans:					
Non-accrual loans	7,441	11,298	15,209	14,714	15,067
Loans 90+ days past due and still accruing	375	709	569	500	673
Non-performing loans	$ 7,816	$ 12,007	$ 15,778	$ 15,214	$ 15,740
Non-performing loans, segregated by geography:					
Illinois / Indiana	$ 3,715	$ 7,951	$ 11,681	$ 10,416	$ 10,347
Missouri	3,836	3,747	3,928	4,103	4,676
Florida	265	309	169	695	717
Other non-performing assets	125	96	68	759	850
Non-performing assets	$ 7,941	$ 12,103	$ 15,846	$ 15,973	$ 16,590
Allowance for credit losses	$ 91,740	$ 91,710	$ 91,639	$ 91,727	$ 91,608
RATIOS					
Non-performing loans to portfolio loans	0.10 %	0.15 %	0.20 %	0.20 %	0.20 %
Non-performing assets to total assets	0.06 %	0.10 %	0.13 %	0.13 %	0.13 %
Non-performing assets to portfolio loans and other non-performing assets	0.10 %	0.15 %	0.20 %	0.21 %	0.21 %
Allowance for credit losses to portfolio loans	1.20 %	1.17 %	1.17 %	1.18 %	1.19 %
Allowance for credit losses as a percentage of non-performing loans	1,173.75 %	763.80 %	580.80 %	602.91 %	582.01 %

NET CHARGE-OFFS (RECOVERIES) AND PROVISION EXPENSE (RELEASE) ***(unaudited)***
(dollars in thousands)

	Three Months Ended			Years Ended	
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Net charge-offs (recoveries)	$ 425	$ 293	$ (27)	$ 2,267	$ 902
Provision expense (release)	455	364	859	2,399	4,623
Net charge-offs, annualized	1,686	1,162	NM	2,267	902
Average portfolio loans	7,736,010	7,834,285	7,619,199	7,759,472	7,445,962
Net charge-off ratio	0.02 %	0.01 %	NM	0.03 %	0.01 %

Net Interest Margin[11] and Net Interest Income

Net interest margin was 2.74% for the fourth quarter of 2023, compared to 2.80% for the third quarter of 2023 and 3.24% for the fourth quarter of 2022. Excluding purchase accounting accretion, adjusted net interest margin[11] was 2.73% for the fourth quarter of 2023, compared to 2.79% in the third quarter of 2023 and 3.22% in the fourth quarter of 2022. Net interest income was $77.1 million in the fourth quarter of 2023, compared to $77.8 million in the third quarter of 2023 and $91.1 million in the fourth quarter of 2022.

The FOMC raised rates by a total of 525 basis points since the onset of the current FOMC tightening cycle that began in the first quarter of 2022, with no further increases during the fourth quarter of 2023. Rising rates initially have a positive impact on net interest margin, as assets, in particular commercial loans, reprice more quickly and to a greater extent than liabilities. As deposit and funding costs increase in response to the tightening rate cycle, and we experience deposit migration into higher cost offerings and funding alternatives, some of the net interest margin expansion is reversed, which we began to experience in the first quarter of 2023. Components of the 6 basis point decrease in net interest margin during the fourth quarter of 2023 include:

- Increases in the cash and securities portfolio yield contributed +15 basis points
- Reduced borrowing costs contributed +6 basis points
- Increased income from our held for sale and portfolio loans contributed +2 basis points
- Increased non-maturity deposit funding costs contributed -17 basis points
- Increased time deposit funding costs contributed -12 basis points

Based on our most recent Asset Liability Management Committee ("ALCO") model, a 100 basis point parallel rate shock is expected to increase net interest income by 1.8% over the subsequent twelve-month period. Market competition for deposits continues and deposit betas are likely to rise marginally during the first half of 2024, which is factored into our ALCO model and margin forecast. Busey continues to evaluate off-balance sheet hedging and balance sheet restructuring strategies as well as embedding rate protection in our asset originations to provide stabilization to net interest income in lower rate environments. Time deposit specials and retail incentive campaigns continue to provide sufficient funding flows and we maintained excess earning cash levels throughout the quarter. Since the onset of the current FOMC tightening cycle that began in the first quarter of 2022, our cumulative interest-bearing non-maturity deposit beta has been 36%. Our cycle-to-date total deposit beta has been 31% through December 31, 2023. Deposit betas are calculated based on an average federal funds rate of 5.50% during the fourth quarter of 2023, which is a 7 basis point increase over the third quarter of 2023 average federal funds rate of 5.43%.

[11] See "*Non-GAAP Financial Information*" for a reconciliation.

Noninterest Income

Noninterest income was $31.5 million for the fourth quarter of 2023, as compared to $31.0 million for the third quarter of 2023 and $29.1 million for the fourth quarter of 2022. Revenues from wealth management fees and payment technology solutions activities represented 60.7% of Busey's noninterest income for the quarter ended December 31, 2023, providing a balance to spread-based revenue from traditional banking activities.

Consolidated wealth management fees were $13.7 million for the fourth quarter of 2023, compared to $14.2 million for the third quarter of 2023 and $13.0 million for the fourth quarter of 2022. On a segment basis, Wealth Management generated $13.8 million in revenue during the fourth quarter of 2023, a 6.6% increase over the $13.0 million reported in the fourth quarter of 2022. The Wealth Management operating segment generated net income of $4.2 million in fourth quarter of 2023, compared to $4.8 million in the third quarter of 2023 and $3.9 million in the fourth quarter of 2022. Busey's Wealth Management division ended the fourth quarter of 2023 with $12.1 billion in assets under care, compared to $11.5 billion at the end of the third quarter of 2023 and $11.1 billion at the end of the fourth quarter of 2022. Our portfolio management team continues to focus on long-term returns and managing risk in the face of volatile markets, and has outperformed its blended benchmark[12] over the last three and five years.

Payment technology solutions revenue was $5.4 million for the fourth quarter of 2023, compared to $5.2 million for the third quarter of 2023 and $5.0 million for the fourth quarter of 2022. Excluding intracompany eliminations, the FirsTech operating segment generated revenue of $5.8 million during the fourth quarter of 2023, compared to $5.7 million in the third quarter of 2023 and $5.4 million in the fourth quarter of 2022. Fourth quarter of 2023 results marked a new record high reported quarterly revenue for FirsTech. The FirsTech operating segment generated net income of $0.3 million in both the third and fourth quarters of 2023 and net losses of $0.5 million in the fourth quarter of 2022.

Fees for customer services were $7.5 million for both the third and fourth quarters of 2023 and $7.0 million in the fourth quarter of 2022.

Net securities gains were $0.8 million for the fourth quarter of 2023, which were comprised of $0.2 million in realized net gains and a $0.6 million unrealized gain on equity securities.

Other noninterest income was $2.9 million in the fourth quarter of 2023, compared to $3.0 million in the third quarter of 2023 and $2.8 million in the fourth quarter of 2022. Primary contributors to other noninterest income include swap origination fees, gains on commercial loans sales, and changes in venture capital investment valuations.

Operating Efficiency

Noninterest expense was $75.0 million in the fourth quarter of 2023, compared to $70.9 million in the third quarter of 2023 and $73.7 million for the fourth quarter of 2022. The efficiency ratio[13] was 66.9% for the fourth quarter of 2023, compared to 62.4% for the third quarter of 2023, and 58.8% for the fourth quarter of 2022. The adjusted core efficiency ratio[13] was 60.1% for the fourth quarter of 2023, compared to 60.2% for the third quarter of 2023 and 55.8% for the fourth quarter of 2022. Busey remains focused on expense discipline.

[12] The blended benchmark consists of 60% MSCI All Country World Index and 40% Bloomberg Intermediate US Government/Credit Total Return Index.
[13] See "*Non-GAAP Financial Information*" for a reconciliation.

Noteworthy components of noninterest expense are as follows:

- Salaries, wages, and employee benefits expenses were $42.7 million in the fourth quarter of 2023, compared to $39.7 million in the third quarter of 2023 and $41.8 million in the fourth quarter of 2022. Busey recorded $3.8 million of non-operating salaries, wages, and employee benefit expenses in the fourth quarter of 2023, as compared to none in the third quarter of 2023 and $2.4 million in the fourth quarter of 2022. Excluding these items, salaries, wages, and employee benefits expenses were $38.9 million in the fourth quarter of 2023, compared to $39.4 million in the fourth quarter of 2022. Our associate-base consisted of 1,479 full-time equivalents as of December 31, 2023, compared to 1,484 as of September 30, 2023, and 1,497 as of December 31, 2022.

- Data processing expense was $6.2 million in the fourth quarter of 2023, compared to $5.9 million in the third quarter of 2023 and $5.8 million in the fourth quarter of 2022. The year-over-year increase was related to Company-wide investments in technology enhancements, as well as inflation-driven price increases.

- Professional fees were $2.6 million in the fourth quarter of 2023, compared to $1.5 million in the third quarter of 2023 and $1.4 million in the fourth quarter of 2022. Busey recorded $0.4 million of non-operating Professional fees in the fourth quarter of 2023, as compared to $0.1 million in the third quarter of 2023 and an immaterial amount in the fourth quarter of 2022. The quarter-over-quarter increase was driven by seasonally higher audit and accounting fees and increased consulting expenses.

- Amortization of intangible assets was $2.5 million in the fourth quarter of 2023, compared to $2.6 million in the third quarter of 2023 and $2.8 million in the fourth quarter of 2022.

- FDIC insurance expense was $1.2 million in the fourth quarter of 2023, compared to $1.5 million in the third quarter of 2023 and $1.0 million in the fourth quarter of 2022. Increases in 2023 were a result of an FDIC final rule to increase the initial base deposit insurance assessment rate applicable to all FDIC-insured depository institutions by two basis points.

- Other operating expenses were $12.4 million for the fourth quarter of 2023, compared to $11.7 million in the third quarter of 2023 and $12.8 million in the fourth quarter of 2022. The quarter-over-quarter increase is attributable to multiple items, including increases in the provision for unfunded commitments, marketing, and business development expenses.

Busey's effective tax rate for the fourth quarter of 2023 was 22.5%, bringing the full year effective tax rate for 2023 to 20.4%, which was lower than the combined federal and state statutory rate of approximately 28.0% due to tax exempt interest income, such as municipal bond interest, bank owned life insurance income, and investments in various federal and state tax credits.

In January 2024, Busey adopted ASU 2023-02, which allows entities to elect to account for equity investments made primarily for the purpose of receiving income tax credits using the proportional amortization method, regardless of the tax credit program through which the investment earns income tax credits, if certain conditions are met. The proportional amortization method results in the cost of the investment being amortized in proportion to the income tax credits and other income tax benefits received, with the amortization of the investment and the income tax credits being presented net in the income statement as a component of income tax expense as opposed to being presented on a gross basis on the income statement as a component of noninterest expense and income tax expense.

Capital Strength

Busey's strong capital levels, coupled with its earnings, have allowed the Company to provide a steady return to its stockholders through dividends. On January 26, 2024, Busey will pay a cash dividend of $0.24 per common share to stockholders of record as of January 19, 2024. Busey has consistently paid dividends to its common stockholders since the bank holding company was organized in 1980.

As of December 31, 2023, Busey continued to exceed the capital adequacy requirements necessary to be considered "well-capitalized" under applicable regulatory guidelines. Busey's Common Equity Tier 1 ratio is estimated[14] to be 13.09% at December 31, 2023, compared to 12.52% at September 30, 2023, and 11.96% at December 31, 2022. Our Total Capital to Risk Weighted Assets ratio is estimated[14] to be 17.44% at December 31, 2023, compared to 16.72% at September 30, 2023, and 16.12% at December 31, 2022.

Busey's tangible common equity[15] was $925.0 million at December 31, 2023, compared to $841.2 million at September 30, 2023, and $790.5 million at December 31, 2022. Tangible common equity[15] represented 7.75% of tangible assets at December 31, 2023, compared to 7.06% at September 30, 2023, and 6.60% at December 31, 2022. Busey's tangible book value per common share[15] increased to $16.62 at December 31, 2023, from $15.07 at September 30, 2023 and $14.14 at December 31, 2022, reflecting a 17.5% year-over-year increase. The ratios of tangible common equity to tangible assets[15] and tangible book value per common share have been impacted by the fair market valuation adjustment of Busey's securities portfolio as a result of the current rate environment, which is reflected in the accumulated other comprehensive income (loss) component of shareholder's equity.

During the fourth quarter of 2023, Busey purchased 117,812 shares of its common stock at a weighted average price of $19.30 per share for a total of $2.3 million under the Company's stock repurchase plan. Repurchases were executed due to favorable pricing of Busey's shares during the fourth quarter of 2023. As of December 31, 2023, Busey had 1,919,275 shares remaining on its stock repurchase plan available for repurchase.

4Q23 Earnings Investor Presentation

For additional information on Busey's financial condition and operating results, please refer to the 4Q23 Earnings Investor Presentation furnished via Form 8-K on January 23, 2024, in connection with this earnings release.

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[14] Capital ratios for the fourth quarter of 2023 are not yet finalized, and are subject to change.
[15] See "*Non-GAAP Financial Information*" for a reconciliation.

Corporate Profile

As of December 31, 2023, First Busey Corporation (Nasdaq: BUSE) was a $12.28 billion financial holding company headquartered in Champaign, Illinois.

Busey Bank, a wholly-owned bank subsidiary of First Busey Corporation, had total assets of $12.25 billion as of December 31, 2023, and is headquartered in Champaign, Illinois. Busey Bank currently has 46 banking centers serving Illinois, eight banking centers serving Missouri, three banking centers serving southwest Florida, and one banking center in Indianapolis, Indiana. More information about Busey Bank can be found at busey.com.

Through Busey's Wealth Management division, the Company provides a full range of asset management, investment, brokerage, fiduciary, philanthropic advisory, tax preparation, and farm management services to individuals, businesses, and foundations. Assets under care totaled $12.14 billion as of December 31, 2023. More information about Busey's Wealth Management services can be found at busey.com/wealth-management.

Busey Bank's wholly-owned subsidiary, FirsTech, specializes in the evolving financial technology needs of small and medium-sized businesses, highly regulated enterprise industries, and financial institutions. FirsTech provides comprehensive and innovative payment technology solutions including online, mobile, and voice-recognition bill payments; money and data movement; merchant services; direct debit services; lockbox remittance processing for payments made by mail; and walk-in payments at retail agents. Additionally, FirsTech simplifies client workflows through integrations enabling support with billing, reconciliation, bill reminders, and treasury services. More information about FirsTech can be found at firstechpayments.com.

Busey Bank is honored to be named among America's Best Banks by *Forbes* magazine for the second consecutive year. Ranked 26th overall in 2023, compared to 52nd in 2022, Busey was once again the top-ranked bank headquartered in Illinois. Busey is humbled to be named among the 2023 Best Banks to Work For by *American Banker*, the 2023 Best Places to Work in Money Management by *Pensions and Investments*, the 2023 Best Places to Work in Illinois by *Daily Herald Business Ledger*, and the 2023 Best Companies to Work For in Florida by *Florida Trend* magazine. We are honored to be consistently recognized nationally and locally 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

Contacts:

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217-365-4130

Non-GAAP Financial Information

This earnings release contains certain financial information determined by methods other than U.S. Generally Accepted Accounting Principles ("GAAP"). Management uses these non-GAAP measures, together with the related GAAP measures, in analysis of Busey's performance and in making business decisions, as well as for comparison to the Company's peers. Busey believes the adjusted measures are useful for investors and management to understand the effects of certain non-core and non-recurring noninterest items and provide additional perspective on the Company's performance over time.

A reconciliation to what management believes to be the most directly comparable GAAP financial measures—specifically, net interest income, total noninterest income, net security gains and losses, and total noninterest expense in the case of pre-provision net revenue, adjusted pre-provision net revenue, pre-provision net revenue to average assets, and adjusted pre-provision net revenue to average assets; net income in the case of adjusted net income, adjusted diluted earnings per share, adjusted return on average assets, average tangible common equity, return on average tangible common equity, and adjusted return on average tangible common equity; net income and net security gains and losses in the case of net income excluding net securities gains and losses and diluted earnings per share excluding net securities gains and losses; net interest income in the case of adjusted net interest income and adjusted net interest margin; net interest income, total noninterest income, and total noninterest expense in the case of adjusted noninterest expense, noninterest expense excluding non-operating adjustments, adjusted core expense, efficiency ratio, adjusted efficiency ratio, and adjusted core efficiency ratio; total assets and goodwill and other intangible assets in the case of tangible assets; total stockholders' equity in the case of tangible book value per common share; total assets and total stockholders' equity in the case of tangible common equity and tangible common equity to tangible assets; portfolio loans in the case of core loans and core loans to portfolio loans; total deposits in the case of core deposits and core deposits to total deposits; and portfolio loans and total deposits in the case of core loans to core deposits—appears below.

These non-GAAP disclosures have inherent limitations and are not audited. They should not be considered in isolation or as a substitute for operating 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 *(unaudited)*

Pre-Provision Net Revenue, Adjusted Pre-Provision Net Revenue, Pre-Provision Net Revenue to Average Assets, and Adjusted Pre-Provision Net Revenue to Average Assets

(dollars in thousands)

		Three Months Ended			Years Ended	
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022
PRE-PROVISION NET REVENUE						
Net interest income		$ 77,133	$ 77,791	$ 91,149	$ 319,451	$ 323,438
Total noninterest income		31,516	31,008	29,079	122,384	126,803
Net security (gains) losses		(761)	285	(191)	2,199	2,133
Total noninterest expense		(74,979)	(70,945)	(73,677)	(285,532)	(283,881)
Pre-provision net revenue		32,909	38,139	46,360	158,502	168,493
Non-GAAP adjustments:						
Acquisition and other restructuring expenses		4,237	79	2,442	4,328	4,537
Provision for unfunded commitments		818	13	(464)	461	61
Amortization of New Markets Tax Credits		2,259	2,260	1,665	8,999	6,333
Adjusted pre-provision net revenue		$ 40,223	$ 40,491	$ 50,003	$ 172,290	$ 179,424
Pre-provision net revenue, annualized	[a]	$ 130,563	$ 151,312	$ 183,928	$ 158,502	$ 168,493
Adjusted pre-provision net revenue, annualized	[b]	159,580	160,644	198,381	172,290	179,424
Average total assets	[c]	12,308,491	12,202,783	12,330,132	12,246,218	12,492,948
Reported: Pre-provision net revenue to average assets[1]	[a÷c]	1.06 %	1.24 %	1.49 %	1.29 %	1.35 %
Adjusted: Pre-provision net revenue to average assets[1]	[b÷c]	1.30 %	1.32 %	1.61 %	1.41 %	1.44 %

1. For quarterly periods, measures are annualized.

Reconciliation Of Non-GAAP Financial Measures *(unaudited)*

Adjusted Net Income, Adjusted Diluted Earnings Per Share, Adjusted Return on Average Assets, Average Tangible Common Equity, Return on Average Tangible Common Equity, and Adjusted Return on Average Tangible Common Equity

(dollars in thousands, except per share amounts)

		Three Months Ended			Years Ended	
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022
NET INCOME ADJUSTED FOR NON-OPERATING ITEMS						
Net income	[a]	$ 25,749	$ 30,666	$ 34,387	$ 122,565	$ 128,311
Non-GAAP adjustments:						
Acquisition expenses:						
Salaries, wages, and employee benefits		—	—	—	—	587
Data processing		—	—	—	—	214
Professional fees, occupancy, and other		266	79	16	357	258
Other restructuring expenses:						
Salaries, wages, and employee benefits		3,760	—	2,409	3,760	2,409
Loss on leases or fixed asset impairment		—	—	10	—	986
Professional fees, occupancy, and other		211	—	7	211	83
Related tax benefit[1]		(863)	(15)	(539)	(881)	(938)
Adjusted net income	[b]	$ 29,123	$ 30,730	$ 36,290	$ 126,012	$ 131,910
DILUTED EARNINGS PER SHARE						
Diluted average common shares outstanding	[c]	56,333,033	56,315,492	56,177,790	56,256,148	56,137,164
Reported: Diluted earnings per share	[a÷c]	$ 0.46	$ 0.54	$ 0.61	$ 2.18	$ 2.29
Adjusted: Diluted earnings per share	[b÷c]	$ 0.52	$ 0.55	$ 0.65	$ 2.24	$ 2.35
RETURN ON AVERAGE ASSETS						
Net income, annualized	[d]	$ 102,156	$ 121,664	$ 136,427	$ 122,565	$ 128,311
Adjusted net income, annualized	[e]	115,542	121,918	143,977	126,012	131,910
Average total assets	[f]	12,308,491	12,202,783	12,330,132	12,246,218	12,492,948
Reported: Return on average assets[2]	[d÷f]	0.83 %	1.00 %	1.11 %	1.00 %	1.03 %
Adjusted: Return on average assets[2]	[e÷f]	0.94 %	1.00 %	1.17 %	1.03 %	1.06 %
RETURN ON AVERAGE TANGIBLE COMMON EQUITY						
Average common equity		$ 1,202,417	$ 1,208,407	$ 1,122,547	$ 1,197,511	$ 1,195,171
Average goodwill and other intangible assets, net		(355,469)	(358,025)	(366,127)	(359,347)	(370,424)
Average tangible common equity	[g]	$ 846,948	$ 850,382	$ 756,420	$ 838,164	$ 824,747
Reported: Return on average tangible common equity[2]	[d÷g]	12.06 %	14.31 %	18.04 %	14.62 %	15.56 %
Adjusted: Return on average tangible common equity[2]	[e÷g]	13.64 %	14.34 %	19.03 %	15.03 %	15.99 %

1. Full year tax benefits were calculated by multiplying full year acquisition expenses and other restructuring expenses by the annual effective tax rates for the full year periods. The annual effective tax rates used in these calculations were 20.4% for the year ended December 31, 2023, and 20.7% for the year ended December 31, 2022. Quarterly tax benefits were calculated as the full year amounts less the sum of amounts applied to previous quarters within the year.
2. For quarterly periods, measures are annualized.

Reconciliation Of Non-GAAP Financial Measures *(unaudited)*

Adjusted Net Income Excluding Net Securities Gains and Losses and Adjusted Diluted Earnings Per Share Excluding Net Securities Gains and Losses

(dollars in thousands, except per share amounts)

		Three Months Ended			Years Ended	
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Adjusted net income[1]	[a]	$ 29,123	$ 30,730	$ 36,290	$ 126,012	$ 131,910
Further non-GAAP adjustments:						
Net securities (gains) losses		(761)	285	(191)	2,199	2,133
Tax effect for net securities (gains) losses[2]		171	(52)	47	(448)	(441)
Tax effected net securities (gains) losses[3]		(590)	233	(144)	1,751	1,692
Net income excluding net securities (gains) losses[3]	[b]	$ 28,533	$ 30,963	$ 36,146	$ 127,763	$ 133,602
Diluted average common shares outstanding	[c]	56,333,033	56,315,492	56,177,790	56,256,148	56,137,164
Adjusted: Diluted earnings per share	[a÷c]	$ 0.52	$ 0.55	$ 0.65	$ 2.24	$ 2.35
Adjusted: Diluted earnings per share, excluding net securities (gains) losses[3]	[b÷c]	$ 0.51	$ 0.55	$ 0.64	$ 2.27	$ 2.38

1. Adjusted net income is a non-GAAP measure. See the table on the previous page for a reconciliation to the nearest GAAP measure.
2. Tax effects for net securities gains and losses were calculated by multiplying net securities gains and losses by the effective income tax rates for the periods indicated. Effective tax rates were 22.5%, 18.2%, and 24.7% for the three months ended December 31, 2023, September 30, 2023, and December 31, 2022, respectively, and were 20.4% and 20.7% for the years ended December 31, 2023, and December 31, 2022, respectively.
3. Tax-effected measure.

Adjusted Net Interest Income and Adjusted Net Interest Margin

(dollars in thousands)

		Three Months Ended			Years Ended	
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Net interest income		$ 77,133	$ 77,791	$ 91,149	$ 319,451	$ 323,438
Non-GAAP adjustments:						
Tax-equivalent adjustment[1]		501	553	564	2,173	2,199
Tax-equivalent net interest income		77,634	78,344	91,713	321,624	325,637
Purchase accounting accretion related to business combinations		(384)	(277)	(546)	(1,477)	(3,134)
Adjusted net interest income		$ 77,250	$ 78,067	$ 91,167	$ 320,147	$ 322,503
Tax-equivalent net interest income, annualized	[a]	$ 308,004	$ 310,821	$ 363,861	$ 321,624	$ 325,637
Adjusted net interest income, annualized	[b]	306,481	309,722	361,695	320,147	322,503
Average interest-earning assets	[c]	11,229,326	11,118,167	11,242,126	11,164,594	11,473,063
Reported: Net interest margin[2]	[a÷c]	2.74 %	2.80 %	3.24 %	2.88 %	2.84 %
Adjusted: Net interest margin[2]	[b÷c]	2.73 %	2.79 %	3.22 %	2.87 %	2.81 %

1. Tax-equivalent adjustments were calculated using an estimated federal income tax rate of 21%, applied to non-taxable interest income on investments and loans.
2. For quarterly periods, measures are annualized.

Reconciliation Of Non-GAAP Financial Measures *(unaudited)*

Noninterest Expense Excluding Amortization of Intangible Assets, Adjusted Noninterest Expense, Adjusted Core Expense, Noninterest Expense Excluding Non-operating Adjustments, Efficiency Ratio, Adjusted Efficiency Ratio, and Adjusted Core Efficiency Ratio

(dollars in thousands)

		Three Months Ended			Years Ended	
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Net interest income		$ 77,133	$ 77,791	$ 91,149	$ 319,451	$ 323,438
Non-GAAP adjustments:						
Tax-equivalent adjustment[1]		501	553	564	2,173	2,199
Tax-equivalent net interest income		77,634	78,344	91,713	321,624	325,637
Total noninterest income		31,516	31,008	29,079	122,384	126,803
Non-GAAP adjustments:						
Net security (gains) losses		(761)	285	(191)	2,199	2,133
Noninterest income excluding net securities gains and losses		30,755	31,293	28,888	124,583	128,936
Tax-equivalent revenue	[a]	$ 108,389	$ 109,637	$ 120,601	$ 446,207	$ 454,573
Total noninterest expense		$ 74,979	$ 70,945	$ 73,677	$ 285,532	$ 283,881
Non-GAAP adjustments:						
Amortization of intangible assets	[b]	(2,479)	(2,555)	(2,795)	(10,432)	(11,628)
Noninterest expense excluding amortization of intangible assets	[c]	72,500	68,390	70,882	275,100	272,253
Non-operating adjustments:						
Salaries, wages, and employee benefits		(3,760)	—	(2,409)	(3,760)	(2,996)
Data processing		—	—	—	—	(214)
Impairment, professional fees, occupancy, and other		(477)	(79)	(33)	(568)	(1,327)
Adjusted noninterest expense	[f]	68,263	68,311	68,440	270,772	267,716
Provision for unfunded commitments		(818)	(13)	464	(461)	(61)
Amortization of New Markets Tax Credits		(2,259)	(2,260)	(1,665)	(8,999)	(6,333)
Adjusted core expense	[g]	$ 65,186	$ 66,038	$ 67,239	$ 261,312	$ 261,322
Noninterest expense, excluding non-operating adjustments	[f-b]	$ 70,742	$ 70,866	$ 71,235	$ 281,204	$ 279,344
Reported: Efficiency ratio	[c÷a]	66.89 %	62.38 %	58.77 %	61.65 %	59.89 %
Adjusted: Efficiency ratio	[f÷a]	62.98 %	62.31 %	56.75 %	60.68 %	58.89 %
Adjusted: Core efficiency ratio	[g÷a]	60.14 %	60.23 %	55.75 %	58.56 %	57.49 %

1. Tax-equivalent adjustments were calculated using an estimated federal income tax rate of 21%, applied to non-taxable interest income on investments and loans.

Reconciliation Of Non-GAAP Financial Measures *(unaudited)*

Tangible Book Value and Tangible Book Value Per Common Share

(dollars in thousands, except per share amounts)

		As of				
		December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Total stockholders' equity		$ 1,271,981	$ 1,190,158	$ 1,201,948	$ 1,198,558	$ 1,145,977
Non-GAAP adjustments:						
Goodwill and other intangible assets, net		(353,864)	(356,343)	(358,898)	(361,567)	(364,296)
Tangible book value	[a]	$ 918,117	$ 833,815	$ 843,050	$ 836,991	$ 781,681
Ending number of common shares outstanding	[b]	55,244,119	55,342,017	55,290,847	55,294,455	55,279,124
Tangible book value per common share	[a÷b]	$ 16.62	$ 15.07	$ 15.25	$ 15.14	$ 14.14

Tangible Assets, Tangible Common Equity, and Tangible Common Equity to Tangible Assets

(dollars in thousands)

		As of				
		December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Total assets		$ 12,283,415	$ 12,258,250	$ 12,209,029	$ 12,344,555	$ 12,336,677
Non-GAAP adjustments:						
Goodwill and other intangible assets, net		(353,864)	(356,343)	(358,898)	(361,567)	(364,296)
Tax effect of other intangible assets[1]		6,888	7,354	7,833	8,335	8,847
Tangible assets[2]	[a]	$ 11,936,439	$ 11,909,261	$ 11,857,964	$ 11,991,323	$ 11,981,228
Total stockholders' equity		$ 1,271,981	$ 1,190,158	$ 1,201,948	$ 1,198,558	$ 1,145,977
Non-GAAP adjustments:						
Goodwill and other intangible assets, net		(353,864)	(356,343)	(358,898)	(361,567)	(364,296)
Tax effect of other intangible assets[1]		6,888	7,354	7,833	8,335	8,847
Tangible common equity[2]	[b]	$ 925,005	$ 841,169	$ 850,883	$ 845,326	$ 790,528
Tangible common equity to tangible assets[2]	[b÷a]	7.75 %	7.06 %	7.18 %	7.05 %	6.60 %

1. Net of estimated deferred tax liability, calculated using the estimated statutory tax rate of 28%.
2. Tax-effected measure.

Reconciliation Of Non-GAAP Financial Measures *(unaudited)*

Core Loans, Core Loans to Portfolio Loans, Core Deposits, Core Deposits to Total Deposits, and Core Loans to Core Deposits

(dollars in thousands)

		As of				
		December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Portfolio loans	[a]	$ 7,651,034	$ 7,856,160	$ 7,805,284	$ 7,783,808	$ 7,725,702
Non-GAAP adjustments:						
PPP loans amortized cost		(313)	(598)	(667)	(750)	(845)
Core loans	[b]	$ 7,650,721	$ 7,855,562	$ 7,804,617	$ 7,783,058	$ 7,724,857
Total deposits	[c]	$ 10,291,156	$ 10,332,362	$ 10,062,755	$ 9,801,169	$ 10,071,280
Non-GAAP adjustments:						
Brokered transaction accounts		(6,001)	(6,055)	(6,055)	(6,005)	(1,303)
Time deposits of $250,000 or more		(386,286)	(350,276)	(297,967)	(200,898)	(120,377)
Core deposits	[d]	$ 9,898,869	$ 9,976,031	$ 9,758,733	$ 9,594,266	$ 9,949,600
RATIOS						
Core loans to portfolio loans	[b÷a]	100.00 %	99.99 %	99.99 %	99.99 %	99.99 %
Core deposits to total deposits	[d÷c]	96.19 %	96.55 %	96.98 %	97.89 %	98.79 %
Core loans to core deposits	[b÷d]	77.29 %	78.74 %	79.98 %	81.12 %	77.64 %

Special Note Concerning Forward-Looking Statements

This document may contain 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 Busey and M&M. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of Busey's and M&M'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 neither Busey nor M&M undertakes any obligation to update any statement in light of new information or future events. A number of factors, many of which are beyond the ability of Busey and M&M to control or predict, could cause actual results to differ materially from those in any forward-looking statements. These factors include, among others, the following: (1) the possibility that any of the anticipated benefits of the proposed transaction between Busey and M&M will not be realized or will not be realized within the expected time period; (2) the risk that integration of operations of M&M with those of Busey will be materially delayed or will be more costly or difficult than expected; (3) the inability to complete the proposed transaction due to the failure of the required approval of M&M's stockholders; (4) the failure to satisfy other conditions to completion of the proposed transaction, including receipt of required regulatory and other approvals; (5) the failure of the proposed transaction to close for any other reason; (6) the effect of the announcement of the transaction on customer relationships and operating results; (7) the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events; (8) the strength of the local, state, national, and international economy (including effects of inflationary pressures and supply chain constraints); (9) the economic impact of any future terrorist threats or attacks, widespread disease or pandemics (including the Coronavirus Disease 2019 pandemic), or other adverse external events that could cause economic deterioration or instability in credit markets (including Russia's invasion of Ukraine and the Israeli-Palestinian conflict); (10) changes in state and federal laws, regulations, and governmental policies concerning Busey's or M&M's general business (including changes in response to the recent failures of other banks); (11) changes in accounting policies and practices; (12) changes in interest rates and prepayment rates of Busey's or M&M's assets (including the impact of the London Interbank Offered Rate phase-out and the recent and potential additional rate increases by the Federal Reserve); (13) 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; (14) changes in technology and the ability to develop and maintain secure and reliable electronic systems; (15) the loss of key executives or associates; (16) changes in consumer spending; (17) unexpected results of acquisitions, including the acquisition of M&M and the performance of M&M's life equity loan business; (18) unexpected outcomes of existing or new litigation involving Busey or M&M; (19) fluctuations in the value of securities held in Busey's or M&M's securities portfolio; (20) concentrations within Busey's or M&M's loan portfolio, large loans to certain borrowers, and large deposits from certain clients; (21) the concentration of large deposits from certain clients who have balances above current FDIC insurance limits and may withdraw deposits to diversify their exposure; (22) the level of non-performing assets on Busey's or M&M's balance sheets; (23) interruptions involving information technology and communications systems or third-party servicers; (24) breaches or failures of information security controls or cybersecurity-related incidents; and (25) the economic impact of exceptional weather occurrences such as tornadoes, hurricanes, floods, blizzards, and droughts. 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 Busey and its business, including additional factors that could materially affect Busey's financial results, is included in Busey's filings with the Securities and Exchange Commission ("SEC").

Additional Information

Busey filed a registration statement on Form S-4 with the SEC on January 12, 2024, in connection with the proposed transaction. The registration statement includes a proxy statement of M&M that also constitutes a prospectus of Busey, which will be sent to the stockholders of M&M. M&M's stockholders are advised to read the proxy statement/prospectus because it contains important information about Busey, M&M, and the proposed transaction. This document and other documents relating to the proposed transaction filed by Busey and M&M can be obtained free of charge from the SEC's website at sec.gov.

These documents also can be obtained free of charge by accessing the Investor Relations page on Busey's website at ir.busey.com, then under the tab "SEC Filings." Alternatively, these documents, when available, can be obtained free of charge from Busey upon written request to First Busey Corporation, Attention: Corporate Secretary, 100 W. University Avenue, Champaign, Illinois 61820 or by calling (217) 365-4630, or from M&M, upon written request to M&M and Manufacturers Bank Corporation, Attention: Brad Butler, 25140 W. Channon Dr., P.O. Box 200, Channahon, Illinois 60410 or by calling (630) 575-9700.

This document shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Participants in this Transaction

Busey, M&M, and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from stockholders in connection with the proposed transaction under the rules of the SEC. Information about these participants may be found in Busey's definitive proxy statement relating to its 2023 Annual Meeting of Stockholders filed with the SEC on April 14, 2023. This definitive proxy statement can be obtained free of charge from the sources indicated above. Additional information regarding the interests of these participants are included in the proxy statement/prospectus regarding the proposed transaction.

First Busey Corporation
100 W. University Ave., Champaign, IL 61820
NASDAQ: BUSE

Busey's Financial Suite of Services

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Business | Wealth Management | Personal

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Q4 2023
EARNINGS INVESTOR PRESENTATION

January 23, 2024

busey.com Member FDIC NASDAQ: BUSE

Busey
FIRST BUSEY CORPORATION

Forward-Looking Statements and Additional Information

Special Note Concerning Forward-Looking Statements

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Participants in the Transaction

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Non-GAAP Financial Information

This presentation contains certain financial information determined by methods other than U.S. Generally Accepted Accounting Principles ("GAAP"). Management uses these non-GAAP measures, together with the related GAAP measures, in analysis of Busey's performance and in making business decisions, as well as for comparison to the Company's peers. Busey believes the adjusted measures are useful for investors and management to understand the effects of certain non-core and non-recurring noninterest items and provide additional perspective on the Company's performance over time.

A reconciliation to what management believes to be the most directly comparable GAAP financial measures—specifically, net interest income, total noninterest income, net security gains and losses, and total noninterest expense in the case of pre-provision net revenue, adjusted pre-provision net revenue, pre-provision net revenue to average assets, and adjusted pre-provision net revenue to average assets; net income in the case of adjusted net income, adjusted diluted earnings per share, adjusted return on average assets, average tangible common equity, return on average tangible common equity, and adjusted return on average tangible common equity; net income and net security gains and losses in the case of net income excluding net securities gains and losses and diluted earnings per share excluding net securities gains and losses; net interest income in the case of adjusted net interest income and adjusted net interest margin; net interest income, total noninterest income, and total noninterest expense in the case of adjusted noninterest expense, noninterest expense excluding non-operating adjustments, adjusted core expense, efficiency ratio, adjusted efficiency ratio, and adjusted core efficiency ratio; total assets and goodwill and other intangible assets in the case of tangible assets; total stockholders' equity in the case of tangible book value per common share; total assets and total stockholders' equity in the case of tangible common equity and tangible common equity to tangible assets; portfolio loans in the case of core loans and core loans to portfolio loans; total deposits in the case of core deposits and core deposits to total deposits; and portfolio loans and total deposits in the case of core loans to core deposits—appears in the appendix of this presentation.

These non-GAAP disclosures have inherent limitations and are not audited. They should not be considered in isolation or as a substitute for operating 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.

Table of Contents

Overview of First Busey Corporation (NASDAQ: BUSE)

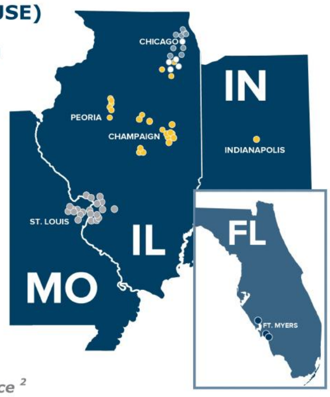
155+ YEARS

155+ year old financial institution headquartered in Champaign, IL

Among the Best

Regional operating model serving four regions

- Northern (IL)
- Central (IL/IN)
- Gateway (MO/IL)
- Florida
- M&M Bank[4]



Financial Highlights

$ in millions	2021	2022	2023
Total Assets	$12,860	$12,337	$12,283
Total Loans	$7,189	$7,726	$7,651
Total Deposits	$10,769	$10,071	$10,291
Total Equity	$1,319	$1,146	$1,272
NPA/Assets	0.17 %	0.13 %	0.06 %
Net Interest Margin [1]	2.49 %	2.84 %	2.88 %
Adj. PPNR ROAA [1]	1.35 %	1.44 %	1.41 %
Adj. ROAA [1]	1.15 %	1.06 %	1.03 %
Adj. ROATCE [1]	14.40 %	15.99 %	15.03 %

BUSE Stock Price [2]

Market Cap	Price Per Share	Dividend Yield	Price/TBV	Price/2024E [3]
$1.3B	$24.22	4.0%	1.5x	11.8x

[1] Non-GAAP calculation, see Appendix | [2] Market Data for BUSE updated to close on 1/22/24, per Nasdaq | [3] Based on consensus median net income of covering analysts as of 1/22/24
[4] Pro Forma locations reflecting announced acquisition of Merchants & Manufacturers Bank Corp. on 11/27/23. Pending approvals, anticipated to close during 2Q24.

Diversified Company with Comprehensive & Innovative Financial Solutions

Busey BANK

Full suite of diversified financial products for individuals and businesses

$12.3 Billion
Assets [1]

$382.0 Million
2023 Revenue [2]

15.0%
Adj. ROATCE (FY 2023) [3]

Busey WEALTH MANAGEMENT

Wealth & asset management services for individuals and businesses

$12.1 Billion
Assets Under Care

$57.8 Million
2023 Revenue [4]

42.8%
PT Margin (FY 2023)

firstech

Payment platform that enables the collection of payments across a variety of modules

$11 Billion
Payments Processed [5]

$22.8 Million
2023 Revenue [6]

+11%
3-Year CAGR Quarterly Revenue [6]

[1] Consolidated | [2] Busey Bank segment, excluding Wealth Management & FirsTech; excludes intracompany eliminations and consolidations | [3] Consolidated; Non-GAAP calculation, see Appendix
[4] Wealth Management segment | [5] LTM total payments processed | [6] FirsTech segment, excludes intracompany eliminations

Compelling Regional Operating Model

Integrated enterprise-wide go-to-market strategy focused on combining the power of commercial & wealth to provide a broad set of financial solutions to well-capitalized individuals and the companies they own & operate

Regions	Central	Gateway	Northern	Florida
Banking Centers	25 	20 	10 	3 
Deposits (As of 12/31/23)	$5.4 billion	$2.6 billion	$1.8 billion	$438 million
Loans	$3.3 billion	$1.9 billion	$2.0 billion	$448 million
AUC	$8.5 billion	$1.4 billion	$1.1 billion	$1.1 billion
Legacy Institutions	Busey Main Street Herget South Side	Pulaski Bank of Edwardsville	First Community Glenview State Bank	Busey Investors' Security Trust

Note: Does not include pending acquisition of Merchants & Manufacturers Bank Corp. Pending approvals, anticipated to close during 2Q24.

Merchants and Manufacturers Bank Corp.

BUSE announced acquisition of Chicagoland-based Merchants & Manufacturers Bank Corp. during 4Q23

As of 12/31/23

Pro Forma Busey + M&M	$12.7 Billion	$8.1 Billion	$10.7 Billion
	Assets	*Loans*	*Deposits*

Compelling Life Equity Loan® Line of Business

- Defensible, scalable niche as established market leader in providing loans secured by cash value life insurance policies and related credit products
- Enhances the unique product set offered to Busey's well-capitalized client base
- Attractive economics – strong yield (7.69% MRQ) and no historical loss experience
- Busey's strong balance sheet position and investments in technology will enhance Life Equity Loan capabilities and financial outcomes

Further Enhances Key Market Profile

- Complements and extends Busey's growing Chicagoland market presence
- Bolsters Busey's deposit position among regional and community banks to #4 in M&M's markets of operation and #8 in the Chicago MSA [1]
- Adds presence in attractive and commercially important Oak Brook market

Attractive Deal Metrics [2]

- < 1.5% TBV dilution
- 2.0 year TBV earnback
- 6%+ EPS accretion in 2025 & 2026; long-term GAAP & Cash EPS accretion of ~5.5%
- Pro Forma capital & liquidity positions remain robust

Actions Taken			Next Steps		
11/27/23 M&M Acquisition Announced [8-K]	**12/18/23** Filed applications with regulators	**1/12/24** Filed S-4	**March 2024** Projected M&M shareholder meeting/vote	**April/May 2024** Expected legal & financial close of transaction	**June 2024** Anticipated bank merger & core system conversion

[1] Deposit data as of 6/30/23 per the 2023 FDIC Summary of Deposits and excludes banks with $100 billion+ in consolidated assets | [2] Metrics as announced 11/27/23
Note: Illustrative timeline only. Subject to regulatory and shareholder approvals, and customary closing conditions.

Investment Highlights

Attractive Franchise that Provides Innovative Financial Solutions	• 58 branches across four states: Illinois, Missouri, Indiana, and Florida • Premier commercial bank, wealth management, and payment technology solutions for individuals and businesses • Attractive core deposit to total deposit ratio (96.2%)[1], low cost non-time deposits (131 bps) in 4Q23, and low level of uninsured & uncollateralized deposits[2] (27%) at 12/31/23 • Substantial investments in technology enterprise-wide, deep leadership bench, and risk management infrastructure
Disciplined Growth Strategy Driven by Regional Operating Model	• Organic growth across key business lines driven by regional operating model that aligns commercial, wealth and FirsTech operations • Efficient and right-sized branch network (average deposits per branch of $177 million) • Leverage track record as proven successful acquirer to expand through disciplined M&A; announced acquisition of Merchants & Manufacturers Bank Corp. on 11/27/23
Powerful Combination of Three Business Lines Drives Strong Noninterest Income	• Significant revenue derived from diverse and complementary fee income sources • Noninterest income / revenue (ex-securities gains/losses)[3] of 28.5% for 4Q23 • Wealth management and payment technology solutions account for 62.2% of noninterest income (ex-securities gains/losses) in 4Q23 • Sizable business lines provide for a full suite of solutions for our clients across their lifecycle
Attractive Profitability and Returns	• Adjusted ROAA of 0.94% [1] & Adjusted ROATCE of 13.64% [1] for 4Q23 • 4Q23 NIM of 2.74% [1] • Adjusted Core Efficiency Ratio of 60.1% [1] for 4Q23 • Adjusted diluted EPS of $0.52 [1] for 4Q23 • Quarterly dividend of $0.24 (4.0% yield) [4]

BUILT ON A FORTRESS BALANCE SHEET

Pristine asset quality, highly diversified loan portfolio, & capital levels significantly in excess of well-capitalized minimums

[1] Non-GAAP calculation, see Appendix | [2] Estimated uninsured & uncollateralized deposits consists of the excess of accounts over $250K FDIC insurance limit, less internal accounts and fully-collateralized accounts (incl. preferred deposits) | [3] Non-GAAP, revenue consists of net interest income plus noninterest income, excluding security gains and losses | [4] Based on BUSE closing stock price on 1/22/24

Fortress Balance Sheet

High Quality, Resilient Loan Portfolio

- Diversified portfolio, conservatively underwritten with low levels of concentration
- Non-performing (0.06% of total assets) and classified assets (5.0% of capital[1]) both remain near historically low levels
  - Classified assets reduced $35 million, or 32%, from 12/31/22 to 12/31/23
- Reserves remain above initial Day 1 CECL coverage of 1.06%: ACL/Loans: 1.20% | ACL/NPLs: 1,174%
- 100 / 300 Test: 32% C&D | 213% CRE-I
- Minimal office CRE-I located in metro central business districts; substantial majority of office properties are in suburban locations and 41% of the office CRE-I portfolio is medical office

Strong Core Deposit Franchise & Ample Liquidity

- Robust holding company and bank-level liquidity
- Strong core deposit franchise
  - 74.3% loan-to-deposit ratio, 96.2% core deposits[2]
  - 27.5% of total deposits are noninterest-bearing
  - Low level of estimated uninsured & uncollateralized deposits[3] at 27% of total deposits at 12/31/23
- Cash & Equivalents + Available-For-Sale Securities carrying value represents 100% of estimated uninsured & uncollateralized deposits[3]
- Substantial sources of available off-balance sheet contingent funding totaling $4.0 billion, representing an additional 1.4x coverage of estimated uninsured & uncollateralized deposits[3] at 12/31/23
  - Untapped borrowing capacity ($4.0 billion in aggregate): $1.9 billion with FHLB, $0.6 billion with FRB discount window, $0.5 billion with Unsecured Fed Funds lines, and $1.0 billion brokered deposit capacity
  - Brokered deposit market continues to remain untapped
  - No borrowings from FHLB as of 12/31/23
  - No utilization of the Fed's Bank Term Funding Program

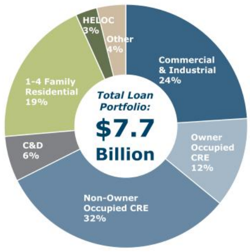
Robust Capital Foundation

- Capital ratios significantly in excess of well-capitalized minimums
- Total RBC of 17.4% and CET1 ratio of 13.1% at 12/31/23[4]
- TCE/TA ratio of 7.75% at 12/31/23[2], up from 6.60% at 12/31/2022
- TBV per share of $16.62 at 12/31/23[2], an increase of 17.5% from $14.14 at 12/31/2022

[1] Capital calculated as Bank Tier 1 Capital + Allowance for credit losses | [2] Non-GAAP calculation, see Appendix | [3] Estimated uninsured & uncollateralized deposits consists of the excess of accounts over $250K FDIC insurance limit, less internal accounts and fully-collateralized accounts (including preferred deposits) | [4] Capital ratios are preliminary estimates

High Quality Loan Portfolio

Loan Portfolio Composition | 4Q23



MRQ Yield on Loans
5.22%

4Q23 Net New Funding Yield
7.40%

Classified Loans / Capital [1]
5.0%

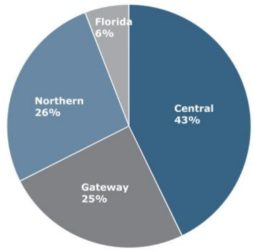
New Originations during 2023

Dec. net new funding yield of 7.47% (typically a 60-day lag from rate/loan approval to funding)

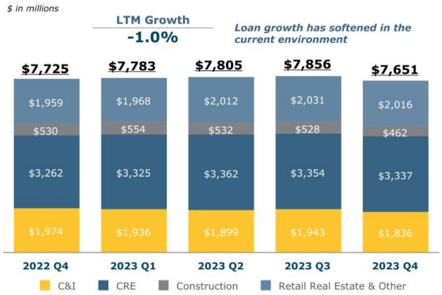
Approx. 71% of new commercial production was due to growth within existing bank relationships

New CRE-I originations during 2023 had a weighted-avg LTV of 59%

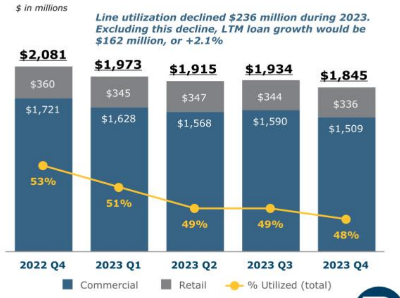
Loan Portfolio Regional Segmentation [2]



Ex-PPP Loans Trends



Funded Draws & Line Utilization Rate [3]



[1] Capital is Bank Tier 1 Capital + Allowance for credit losses | [2] Based on loan origination | [3] Excludes credit card & overdraft protection & includes tranche loan commitments/associated sub notes

High Quality Loan Portfolio: CRE

Investor Owned CRE Loans by Property Type [1]

$ in thousands Property Type	12/31/23 Balances	% of Total Loans	12/31/23 Classified Balances
Apartments	$611,403	8.0 %	$0
Retail	510,696	6.7 %	5,335
Industrial/Warehouse	339,032	4.4 %	475
Traditional Office	267,759	3.5 %	18,654
Student Housing	263,638	3.4 %	3,811
Hotel	189,184	2.5 %	0
Medical Office	183,664	2.4 %	0
Senior Housing	169,679	2.2 %	0
LAD	129,999	1.7 %	0
Specialty	105,645	1.4 %	131
Restaurant	24,649	0.3 %	79
Nursing Homes	24,102	0.3 %	85
Health Care	20,000	0.3 %	0
1-4 Family	17,977	0.2 %	0
Other	544	0.0 %	0
Grand Total	**$2,857,971**	**37.4 %**	**$28,570**

Investor Owned CRE Portfolio [1] (CRE-I)

- Only 1.0% of total CRE-I loans are classified
- Low levels of concentrated exposure - continue to actively monitor CRE-I concentrations vs. internally-defined appetite thresholds
  - 100/300 Test: 32% C&D | 213% CRE-I
- Apartments & Student Housing represents 31% of CRE-I
  - 59% WAvg LTV & 58% long-term customers (4+ years)

Owner Occupied CRE Loans by Property Type

$ in thousands Property Type	12/31/23 Balances	% of Total Loans	12/31/23 Classified Balances
Industrial/Warehouse	$365,527	4.8 %	$4,552
Specialty	233,022	3.0 %	532
Traditional Office	111,612	1.5 %	437
Medical Office	93,930	1.2 %	0
Retail	61,879	0.8 %	1,523
Restaurant	46,178	0.6 %	47
Nursing Homes	1,498	0.0 %	0
Health Care	737	0.0 %	0
Hotel	601	0.0 %	0
Other	200	0.0 %	0
Grand Total	**$915,184**	**12.0 %**	**$7,091**

Owner Occupied CRE Portfolio (OOCRE)

- Only 0.8% of total OOCRE loans are classified
- Owner occupied loans are not considered regulatory CRE
- OOCRE properties are underwritten to operating cash flow and guidance requires a 1.20x FCCR
- OOCRE have lower risk profiles as they are underwritten to the primary occupying business and are not as exposed to lease turnover risks
- Industrial/Warehouse properties are the largest OOCRE segment, comprising 40% of the OOCRE portfolio while only 4.8% of total loans

[1] Investor owned CRE includes C&D, Multifamily and non-owner occupied CRE

Office Investor Owned CRE Portfolio

All data as of 12/31/23

$ in thousands Metric	Traditional Office	Medical Office	Top Ten Largest Office Loans	CBD Office Exposure
Total Balances	$267,759	$183,664	$122,281	$9,369
% of CRE-I Portfolio	9.4 %	6.4 %	4.3 %	0.3 %
% of Office CRE-I Portfolio	59.3 %	40.7 %	27.1 %	2.1 %
# of Loans	197	77	10	5
Average Loan Size	$1,359	$2,385	$12,228	$1,874
Total Classified Balances	$18,654	$0	$17,999	$0
Weighted Avg Current LTV	57 %	65 %	66%	43%

Top Ten Largest Office Loans

Weighted Average DSCR:	**1.39**
Weighted Average Debt Yield:	**10.3%**
WAvg 1-Year Lease Rollover:	**8.0%**
WAvg 2-Year Lease Rollover:	**12.0%**

Limited Metro Central Business District Exposure

Downtown Chicago

No outstanding Office CRE-I in Downtown Chicago

Downtown St. Louis

4 Properties with
$9.0 million in balances

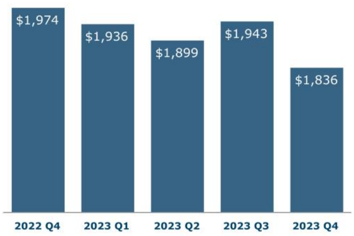
Downtown Indy

1 Property with
$0.4 million in balances

High Quality Loan Portfolio: C&I

- 23.9% of total loan portfolio
- All C&I loans are underwritten to 1.20x FCCR requirement and RLOCs greater than $1 million require a monthly borrowing base
- Diversified portfolio results in low levels of concentrated exposure
  - Top concentration in one industry (manufacturing) is 15% of C&I loans, or 4% of total loans
- Only 1.7% of C&I loans are classified
  - Retail trade classified declined by $2.6 million during 4Q23 due to payoff of one legacy Glenview State Bank credit that was identified as impaired during the due diligence process

Total C&I Loans Trend [1]



C&I Loans by Sector

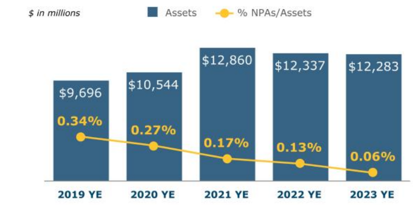
$ in thousands NAICS Sector	12/31/23 Balances	% of Total Loans	12/31/23 Classified Balances
Manufacturing	$273,221	3.6 %	$16,226
Finance and Insurance	273,046	3.6 %	0
Real Estate Rental & Leasing	222,893	2.9 %	1,902
Wholesale Trade	185,218	2.4 %	0
Construction	162,048	2.1 %	828
Educational Services	129,054	1.7 %	78
Agriculture, Forestry, Fishing, Hunting	92,481	1.2 %	1,269
Transportation	82,105	1.1 %	0
Food Services and Drinking Places	76,662	1.0 %	0
Health Care and Social Assistance	72,668	0.9 %	5,433
Other Services (except Public Admin.)	57,737	0.8 %	105
Public Administration	56,461	0.7 %	0
Arts, Entertainment, and Recreation	42,999	0.6 %	214
Retail Trade	41,254	0.5 %	226
Professional, Scientific, & Tech. Svcs.	33,811	0.4 %	2,509
Administrative and Support Services	11,747	0.2 %	223
Mining, Quarrying, Oil & Gas Extract.	7,503	0.1 %	0
Waste Management Services	4,407	0.1 %	1,323
Information	3,300	0.0 %	0
Management of Cos. and Enterprises	1,125	0.0 %	0
Utilities	565	0.0 %	0
Grand Total [2]	**$1,830,305**	**23.9 %**	**$30,336**

[1] Ex-PPP loan totals include purchase accounting, FASB, overdrafts, etc. | [2] Difference in C&I balances from chart on left primarily attributable to one large technical overdraft that was subsequently cleared on Jan. 2

Pristine Credit Quality

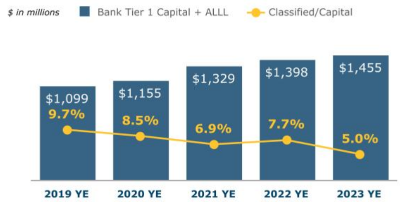
- Conservative underwriting leads to pristine credit quality
  - CRE factors of DSCR, Debt Yield, & LTV stressed for effective gross income decline and interest & cap rate stress
  - C&I factors including core, operating, traditional cash flows, working capital, and leverage ratios that each are stressed for rate hikes, historical revenue volatility, and a rigorous breakeven analysis
- Strong portfolio management that identifies early warning indicators and proactively engages the special assets group early in the credit review process (special assets group has remained intact since the 2008-2009 recession)
- Company-wide attention to changing economic environment and potential impact on credit
- NPAs reduced to $7.9 million (0.06% of assets) during 4Q23 and classified assets declined $35.0 million YoY to 5.0% of Bank Tier 1 Capital + ALLL
- 4Q23 net charge-offs totaled $0.4 million, an annualized rate of 0.02% of average loans[1]

NPAs/ Assets



NPAs	$32.6	$28.9	$21.3	$16.6	$7.9

Classifieds / Capital [2]



Classified Assets	$106.9	$97.8	$91.8	$107.1	$72.3

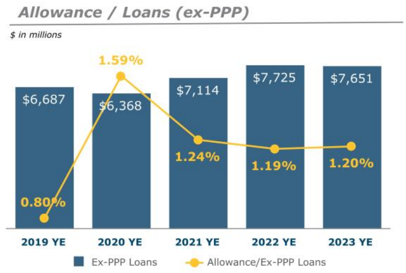
NCOs / Average Loans

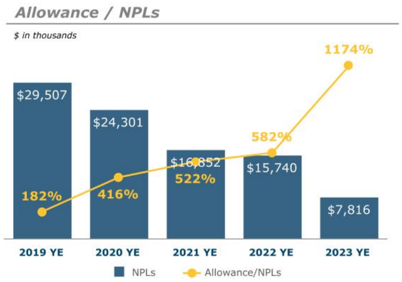
NCOs	$7.3	$8.3	$2.2	$0.9	$2.3

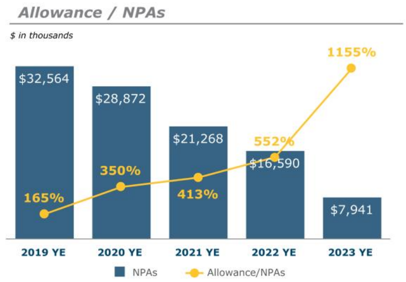
[1] Average loans was calculated as the average of the ending portfolio loans balances over the most recent four quarters | [2] Capital calculated as Busey Bank Tier 1 Capital + Allowance for credit losses

Credit Profile Bolstered by Strong Reserves

- Reserve to loans of 1.20% (ex-PPP)
  - Day 1 CECL coverage was 1.06%
- Non-performing loan balances decreased by $4.2 million QoQ and $7.9 million YoY
- OREO balances total $0.1 million
- Continued decline in total NPAs, declining by $4.2 million QoQ and $8.6 million YoY to end 2023 at $7.9 million
  - 4Q23 reduction driven primarily by payoff of one legacy Glenview State Bank credit that was identified as impaired during the due diligence process
- Reserves now equate to 1,174% of NPLs and 1,155% of NPAs

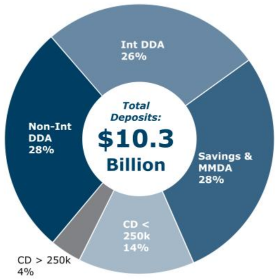






Top Tier Core Deposit Franchise

Deposit Portfolio Composition | 4Q23



Core Deposits
96%

MRQ Avg Cost of Total Deposits
1.74%

MRQ Avg Cost of Non-Time Deposits
1.31%

Avg Deposits per Branch
$177 million

Avg Non Maturity Acct Balance at 12/31/23
$35 thousand

Total Deposits & Loan-to-Deposit Ratio

Core Deposits [2] / Total Deposits

4Q23 Deposit Flows

- Significant inflow from retail (up $192 million QoQ)
- Public deposits were down $120 million QoQ and up $70 million YoY, demonstrating stability as well as typical seasonality. Historically would expect a continued seasonal decline in 1Q24 before net inflows in 2Q24 and 3Q24
- Experienced other typical 4Q23 outflows related to normal business operations for certain commercial customers
- Had net deposit outflows into Busey Wealth Management as we continue to adapt to client needs while keeping clients in the Busey ecosystem
- Strong production from CD campaigns continued, with time deposit balances up $153 million QoQ. New production in 4Q23 had a weighted average term of 9.3 months at a rate of 4.34%, 101 bps below our marginal wholesale funding cost during the quarter
- At 12/31/23, our spot deposit cost was 1.28% for non-maturity deposits and 1.76% for total deposits

[1] Other deposits include brokered MMA, brokered CDs, ICS Demand & Savings, CDAR CDs | [2] Non-GAAP calculation, see Appendix

Granular, Stable Deposit Base

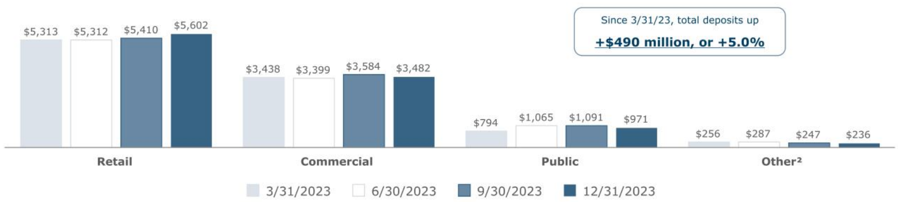
Long-tenured Deposit Relationships that are very granular

As of 12/31/23	**Retail**	**Commercial**
Number of Accounts	257,000+	33,000+
Avg Balance per Account	$22 thousand	$102 thousand
Avg Customer Tenure	16.5 years	12.4 years

Customers with Account Balances totaling $250K+

	2023 Q4
Number of customers	5,825
Median account balance	$400 thousand
Median customer tenure	13.8 years
	2023 Q4
Estimated Uninsured & Uncollateralized Deposits[1]	$2.8 billion
Estimated Uninsured & Uncollateralized Deposits[1] / Total Deposits	27%

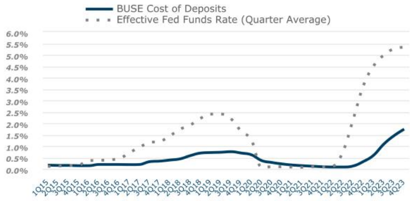
Deposit Flows by Type



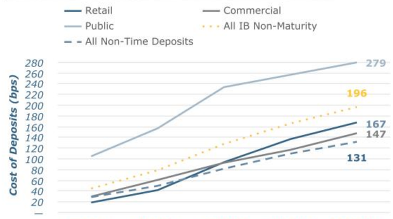
[1] Estimated uninsured & uncollateralized deposits consists of the excess of accounts over $250K FDIC insurance limit, less internal accounts and fully-collateralized accounts (including preferred deposits) | [2] Other deposits include brokered MMA, brokered CDs, ICS Demand & Savings, CDAR CDs

Deposit Cost Trends

Historical Cost of Deposits, 2015 - 4Q23 [1]

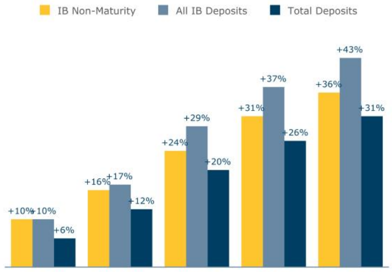


Quarterly Average Cost of Deposits



	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
IB Non-Maturity	0.44%	0.78%	1.27%	1.65%	1.96%
Non-Time Deposits	0.28%	0.49%	0.81%	1.09%	1.31%
Total Deposits	0.32%	0.60%	1.09%	1.45%	1.74%

Cumulative Deposit Betas [2] for Tightening Cycle-to-Date



	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
Retail	+1%	+6%	+16%	+24%	+29%
Commercial	+7%	+12%	+18%	+21%	+27%
Public	+27%	+33%	+46%	+48%	+52%
IB Non-Maturity	+10%	+16%	+24%	+31%	+36%
All IB Deposits	+10%	+17%	+29%	+37%	+43%
Total Deposits	+6%	+12%	+20%	+26%	+31%

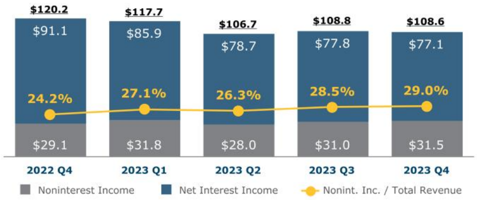
[1] Quarterly effective fed funds per FRED, Federal Reserve Bank of St. Louis. Average during quarter, not seasonally adjusted | [2] Deposit betas are calculated based on an average fed funds target rate of 0.92% during 2Q22, 2.35% (3Q22), 3.82% (4Q22), 4.69% (1Q23), 5.16% (2Q23), and 5.50% (4Q23).

Diversified and Significant Sources of Fee Income

- Noninterest income represented 29% of revenue in 4Q23
- Key businesses of wealth management and payment technology solutions contributed 62.2% of noninterest income (ex-securities gains/losses) in 4Q23
  - On a combined basis, 6.9% YoY growth in quarterly consolidated revenue from 4Q22 to 4Q23 in these two critical fee income business lines
- Primary contributors to other noninterest income include swap origination fees, gains on commercial loan sales, and changes in venture capital investment valuations
- Solid growth delivered in all key fee income businesses during 4Q23 over comparable period in 4Q22

Noninterest Income / Total Revenue [1]

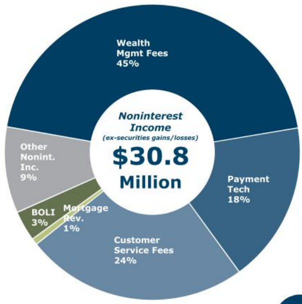
$ in millions



Sources of Noninterest Income

$ in thousands

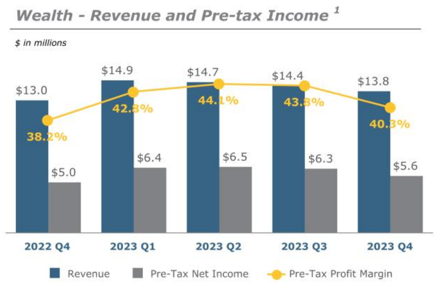
Noninterest Income Detail	2022 Q4	2023 Q4	YoY Change
Wealth Management Fees	$12,956	$13,715	+6 %
Fees for Customer Services	6,989	7,484	+7 %
Payment Technology Solutions	5,022	5,420	+8 %
Mortgage Revenue	198	218	+10 %
Income on Bank Owned Life Insurance	947	1,019	+8 %
Other Noninterest Income	2,776	2,899	+4 %
Noninterest Income (ex-securities gains/losses)	**$28,888**	**$30,755**	**+6%**
Net Securities Gains (Losses)	191	761	NM
Total Noninterest Income	**$29,079**	**$31,516**	**+8%**

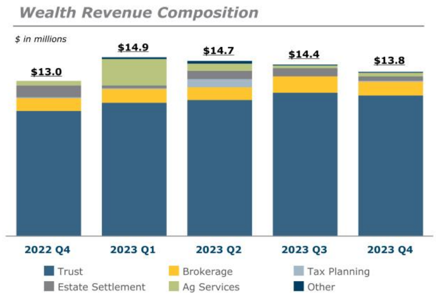


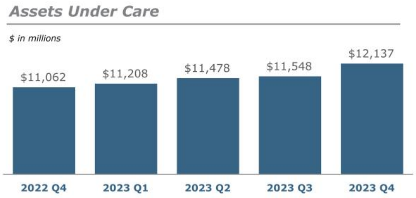
[1] Includes net security gains and losses

Wealth Management

- Assets Under Care (AUC) of $12.1 billion, a QoQ increase of $589 million and a YoY increase of $1.08 billion, or +9.7%
- Wealth revenue[1] of $13.8 million, a YoY increase of 6.6% and pre-tax net income of $5.6 million, a YoY increase of 12.3%
- Pre-tax profit margin of 40.3% in 4Q23 and 42.8% over the last twelve months
- Our fully internalized investment team continues to produce excellent returns, focused on long-term outperformance of benchmarks
  - The team's blended portfolio has outperformed the blended benchmark[2] over the last 3 years and over the last 5 years
- Rate environment attracting more fixed income assets – our fixed income management capabilities are very deep and a real differentiator
  - Bank + Wealth partnership allows us to better keep customer funds inside our overall ecosystem depending on client needs







[1] Wealth Management segment | [2] Blended benchmark consists of 60% MSCI All-Country World Index / 40% Bloomberg Intermediate Govt/Credit Index

FirsTech

- 2023 segment revenue of $22.8 million, an increase of 5% over 2022, and the highest annual revenue in company history
- 4Q23 revenue of $5.8 million was the highest quarterly revenue in company history
- Key competencies of online payments and merchant services were the primary drivers of growth in 2023
- Targeted initiatives to improve profitability include shifting customers to fully integrate into the merchant services platform and optimization of existing customer fee structures
- Have built a solid pipeline aligned with go-to-market focus on enterprise, financial institution, and merchant services clients
- The value of customized payments-enabled software platforms from an ODFI[2]-sponsored company resonates with potential customers
- Deployed new capabilities to Loan Pay module, adding features that provide for advanced customer communications

$11 billion *Payments processed in last twelve months*

41 million *Transactions processed in last twelve months*

Revenue Growth [1]

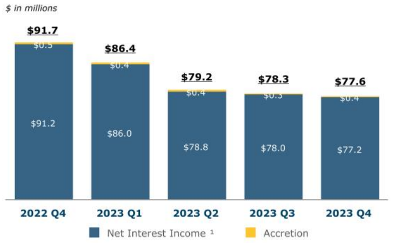
$21.8 million *YE 2022* → *+4.7%* → **$22.8 million** *YE 2023*

Average Revenue Per Processing Day Trend

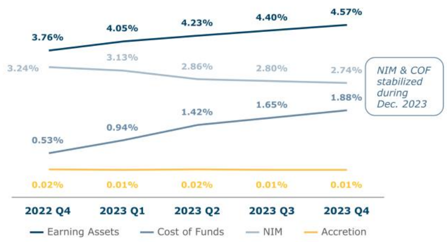
[1] Revenue equates to all revenue sources tied to FirsTech and excludes intracompany eliminations | [2] Originating Depository Financial Institution

Net Interest Margin

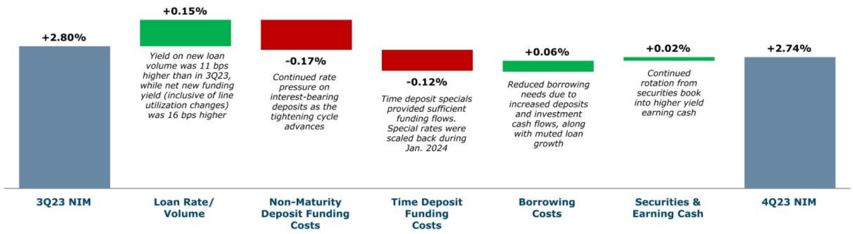
Net Interest Income Trend [1]



Net Interest Margin Trend [1]



Net Interest Margin Bridge - *Factors contributing to 6 bps NIM compression during quarter*



[1] Tax-equivalent adjusted amounts; Non-GAAP, see Appendix

Actively Managing Asset-Sensitive Balance Sheet

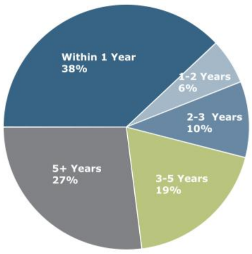
- Balance sheet remains asset-sensitive
  - A +100 bps rate shock for Year 1 is slightly up to +1.8% from +1.6% in 3Q23
  - A -100 bps rate shock for Year 1 is -1.9%; unchanged from 3Q23
- Continue to evaluate off-balance sheet hedging strategies as well as embedding rate protection in our asset originations to provide stabilization to net interest income in lower rate environments
- Vigilant focus on pricing discipline for both loans and deposits
  - 7% of deposits are indexed/floating rate
  - 38% of loan portfolio reprices in less than one year

Annual % Change in Net Interest Income under Shock Scenarios

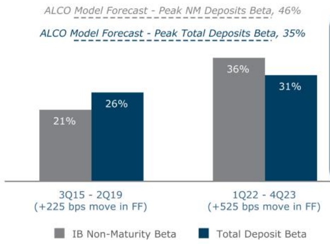
Rate Shock	Year 1	Year 2
+200 bps	+3.6%	+4.2%
+100 bps	+1.8%	+2.1%
-100 bps	-1.9%	-3.0%
-200 bps	-3.9%	-6.1%

Balance sheet is projected over one- & two-year time horizons and net interest income is calculated under current market rates assuming permanent instantaneous shifts

Repricing / Maturity Structures of Portfolio Loans



Deposit Betas [1] in last Tightening Cycle vs. Current ALCO Model Forecast



- Compared to prior quarter, Peak IB NM deposit beta increased from 41% to 46% and peak total deposit beta was unchanged at 35%
- Change in projected betas driven by expected rotation of time deposits into NM and persistent deposit competition
- Peak beta expected to occur in late 2024

[1] Deposit betas are calculated based on an average fed funds target rate of 5.50% during 4Q23

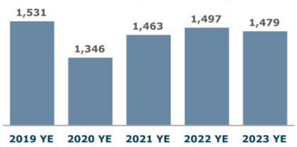
Focused Control on Expenses

Noninterest Expense

	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
Noninterest Exp.	$73.7	$70.4	$69.2	$70.9	$75.0
Unfunded Provision	-$0.5	-$0.6	$0.3	$0.0	$0.8
Acq./Restructuring Exp.	$2.4	$0.0	$0.0	$0.1	$4.2
Intangible Amort.	$2.8	$2.7	$2.7	$2.6	$2.5
NMTC Amort.	$1.7	$2.2	$2.3	$2.3	$2.3
Adj. Core Exp.[1]	$67.2	$66.1	$64.0	$66.0	$65.2

- Adjusted core expenses[1] of $65.2 million in 4Q23, down from $67.2 million in 4Q22, a decrease of 3.1%, and down from $66.0 million in 3Q23
- Continue to be mindful and diligent on expenses, restricting new hires by targeting critical replacements and selective adds; focusing on harvesting investments made over the last several quarters
- Managed to a YoY decrease in adjusted core expense despite higher FDIC insurance costs (FDIC rule that increased assessment rate by 2 bps), data processing costs (investments in tech enhancements and inflation-driven price increases), and reduced FAS 91 offset to compensation expense as a result of lower loan volumes
- $4.2 million of one-time acquisition and restructuring related costs in 4Q23; primarily tied to executive reorganization and targeted efficiency optimization plan
- Executive reorganization and efficiency optimization plan projected to generate annual salary & benefits savings of $5.6 million
  - Anticipate reinvesting approximately half of the projected annual savings
- $7.6 million of average earning assets per employee for 4Q23

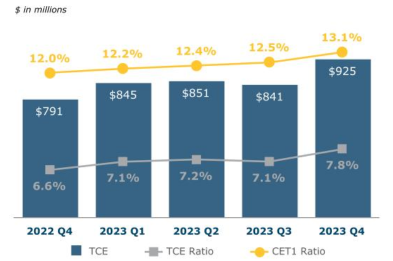
Full-Time Equivalents (FTE)



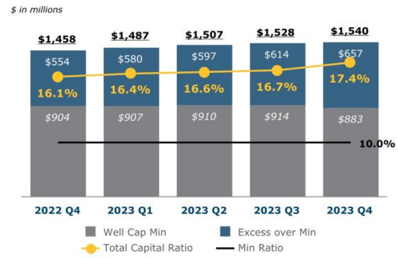
[1] Non-GAAP, see Appendix; adjusted core expenses exclude amortization of intangible assets, provision for unfunded commitments, acquisition/restructuring related charges, and NMTC amortization

Robust Capital Foundation

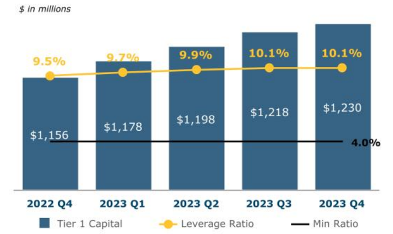
Tangible Common Equity [1] & CET1 Ratios [2]



Total Capital Ratio [2]



Leverage Ratio [2]



Consolidated Capital as of 12/31/23 [2]

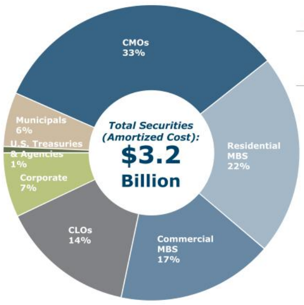
$ in millions

	Common Equity Tier 1 Ratio	Tier 1 Capital Ratio	Total Capital Ratio
Capital Ratio	13.1 %	13.9 %	17.4 %
Minimum Well Capitalized Ratio	*6.5 %*	*8.0 %*	*10.0 %*
Amount of Capital	$1,156	$1,230	$1,540
Well Capitalized Minimum	*$574*	*$706*	*$883*
Excess over Well Capitalized Minimum	$582	$524	$657

[1] Non-GAAP calculation, see Appendix | [2] 4Q23 capital ratios are preliminary estimates

Balanced, Low-Risk, Short Duration Investment Portfolio

Investment Portfolio Composition | 4Q23



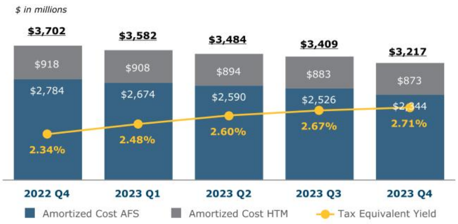
AFS % of Amortized Cost
73%

HTM % of Amortized Cost
27%

- All Mortgage-Backed Securities & Collateralized Mortgage Obligations are Agency
- 91% of Municipal holdings rated AA or better and 8% rated A
- 99% of Corporate holdings are investment grade
- Collateralized Loan Obligation portfolio consists of 86% rated AAA and 14% rated AA

- BUSE carried $873 million in held-to-maturity (HTM) securities as of 12/31/23
- $110 million of available-for-sales securities sold during 4Q23 as portion of two-part balance sheet repositioning *(detailed on next page)*
- The duration of the securities portfolio including HTM is 4.0 years and our fair value duration, which excludes the HTM portfolio, is 3.7 years
- After-tax net AFS unrealized loss position of $177 million
- Projected AOCI burn down through the end of 2024 is $45 million, or 21% of total AOCI at 12/31/23
- Carrying value of investment portfolio is 24% of total assets
- Projected 2024 roll off cash flow (based on static rates) of $342 million at ~1.57% yield.
- Over the last four quarters, the size of the investment portfolio has decreased by $485 million as balance sheet rotation continues

Securities Portfolio - Amortized Cost vs. TE Yield



Previously Announced 4Q23 Balance Sheet Repositioning

BUSE announced a two-part balance sheet repositioning strategy during 4Q23

Securities Sold	• $110 million of available-for-sales securities sold
	  ▪ Pre-tax loss of $5.3 million
	  ▪ Approximate yield of 1.56%

Visa Class B Common Shares Sold	• Sold all 16,878 of previously held shares of Visa Class B common stock ▪ Pre-tax gain of $5.5 million
Net Gain from combined transactions	• Immediate positive impact on consolidated stockholders' equity and book value per share • Expected to be accretive to capital and earnings per share in future periods
Use of Proceeds	• Proceeds deposited into an interest-bearing account at the Federal Reserve yielding 5.40% • Anticipate reinvesting the proceeds into loan and investment security opportunities over time
Net Interest Income Impact	• Expected to increase net interest income by approximately $4.3 million on annualized run rate basis ▪ Repositioning actions improves net interest margin run rate by approximately 4 bps
Regulatory Capital Impact	• Risk-based regulatory capital ratios will increase modestly as a result of the proceeds rotating into lower risk-weighted assets

[1] Non-GAAP, see Appendix

4Q23 Earnings Review

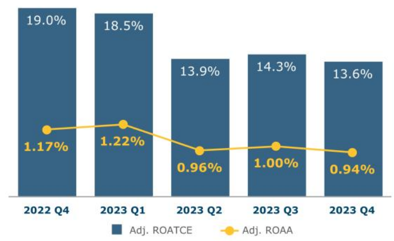
Net Interest Income	• Net interest income was $77.1 million in 4Q23 vs. $77.8 million in 3Q23 and $91.1 million in 4Q22 • Net interest margin[1] was 2.74% in 4Q23, a decrease of 6 bps vs. 2.80% in 3Q23. Net interest margin did stabilize in Dec. 2023 • The primary factor contributing to the quarter's NIM compression was increased funding costs on interest-bearing deposits (29 bps decrease), offset partially by higher new volume rates & repricing rates (15 bps increase) and reduced borrowing costs (6 bps increase)
Noninterest Income	• Noninterest income (ex-securities gains/losses)[1] of $31 million in 4Q23, representing 29% of revenue • Wealth management fees of $13.7 million in 4Q23, a decrease from $14.2 million in 3Q23 but +6% YoY • Payment tech solutions revenue of $5.4 million in 4Q23, an increase from $5.2 million in 3Q23 and +8% YoY • Fees for customer services of $7.5 million in 4Q23, flat from $7.5 million in 3Q23 and +7% YoY
Noninterest Expense	• Adjusted noninterest expense[1] (ex-amortization of intangibles, one-time acquisition and restructuring related items) of $68.3 million in 4Q23, resulting in a 63.0% adjusted efficiency ratio[1] • Adjusted core expense[1] of $65.2 million (ex-amortization of intangible assets, one-time items, unfunded commitment provision, and NMTC amortization) in 4Q23, equating to 60.1% adjusted core efficiency ratio[1]
Provision	• $0.5 million loan loss provision expense • $0.8 million provision for unfunded commitments (captured in other noninterest expense) • Net charge offs of $0.4 million in 4Q23
Taxes	• 4Q23 earnings were negatively impacted by an increase to income tax expense as a result of adjusting our annual tax provision • 4Q23 effective tax rate increased to 22.5% compared to 18.2% in 3Q23 (20.4% for full year 2023 vs. combined federal and state statutory rate of approximately 28.0%)
Earnings	• Adjusted net income of $29.1 million or $0.52 per diluted share[1] ($0.51 ex-securities gains) • Adjusted pre-provision net revenue of $40.2 million (1.30% PPNR ROAA) in 4Q23 [1] • 0.94% Adjusted ROAA and 13.64% Adjusted ROATCE in 4Q23 [1]

[1] Non-GAAP, see Appendix

Earnings Performance

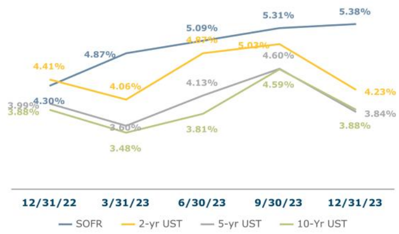
Adjusted Net Income & Earnings Per Share [1]

Adjusted ROAA & Adjusted ROATCE [1]



Adjusted Pre-Provision Net Revenue / Avg. Assets [1]

Historical Key Rates [2]



[1] Non-GAAP calculation, see Appendix | [2] Per FRED, Federal Reserve Bank of St. Louis

Appendix

Experienced Management Team

Van A. Dukeman
Chairman, President & CEO

Has served as Chairman & CEO of First Busey since 2007 and became Chairman of the Board effective July 2020. Also serves as Chairman & CEO of Busey Bank, along with a director of FirsTech. Offers 40 years of diverse financial services experience and extensive board involvement with a conservative operating philosophy and management style that focuses on Busey's associates, customers, communities and shareholders.

Jeffrey D. Jones
EVP & CFO

Joined Busey in August 2019, bringing nearly 20 years of investment banking and financial services experience. Also serves as a board member of FirsTech. Previously served as Managing Director and Co-Head of Financial Institutions at Stephens Inc. Mr. Jones began his career in the Banking Supervision and Regulation division of the Federal Reserve.

Amy L. Randolph
EVP & COO

Joined Busey in 2008 and now leads many areas, including: human resources, marketing, corporate communications and the overall Busey experience, consumer & digital banking, executive administration, as well as all technology and business services & systems. Additionally, she serves as Chairperson and oversees FirsTech. Prior to Busey, Mrs. Randolph worked for 10+ years with CliftonLarsonAllen LLP.

Monica L. Bowe
EVP & Chief Risk Officer

Joined Busey in January 2020 with nearly 25 years of financial leadership experience. Previously, Ms. Bowe served as Senior Director of Operational Risk Program Management at KeyBank. Ms. Bowe offers experience in M&A due diligence, effective navigation of key risk areas and dedication to continuous improvement towards enterprise-wide risk management strategies.

John J. Powers
EVP & General Counsel

Joined Busey in December 2011 and has over 40 years of legal experience. Prior to joining Busey, he was a partner in the law firm of Meyer Capel, where he specialized in serving the financial services industry.

Jeff D. Burgess
EVP & President of Busey Wealth Management

Joined Busey in 2021, leading the team that provides asset management, investment and fiduciary services to individuals, businesses and foundations. Mr. Burgess formerly served as President of Commerce Brokerage Services, Inc., and was Director of Business Development for the east region of Commerce Trust Company.

Sean Gallagher
EVP & Regional President for Northern Illinois, Gateway and Florida Regions

Joined Busey in 2016 with the First Community Financial Bank partnership. His career in banking spans 30 years, previously working at LaSalle Bank, First Chicago Bank & Trust, and Inland Bank & Trust prior to moving to First Community. Mr. Gallagher served as Commercial Market President for Busey until moving to Regional President of the Northern Region in 2020. He took on leadership of the Gateway and Florida Regions in Q4 2023, while also assuming responsibility for Busey's Treasury Management division.

Humair Ghauri
EVP of Technology, Busey Bank
President & CEO, FirsTech

Joined FirsTech and Busey in 2020, leading the organization's Products & Technology efforts. In 2023, he moved into the role of President and CEO with FirsTech and EVP of Technology at Busey. Mr. Ghauri is a proven executive leader with 20-plus years of experience building and leading high growth products and technology organizations. Tenure includes working with CareerBuilder, ADP, Skillsoft and Oracle.

Chip Jorstad
EVP & President of Credit and Bank Admin.

Joined Busey in 2011 and has over 15 years of experience in the banking industry. Before being named President of Credit and Bank Administration in 2022, he served as Co-Chief Banking Officer for two years. Mr. Jorstad has also held the role of Regional President for Commercial Banking – overseeing business banking efforts, including Agricultural, Commercial, Construction and Real Estate financing.

Martin O'Donnell
EVP & Regional President for Central Illinois and Indiana Regions

Joined Busey in 2014 as a Commercial Relationship Manager before taking on increasing leadership responsibilities and becoming Regional President of Busey's Central Illinois Region in May of 2020. He then took on the Indianapolis Region in Q4 2023.

Robert F. Plecki, Jr.
EVP & Vice Chairman of Credit

Joined Busey in 1984, serving in the role of Vice Chairman of Credit, Chief Banking Officer or Chief Credit Officer since 2010 and chairing all Credit Committees. Mr. Plecki previously served as COO, President & CEO of Busey Wealth Management, and EVP of the Florida and Champaign markets. Prior to the 2007 merger with First Busey, he served in various management roles at Main Street Trust.

Joseph A. Sheils
EVP & President of Consumer and Digital Banking

Joined Busey in June 2022 to lead the Consumer, Community, Mortgage and Digital Banking teams. Mr. Sheils' nearly 25 years of banking experience includes serving as the Head of Retail Banking at MB Financial. Prior to his shift to retail, he led teams in Commercial Banking at MB Financial and LaSalle Bank.

Fully Integrated Wealth Platform

As of 12/31/23

Busey WEALTH MANAGEMENT	$12.1 Billion	$57.8 Million	40.3%
	Assets Under Care	LTM Revenue	PT Margin MRQ

Core Principles

I. Client-Focused Strategy

Trusted fiduciaries that identify prudent financial solutions to meet client-specific needs and objectives and help clients make better decisions about their wealth

II. Team-Based Approach

Collaborative team of experienced, credentialed professionals with broad resources that excels in developing unique solutions for clients

III. Comprehensive Wealth Management

Fully internalized investment office and an investment philosophy that uses a tailored approach to provide proactive advice, empowering clients to make appropriate financial choices to meet their goals in every aspect of their financial health

Wealth Client Segments

PERSONAL SERVICES
- Family Office
- High Net Worth
- Mass Affluent and Emerging Wealth

INSTITUTIONAL SERVICES
- Retirement Plans
- Corporations & Municipalities
- Foundations and Endowments
- Not-for-Profit Organizations

Integrated Core Capabilities to Service Personal & Institutional Clients

INVESTMENT MANAGEMENT
- Preserving and growing wealth with enhanced asset allocation & tax efficient strategies

RETIREMENT PLANNING
- Goal-based advisory including life insurance, long-term care, executive stock option strategies

TAX PLANNING & PREPARATION
- Deduction maximization, capital event planning, tax-advantaged savings & investment strategies

FIDUCIARY ADMINISTRATION
- Trust services, estate planning, and philanthropic advisory

PRIVATE CLIENT
- Concierge banking with one point of contact that coordinates all banking needs

AG SERVICES
- Farm management and brokerage

FirsTech, A Uniquely Positioned Payment Technology Company

Payments Segments

Traditional Receivables

Services

- Lockbox
- eLockbox

Sales Channels

- Enterprise Sales Team
- FI Sales Team
- FI Reseller Sales
- Partnerships

Lines of Business

- FIs
- Munis/Gov
- Utilities/Telecom/ Insurance
- Health

Electronic Payments

Services

- Online (PA/Core)
- CSR, IVR, Mobile
- IAS/Walk-in
- SOW/T&M

Sales Channels

- Enterprise Sales Team
- FI Sales Team
- FI Reseller Sales
- Partnerships

Lines of Business

- FIs
- Munis/Gov
- Utilities/Telecom/ Insurance
- Health
- SMB

Merchant Services

Services

- PoS
- Online

Sales Channels

- Merchant Sales Team
- Agent Referrals
- FI Reseller Sales
- Partnerships

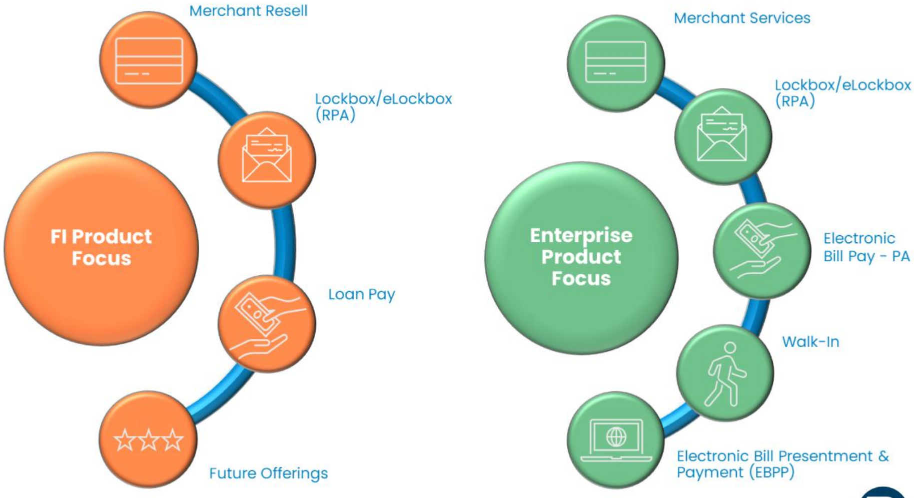
Lines of Business

- FIs
- Munis/Gov
- Utilities/Telecom/ Insurance
- Health
- SMB

FirsTech, A Uniquely Positioned Payment Technology Company

Verticals & Products

Through continued growth of the Busey/FirsTech relationship and new opportunities for collaboration, FirsTech is uniquely positioned to leverage our relationship to grow in both Enterprise and FI verticals.



Continued Investment in Technology Enterprise-Wide

2023 Tech Investment Highlights

Investment Legend
- Enhanced Customer Experience
- Scale & Efficiency Upgrades

Q1
- Migrated all telephony infrastructure to the cloud, enhancing video & audio quality and reducing telecom expenses & the amount of internal hardware/resources needed to support our telephony system
- Completed final phase of disaster recovery environment migration to the cloud

Q2
- Implemented automated doc, imaging, & indexing solution that further reduces reliance on manual intervention for organizing documents
- Completed Phase 1 enhancements for nCino platform optimization, continually improving our commercial lending and treasury management processes
- Launched "always on" VPN for associates, streamlining computer remote worker onboarding and software update processes enterprise-wide

Q3
- Consolidated ATM fleet to a single hardware and service provider, which included updating ATMs to a modern user interface, further enhancing security and functionality
- Upgraded 117 network switches, achieving a substantial reduction in power consumption that translates into approximately $30 thousand in annual cost savings, while also supporting our continuing commitment to environmental sustainability

Q4
- Deployed enhanced sales team dashboards that aggregate a client's data from all Busey systems to capture a holistic view of recent activity and current products
- Expanded feature set of IT service desk platform to support robust automation and self-service capabilities

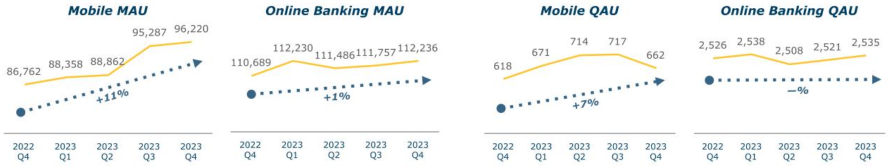
Future Pending Projects
- Deploy robotic process automation tool to automate manual & repetitive processes, freeing up resources and improving associate & customer experience
- Launch virtual service agent to proactively engage with our customers, providing 24/7 support and expanding customer service capabilities to include video chat and co-browsing/screen sharing from the customer's device
- Implement new Human Resource Information System platform that has enhanced features, functionality, reporting and data analytics

Digital Banking Adoption

Mobile engagement of customers continues growth trajectory as online banking reaches maturity stage

Consumer Monthly Active Users [1]

Commercial Quarterly Active Users [2]



Customer base increasingly relying on self-service features

Consumer Mobile & Online Transaction Activity (counts, actual)

Total Consumer Mobile & Online activity includes remote deposits, transfers, bill pay, and Zelle transactions

Interactive Voice Response Activity

490 thousand

total IVR calls over the last 12 months, handling a wide array of customer inquires immediately & efficiently

Mortgage eClosings

62%

of mortgage closings completed via eClose since launch of offering in 2Q22 - eClosings greatly enhance CX, reducing avg closing time to 10 minutes vs. 1 hour

[1] Customer has logged in at least once in the 30 days preceding period-end | [2] Customer has logged in at least once in the 90 days preceding period-end

Busey Impact: ESG and Corporate Responsibility

Building on 155 Years of Civic Engagement, Corporate Responsibility and Positive Impacts

With a strong and unwavering commitment to our **Pillars** — associates, customers, shareholders and communities — Busey is committed to strong ethics and governance, social responsibility and environmental sustainability.

Volunteer Impact in 2023
Through expanded efforts and consistent emphasis on charitable involvement, Busey is proud to report record volunteer hours logged in 2023 by our talented associate base. Team Busey volunteered over **15,000 hours** to over **950 organizations** in 2023**,** in part using their paid volunteer time awarded by Busey.

Commitment to our Planet

- Providing over $25 million in green financing since 2021, including energy efficiency improvements, historic preservation and commercial solar development.
- Through its robust Corporate Sustainability Program, between 2021 and 2022 Busey recycled over 16,000 pounds of waste and conserved over 60,000 gallons of water.
- Busey participated in several climate change initiatives, including installing solar panel systems at 11 Busey facilities, avoiding over 800 tons of carbon emissions over the past decade.

Commitment to our People

- Through many philanthropic efforts, including many associate-driven initiatives, annual charitable donations total over $1.6 million.
- Busey boasts a high level of associate engagement, scoring a 4.28 (out of 5) in 2022 based on 12 critical measures of engagement.
- Busey launched the Busey Bank Bridge in 2022, a community collective in Peoria, IL, offering fundamental access to economic opportunity for all individuals and small businesses.

Commitment to Strong Governance

- Leadership at the Board and Executive level includes a team of diverse backgrounds. Women comprise one-third of the executive team.
- Executives, Directors and Officers are expected to follow a stringent code of ethics.
- Leadership prioritizes strong corporate governance, employing processes, policies, and customs that exceed industry metrics on risk management, data security and more.
- Busey boasts over 7% of Busey common stock beneficially owned by directors and insiders.

**Further information on all cited metrics can be found in the 2022 Busey Impact Report*

To view the full 2022 Busey Impact Report, visit busey.com/impact

Non-GAAP Financial Information

Pre-Provision Net Revenue, Adjusted Pre-Provision Net Revenue, Pre-Provision Net Revenue to Average Assets, and Adjusted Pre-Provision Net Revenue to Average Assets

(dollars in thousands)

		Three Months Ended			Years Ended	
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022
PRE-PROVISION NET REVENUE						
Net interest income		$ 77,133	$ 77,791	$ 91,149	$ 319,451	$ 323,438
Total noninterest income		31,516	31,008	29,079	122,384	126,803
Net security (gains) losses		(761)	285	(191)	2,199	2,133
Total noninterest expense		(74,979)	(70,945)	(73,677)	(285,532)	(283,881)
Pre-provision net revenue		32,909	38,139	46,360	158,502	168,493
Non-GAAP adjustments:						
Acquisition and other restructuring expenses		4,237	79	2,442	4,328	4,537
Provision for unfunded commitments		818	13	(464)	461	61
Amortization of New Markets Tax Credits		2,259	2,260	1,665	8,999	6,333
Adjusted pre-provision net revenue		$ 40,223	$ 40,491	$ 50,003	$ 172,290	$ 179,424
Pre-provision net revenue, annualized	[a]	$ 130,563	$ 151,312	$ 183,928	$ 158,502	$ 168,493
Adjusted pre-provision net revenue, annualized	[b]	159,580	160,644	198,381	172,290	179,424
Average total assets	[c]	12,308,491	12,202,783	12,330,132	12,246,218	12,492,948
Reported: Pre-provision net revenue to average assets[1]	[a÷c]	1.06 %	1.24 %	1.49 %	1.29 %	1.35 %
Adjusted: Pre-provision net revenue to average assets[1]	[b÷c]	1.30 %	1.32 %	1.61 %	1.41 %	1.44 %

1. For quarterly periods, measures are annualized measure.

Non-GAAP Financial Information

Adjusted Net Income, Adjusted Diluted Earnings Per Share, Adjusted Return on Average Assets, Average Tangible Common Equity, Return on Average Tangible Common Equity, and Adjusted Return on Average Tangible Common Equity

(dollars in thousands, except per share amounts)

		Three Months Ended			Years Ended	
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022
NET INCOME ADJUSTED FOR NON-OPERATING ITEMS						
Net income	[a]	$ 25,749	$ 30,666	$ 34,387	$ 122,565	$ 128,311
Non-GAAP adjustments:						
Acquisition expenses:						
Salaries, wages, and employee benefits		—	—	—	—	587
Data processing		—	—	—	—	214
Professional fees, occupancy, and other		266	79	16	357	258
Other restructuring expenses:						
Salaries, wages, and employee benefits		3,760	—	2,409	3,760	2,409
Loss on leases or fixed asset impairment		—	—	10	—	986
Professional fees, occupancy, and other		211	—	7	211	83
Related tax benefit[1]		(863)	(15)	(539)	(881)	(938)
Adjusted net income	[b]	$ 29,123	$ 30,730	$ 36,290	$ 126,012	$ 131,910
DILUTED EARNINGS PER SHARE						
Diluted average common shares outstanding	[c]	56,333,033	56,315,492	56,177,790	56,256,148	56,137,164
Reported: Diluted earnings per share	[a÷c]	$ 0.46	$ 0.54	$ 0.61	$ 2.18	$ 2.29
Adjusted: Diluted earnings per share	[b÷c]	$ 0.52	$ 0.55	$ 0.65	$ 2.24	$ 2.35
RETURN ON AVERAGE ASSETS						
Net income, annualized	[d]	$ 102,156	$ 121,664	$ 136,427	$ 122,565	$ 128,311
Adjusted net income, annualized	[e]	115,542	121,918	143,977	126,012	131,910
Average total assets	[f]	12,308,491	12,202,783	12,330,132	12,246,218	12,492,948
Reported: Return on average assets[2]	[d÷f]	0.83 %	1.00 %	1.11 %	1.00 %	1.03 %
Adjusted: Return on average assets[2]	[e÷f]	0.94 %	1.00 %	1.17 %	1.03 %	1.06 %
RETURN ON AVERAGE TANGIBLE COMMON EQUITY						
Average common equity		$ 1,202,417	$ 1,208,407	$ 1,122,547	$ 1,197,511	$ 1,195,171
Average goodwill and other intangible assets, net		(355,469)	(358,025)	(366,127)	(359,347)	(370,424)
Average tangible common equity	[g]	$ 846,948	$ 850,382	$ 756,420	$ 838,164	$ 824,747
Reported: Return on average tangible common equity[2]	[d÷g]	12.06 %	14.31 %	18.04 %	14.62 %	15.56 %
Adjusted: Return on average tangible common equity[2]	[e÷g]	13.64 %	14.34 %	19.03 %	15.03 %	15.99 %

1. Full year tax benefits were calculated by multiplying full year acquisition expenses and other restructuring expenses by the annual effective tax rates for the full year periods. The annual effective tax rates used in these calculations were 20.4% for the year ended December 31, 2023, and 20.7% for the year ended December 31, 2022. Quarterly tax benefits were calculated as the full year amounts less the sum of amounts applied to previous quarters within the year.
2. For quarterly periods, measures are annualized.

Non-GAAP Financial Information

Adjusted Net Income Excluding Net Securities Gains and Losses and Adjusted Diluted Earnings Per Share Excluding Net Securities Gains and Losses

(dollars in thousands, except per share amounts)

		Three Months Ended			Years Ended	
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Adjusted net income[1]	[a]	$ 29,123	$ 30,730	$ 36,290	$ 126,012	$ 131,910
Further non-GAAP adjustments:						
Net securities (gains) losses		(761)	285	(191)	2,199	2,133
Tax effect for net securities (gains) losses[2]		171	(52)	47	(448)	(441)
Net income excluding net securities (gains) losses[3]	[b]	$ 28,533	$ 30,963	$ 36,146	$ 127,763	$ 133,602
Diluted average common shares outstanding	[c]	56,333,033	56,315,492	56,177,790	56,256,148	56,137,164
Adjusted: Diluted earnings per share	[a÷c]	$ 0.52	$ 0.55	$ 0.65	$ 2.24	$ 2.35
Adjusted: Diluted earnings per share, excluding net securities (gains) losses[3]	[b÷c]	$ 0.51	$ 0.55	$ 0.64	$ 2.27	$ 2.38

1. Adjusted net income is a non-GAAP measure. See the table on the previous slide for a reconciliation to the nearest GAAP measure.
2. Tax effects for net securities gains and losses were calculated by multiplying net securities gains and losses by the effective income tax rates for the periods indicated. Effective tax rates were 22.5%, 18.2%, and 24.7% for the three months ended December 31, 2023, September 30, 2023, and December 31, 2022, respectively, and were 20.4% and 20.7% for the years ended December 31, 2023, and December 31, 2022, respectively.
3. Tax-effected measure.

Non-GAAP Financial Information

Adjusted Net Interest Income and Adjusted Net Interest Margin

(dollars in thousands)

		Three Months Ended			Years Ended	
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Net interest income		$ 77,133	$ 77,791	$ 91,149	$ 319,451	$ 323,438
Non-GAAP adjustments:						
Tax-equivalent adjustment[1]		501	553	564	2,173	2,199
Tax-equivalent net interest income		77,634	78,344	91,713	321,624	325,637
Purchase accounting accretion related to business combinations		(384)	(277)	(546)	(1,477)	(3,134)
Adjusted net interest income		$ 77,250	$ 78,067	$ 91,167	$ 320,147	$ 322,503
Tax-equivalent net interest income, annualized	[a]	$ 308,004	$ 310,821	$ 363,861	$ 321,624	$ 325,637
Adjusted net interest income, annualized	[b]	306,481	309,722	361,695	320,147	322,503
Average interest-earning assets	[c]	11,229,326	11,118,167	11,242,126	11,164,594	11,473,063
Reported: Net interest margin[2]	[a÷c]	2.74 %	2.80 %	3.24 %	2.88 %	2.84 %
Adjusted: Net interest margin[2]	[b÷c]	2.73 %	2.79 %	3.22 %	2.87 %	2.81 %

1. Tax-equivalent adjustments were calculated using an estimated federal income tax rate of 21%, applied to non-taxable interest income on investments and loans.
2. For quarterly periods, measures are annualized.

Non-GAAP Financial Information

Noninterest Expense Excluding Amortization of Intangible Assets, Adjusted Noninterest Expense, Adjusted Core Expense, Noninterest Expense Excluding Non-operating Adjustments, Efficiency Ratio, Adjusted Efficiency Ratio, and Adjusted Core Efficiency Ratio

(dollars in thousands)

		Three Months Ended			Years Ended	
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Net interest income		$ 77,133	$ 77,791	$ 91,149	$ 319,451	$ 323,438
Non-GAAP adjustments:						
Tax-equivalent adjustment[1]		501	553	564	2,173	2,199
Tax-equivalent net interest income		77,634	78,344	91,713	321,624	325,637
Total noninterest income		31,516	31,008	29,079	122,384	126,803
Non-GAAP adjustments:						
Net security (gains) losses		(761)	285	(191)	2,199	2,133
Noninterest income excluding net securities gains and losses		30,755	31,293	28,888	124,583	128,936
Tax-equivalent revenue	[a]	$ 108,389	$ 109,637	$ 120,601	$ 446,207	$ 454,573
Total noninterest expense		$ 74,979	$ 70,945	$ 73,677	$ 285,532	$ 283,881
Non-GAAP adjustments:						
Amortization of intangible assets	[b]	(2,479)	(2,555)	(2,795)	(10,432)	(11,628)
Noninterest expense excluding amortization of intangible assets	[c]	72,500	68,390	70,882	275,100	272,253
Non-operating adjustments:						
Salaries, wages, and employee benefits		(3,760)	—	(2,409)	(3,760)	(2,996)
Data processing		—	—	—	—	(214)
Impairment, professional fees, occupancy, and other		(477)	(79)	(33)	(568)	(1,327)
Adjusted noninterest expense	[f]	68,263	68,311	68,440	270,772	267,716
Provision for unfunded commitments		(818)	(13)	464	(461)	(61)
Amortization of New Markets Tax Credits		(2,259)	(2,260)	(1,665)	(8,999)	(6,333)
Adjusted core expense	[g]	$ 65,186	$ 66,038	$ 67,239	$ 261,312	$ 261,322
Noninterest expense, excluding non-operating adjustments	[f-b]	$ 70,742	$ 70,866	$ 71,235	$ 281,204	$ 279,344
Reported: Efficiency ratio	[c÷a]	66.89 %	62.38 %	58.77 %	61.65 %	59.89 %
Adjusted: Efficiency ratio	[f÷a]	62.98 %	62.31 %	56.75 %	60.68 %	58.89 %
Adjusted: Core efficiency ratio	[g÷a]	60.14 %	60.23 %	55.75 %	58.56 %	57.49 %

1. Tax-equivalent adjustments were calculated using an estimated federal income tax rate of 21%, applied to non-taxable interest income on investments and loans.

Non-GAAP Financial Information

Tangible Book Value and Tangible Book Value Per Common Share

(dollars in thousands, except per share amounts)

		As of December 31, 2023	As of September 30, 2023	As of June 30, 2023	As of March 31, 2023	As of December 31, 2022
Total stockholders' equity		$ 1,271,981	$ 1,190,158	$ 1,201,948	$ 1,198,558	$ 1,145,977
Goodwill and other intangible assets, net		(353,864)	(356,343)	(358,898)	(361,567)	(364,296)
Tangible book value	[a]	$ 918,117	$ 833,815	$ 843,050	$ 836,991	$ 781,681
Ending number of common shares outstanding	[b]	55,244,119	55,342,017	55,290,847	55,294,455	55,279,124
Tangible book value per common share	[a÷b]	$ 16.62	$ 15.07	$ 15.25	$ 15.14	$ 14.14

Tangible Assets, Tangible Common Equity, and Tangible Common Equity to Tangible Assets

(dollars in thousands)

		As of December 31, 2023	As of September 30, 2023	As of June 30, 2023	As of March 31, 2023	As of December 31, 2022
Total assets		$ 12,283,415	$ 12,258,250	$ 12,209,029	$ 12,344,555	$ 12,336,677
Non-GAAP adjustments:						
Goodwill and other intangible assets, net		(353,864)	(356,343)	(358,898)	(361,567)	(364,296)
Tax effect of other intangible assets[1]		6,888	7,354	7,833	8,335	8,847
Tangible assets[2]	[a]	$ 11,936,439	$ 11,909,261	$ 11,857,964	$ 11,991,323	$ 11,981,228
Total stockholders' equity		$ 1,271,981	$ 1,190,158	$ 1,201,948	$ 1,198,558	$ 1,145,977
Non-GAAP adjustments:						
Goodwill and other intangible assets, net		(353,864)	(356,343)	(358,898)	(361,567)	(364,296)
Tax effect of other intangible assets[1]		6,888	7,354	7,833	8,335	8,847
Tangible common equity[2]	[b]	$ 925,005	$ 841,169	$ 850,883	$ 845,326	$ 790,528
Tangible common equity to tangible assets[2]	[b÷a]	7.75 %	7.06 %	7.18 %	7.05 %	6.60 %

1. Net of estimated deferred tax liability, calculated using the estimated statutory tax rate of 28%.
2. Tax-effected measure.

Non-GAAP Financial Information

Core Loans, Core Loans to Portfolio Loans,
Core Deposits, Core Deposits to Total Deposits, and Core Loans to Core Deposits

(dollars in thousands)

		As of				
		December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Portfolio loans	[a]	$ 7,651,034	$ 7,856,160	$ 7,805,284	$ 7,783,808	$ 7,725,702
Non-GAAP adjustments:						
PPP loans amortized cost		(313)	(598)	(667)	(750)	(845)
Core loans	[b]	$ 7,650,721	$ 7,855,562	$ 7,804,617	$ 7,783,058	$ 7,724,857
Total deposits	[c]	$ 10,291,156	$ 10,332,362	$ 10,062,755	$ 9,801,169	$ 10,071,280
Non-GAAP adjustments:						
Brokered transaction accounts		(6,001)	(6,055)	(6,055)	(6,005)	(1,303)
Time deposits of $250,000 or more		(386,286)	(350,276)	(297,967)	(200,898)	(120,377)
Core deposits	[d]	$ 9,898,869	$ 9,976,031	$ 9,758,733	$ 9,594,266	$ 9,949,600
RATIOS						
Core loans to portfolio loans	[b÷a]	100.00 %	99.99 %	99.99 %	99.99 %	99.99 %
Core deposits to total deposits	[d÷c]	96.19 %	96.55 %	96.98 %	97.89 %	98.79 %
Core loans to core deposits	[b÷d]	77.29 %	78.74 %	79.98 %	81.12 %	77.64 %