

# First Busey Corporation

## RATINGS

First Busey Corporation	
Action: Affirmed	5/12/26
Outlook/Watch LTR	Stable
Senior Unsecured Debt	BBB+
Subordinated Debt	BBB
Preferred Shares	BBB-
Short-Term Debt	K2

Busey Bank	
Action: Affirmed	5/12/26
Outlook/Watch LTR	Stable
Deposit	A-
Senior Unsecured Debt	A-
Subordinated Debt	BBB+
Short-Term Deposit	K2
Short-Term Debt	K2

## FINANCIAL SNAPSHOT

BUSE (%)	1Q26	2025
Total Assets (\$B)	18.0	18.1
ROAA	1.10	0.76
NIM	3.71	3.48
NCO Ratio	0.22	0.44
NPA Ratio	0.31	0.37
TCE Ratio	9.8	10.0
CET1 Ratio	12.3	12.4
Loans/Core Deposits	97	91

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## Company Profile

- First Busey Corporation (NASDAQ: BUSE) (“the company”), headquartered in Leawood, KS, is the \$18.0 billion-asset financial holding company of Busey Bank (“the bank”) which traces its origins back nearly 160 years. BUSE operates a diversified, commercially oriented banking franchise with a legacy Midwest centric footprint joined by exposure to faster growth MSAs, following the completion of the transformative CrossFirst Bankshares, Inc. (“CFB”) acquisition in 1Q25, including Kansas City, Dallas-Ft. Worth, Denver and Phoenix.
- Commercial banking activities are complemented by fee income (22% of revenue) comprised of durable sources including scalable wealth management (>\$15 billion in AUC) and payment technology solutions which was combined with treasury management services in 2025.
- With the completion of nine acquisitions over a decade (‘15 – ‘25), BUSE has tripled its size from intentional M&A and organic growth which has been a meaningful contributor to asset growth and expanded deposit market share in its legacy and expansionary markets in the west/southwest. The CFB acquisition added \$7 billion in assets (~60% of legacy BUSE) and broadened the company’s presence across seven of the fastest-growing MSAs. In 2024, BUSE acquired Merchants and Manufacturers Bank Corporation (“M&M”), providing a competitive niche in the higher-yielding, lower-risk cash-value life insurance-backed line of credit market while expanding its commercial reach in the Chicago MSA.

## Key Credit Considerations

- First Busey’s ratings are well-positioned in the rating category and supported by its consistent and above peer level of core earnings underpinned by a well-diversified revenue base, a comparatively low-cost, stable core deposit franchise, and historically sound credit performance. The company’s consistent earnings track record is reflected by an average 5-year adjusted ROA of 1.10% with significant improvement more recently with an adjusted 1Q26 ROA of 1.42%. Total revenue is enhanced by a solid level of stable, fee income (wealth, payments, and treasury management), which represents over 70% of noninterest income and provides a buffer to interest rate pressures on spread revenue. BUSE also has an opportunity to further grow its strong fee income base across the expanded customer base related to the CFB acquisition.
- The addition of CFB, disciplined loan pricing, low deposit beta, and proactive balance sheet repositioning have strengthened NIM, averaging 3.50% over the last four quarters and reaching 3.77% in 1Q26. KBRA expects organic loan growth in 2H26 to support earnings as recent payoff headwinds ease and focus on working through the CFB portfolio.
- Credit quality remains sound with only modest increases in nonperforming over recent periods. Although criticized and classified loans are 3.8% of total loans, up from 2.3% pre-CFB acquisition, the increase was largely acquisition-driven and not indicative of broader portfolio deterioration. KBRA views BUSE’s disciplined underwriting, diversified loan mix, and solid reserve position (ACL at 1.26% of loans) to continue to provide meaningful downside protection.
- Although BUSE’s capital profile has been conservatively positioned with a favorable credit track record, the company’s capital ratios declined post-CFB acquisition from its historically higher levels. However, CET1 and TCE ratios remain solidly positioned at 12.3% and 9.8% at the end of 1Q26, respectively. KBRA expects the company to deploy capital into balance sheet growth and shareholder returns and believes that capital will remain at comfortable levels within the rating category going forward consistent with its conservative capital management history.

## Rating Sensitivities

- +** Demonstrating consistent outperformance in core and risk adjusted earnings, maintaining strong asset quality across a credit cycle or economic downturn, enhanced deposit gathering, and sustaining an above peer CET1 ratio could lead to positive rating momentum over time.
- Conversely, degradation in credit, including persistent losses meaningfully above peer levels, or aggressive capital management leading to capital ratios, notably the CET1 ratio, declining to levels substantially below peers could pressure the ratings.



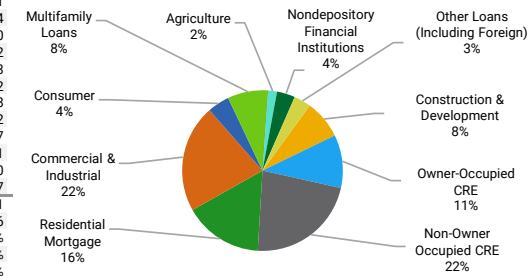
# Financial Metrics

First Busey Corporation										
	1Q26	4Q25	3Q25	2Q25	1Q25	2025	2024	2023	2022	2021
<b>Balance Sheet (\$ Millions)</b>										
Loans (HFI)	13,460	13,568	13,598	13,809	13,868	13,568	7,697	7,651	7,726	7,189
Average Earning Assets	16,712	17,008	17,374	17,833	13,530	16,436	11,223	11,467	11,677	10,954
Total Assets	18,037	18,105	18,189	18,919	19,464	18,105	12,047	12,283	12,337	12,860
Core Deposits	13,810	13,960	14,137	14,620	14,870	13,960	9,635	9,899	9,950	10,629
Total Deposits	14,736	14,906	15,070	15,802	16,459	14,906	9,982	10,291	10,071	10,769
Total Equity	2,413	2,469	2,449	2,413	2,180	2,469	1,383	1,272	1,146	1,319
Tangible Common Equity	1,720	1,771	1,746	1,707	1,673	1,771	1,016	917	780	941
<b>Income Statement (\$ Millions)</b>										
Net Interest Income	154.0	157.6	155.1	153.2	103.7	569.6	322.6	320.6	323.6	270.8
Noninterest Income	43.5	43.6	41.6	38.9	37.1	161.2	146.8	123.8	128.6	129.4
Noninterest Expense	129.8	120.6	120.1	127.9	112.1	480.7	302.5	285.4	283.7	262.4
Provision for Loan Losses	3.1	2.4	(1.0)	5.7	45.6	52.7	7.5	2.9	4.7	(15.9)
Net Income	50.0	60.8	57.1	47.4	(30.0)	135.3	113.7	122.6	128.3	123.4
<b>Performance Measures (%)</b>										
Return on Average Assets	1.10%	1.32%	1.22%	0.99%	(0.80%)	0.76%	0.93%	0.98%	1.02%	1.04%
Return on Average Equity	8.1%	9.8%	9.4%	8.3%	(6.2%)	5.9%	8.5%	10.2%	10.7%	9.3%
Return on Risk-Weighted Assets	1.31%	1.57%	1.48%	1.23%	(0.77%)	0.92%	1.28%	1.35%	1.47%	1.57%
Net Interest Margin (TE)*	3.71%	3.73%	3.59%	3.45%	3.08%	3.48%	2.89%	2.80%	2.79%	2.49%
Average Loan Yield	5.93%	6.13%	6.24%	6.19%	5.67%	6.09%	5.46%	4.97%	3.86%	3.61%
Cost of Interest-Bearing Deposits	2.35%	2.54%	2.82%	2.83%	2.51%	2.69%	2.44%	1.76%	0.23%	0.17%
Average Loans/Average Earning Assets	81%	80%	79%	78%	73%	78%	70%	68%	64%	64%
Noninterest Income/Op. Revenue	22%	22%	21%	20%	26%	22%	31%	28%	28%	32%
Efficiency Ratio	66%	60%	61%	67%	80%	66%	64%	64%	63%	66%
<b>Asset Quality (%)</b>										
NPA/Loans + OREO	0.31%	0.37%	0.36%	0.40%	0.42%	0.37%	0.29%	0.10%	0.20%	0.28%
LLR/Loans (HFI)	1.26%	1.28%	1.28%	1.33%	1.41%	1.28%	1.08%	1.20%	1.19%	1.22%
LLR/NPL	406%	349%	400%	353%	365%	349%	379%	1248%	582%	522%
NCO/Average Loans	0.22%	0.17%	0.17%	0.37%	1.28%	0.44%	0.23%	0.03%	0.01%	0.03%
Provision/NCO (x)	0.4x	0.4x	(0.2x)	0.4x	1.5x	0.9x	0.4x	1.3x	5.2x	(7.1x)
NPA Change Rate	(17%)	3%	(11%)	(4%)	162%	129%	0%	(66%)	(28%)	(10%)
<b>Capital (%)</b>										
TCE Ratio	9.8%	10.0%	9.9%	9.3%	8.8%	10.0%	8.7%	7.7%	6.5%	7.5%
Leverage Ratio	11.9%	11.9%	11.6%	11.3%	12.9%	11.9%	11.1%	10.1%	9.5%	8.5%
CET1 Ratio	12.3%	12.4%	12.2%	12.2%	12.0%	12.4%	14.1%	13.1%	12.0%	11.8%
Tier 1 Ratio	13.8%	13.9%	13.8%	13.7%	12.0%	13.9%	15.0%	13.9%	12.8%	12.7%
Total Capital Ratio	15.9%	15.9%	15.9%	15.8%	14.9%	15.9%	18.5%	17.4%	16.1%	15.7%
<b>Leverage &amp; Funding (%)</b>										
Loans/Deposits	91%	91%	90%	87%	84%	91%	77%	74%	77%	67%
Loans/Core Deposits	97%	97%	96%	95%	93%	97%	80%	77%	78%	68%
Core Deposits/Total Funding	91%	92%	92%	91%	89%	92%	95%	94%	93%	95%
RWA/Total Assets	85%	85%	85%	82%	80%	85%	73%	72%	73%	65%
Double Leverage (Incl TruPs)	99%	98%	97%	97%	105%	98%	109%	110%	113%	113%

\*Note: Beginning in 2020, NIM for banks with assets less than \$5 billion is not TE due to reporting limitations  
Sources: KBRA Financial Intelligence (KFI), Company Reports, KBRA

## Loan Composition

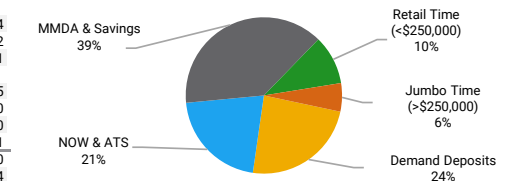
(\$ Millions)	1Q26	2025	2024	2023	2022
Construction & Development	1,053	1,039	378	462	531
Owner-Occupied CRE	1,440	1,432	909	914	904
Non-Owner Occupied CRE	3,027	3,053	1,607	1,719	1,760
Residential Mortgage	2,142	2,182	1,709	1,720	1,652
Commercial & Industrial	2,925	2,992	1,337	1,291	1,423
Consumer	597	595	448	296	302
Multifamily Loans	1,099	1,066	753	704	598
Leases	0	0	1	1	2
Agriculture	240	282	177	153	177
Nondepository Financial Institutions	495	490	3	0	1
Other Loans (Including Foreign)	462	463	386	390	370
Total Loans and Leases	13,465	13,574	7,701	7,653	7,727
Loans Held for Sale (HFS)	5	6	4	2	1
Loans Held for Investment (HFI)	13,460	13,568	7,697	7,651	7,726
Annual Loan Growth	(3%)	76%	1%	(1%)	7%
Investor CRE/Total Loans	39%	38%	36%	38%	38%
C&D/Risk-Based Capital*	45%	45%	25%	32%	38%
Investor CRE/Risk-Based Capital*	228%	225%	183%	201%	211%



\*Loan concentration ratios reflect bank level  
Sources: KBRA Financial Intelligence (KFI), Company Reports, KBRA

## Deposit Composition

(\$ Millions)	1Q26	2025	2024	2023	2022
<b>Domestic Deposits</b>					
Demand Deposits					
Demand Deposits	3,526	3,659	2,720	2,835	3,394
NOW & ATS	3,129	3,119	449	541	552
MMDA & Savings	5,715	5,697	5,323	5,096	5,271
Time Deposits					
Retail Time (<\$250,000)	1,501	1,554	1,156	1,433	735
Jumbo Time (>\$250,000)	865	876	335	386	120
Foreign Deposits	0	0	0	0	0
Total Deposits	14,736	14,906	9,982	10,291	10,071
Total Core Deposits	13,810	13,960	9,635	9,899	9,950
Total Noninterest-Bearing Deposits	3,526	3,659	2,720	2,835	3,394
Annual Core Deposit Growth	(7%)	45%	(3%)	(1%)	(6%)



Sources: KFI, Company Reports, KBRA



# Comparative Statistics

## Peer Comparison Trends

First Busey Corporation KBRA-Rated Peer Group: BBB+										
Time Period	1Q26		2025		2024		2023		2022	
	BHC	Peer	BHC	Peer	BHC	Peer	BHC	Peer	BHC	Peer
<b>Balance Sheet (\$ in Millions)</b>										
Total Assets	18,037	21,168	18,105	20,707	12,047	18,348	12,283	17,333	12,337	16,185
Total Risk-Weighted Assets	15,275	16,026	15,444	15,814	8,774	13,950	8,830	13,375	9,044	12,820
Loans (HFI)	13,460	15,091	13,568	14,894	7,697	13,140	7,651	12,483	7,726	11,566
Total Deposits	14,736	17,324	14,906	16,968	9,982	14,895	10,291	13,786	10,071	12,995
Average Loans/Average Earning Assets	81%	78%	78%	77%	70%	77%	68%	76%	64%	73%
<b>Performance Measures (%)</b>										
Return on Average Assets	1.10%	1.25%	0.76%	1.18%	0.93%	1.01%	0.98%	1.07%	1.02%	1.23%
Return on Average Equity	8.1%	10.7%	5.9%	10.1%	8.5%	8.9%	10.2%	10.0%	10.7%	11.8%
Return on Risk-Weighted Assets	1.30%	1.64%	0.92%	1.56%	1.28%	1.32%	1.35%	1.41%	1.47%	1.66%
Net Interest Margin (TE)*	3.71%	3.81%	3.48%	3.72%	2.89%	3.42%	2.80%	3.54%	2.79%	3.51%
Average Loan Yield	5.93%	6.07%	6.09%	6.21%	5.46%	6.27%	4.97%	5.95%	3.86%	4.66%
Cost of Total Deposits	1.78%	1.78%	2.10%	1.99%	1.78%	2.26%	1.23%	1.64%	0.15%	0.34%
Noninterest Income/Op. Revenue	22%	17%	22%	18%	31%	16%	28%	17%	28%	18%
Efficiency Ratio	66%	59%	66%	59%	64%	65%	64%	61%	63%	56%
<b>Asset Quality (%)</b>										
NPA/Loans + OREO	0.31%	0.78%	0.37%	0.76%	0.29%	0.65%	0.10%	0.49%	0.20%	0.41%
LLR/Loans (HFI)	1.26%	1.23%	1.28%	1.21%	1.08%	1.20%	1.20%	1.21%	1.19%	1.16%
LLR/NPL	406%	238%	349%	238%	379%	261%	1248%	324%	582%	374%
NCO/Average Loans	0.22%	0.21%	0.44%	0.24%	0.23%	0.20%	0.03%	0.16%	0.01%	0.08%
<b>Capital (%)</b>										
TCE Ratio	9.8%	9.3%	10.0%	9.3%	8.7%	8.9%	7.7%	8.4%	6.5%	7.8%
Leverage Ratio	11.9%	10.3%	11.9%	10.3%	11.1%	10.2%	10.1%	9.9%	9.5%	9.7%
CET1 Ratio	12.3%	12.5%	12.4%	12.5%	14.1%	12.5%	13.1%	12.1%	12.0%	11.6%
Tier 1 Ratio	13.8%	13.0%	13.9%	13.0%	15.0%	13.1%	13.9%	12.7%	12.8%	12.1%
Total Capital Ratio	15.9%	15.0%	15.9%	15.0%	18.5%	15.3%	17.4%	14.9%	16.1%	14.3%
<b>Leverage &amp; Funding (%)</b>										
Noninterest Bearing/Total Deposits	24%	27%	25%	27%	27%	26%	28%	28%	34%	34%
Loans/Deposits	91%	88%	91%	89%	77%	88%	74%	89%	77%	88%
Loans/Core Deposits	97%	99%	97%	99%	80%	100%	77%	102%	78%	96%
RWA/Total Assets	85%	77%	85%	77%	73%	77%	72%	77%	73%	79%
Double Leverage (Incl TruPS)	99%	101%	98%	101%	109%	101%	110%	101%	113%	102%
<b>Loan Portfolio (%)</b>										
C&I Loans/Total Loans	22%	17%	22%	17%	17%	17%	17%	17%	18%	18%
Investor CRE/Total Loans	39%	39%	38%	39%	36%	40%	38%	40%	38%	40%
Investor CRE/Risk-Based Capital**	228%	245%	225%	246%	183%	248%	201%	256%	211%	258%
C&D Loans/Total Loans	8%	6%	8%	6%	5%	7%	6%	8%	7%	8%
C&D Loans/Risk-Based Capital**	45%	37%	45%	38%	25%	42%	32%	49%	38%	51%

\*Tax Equivalency (TE) calculation is applicable only to holding companies with total assets exceeding \$5 billion.

\*\* Loan concentration ratios reflect bank level

Sources: Company Reports, KBRA Research

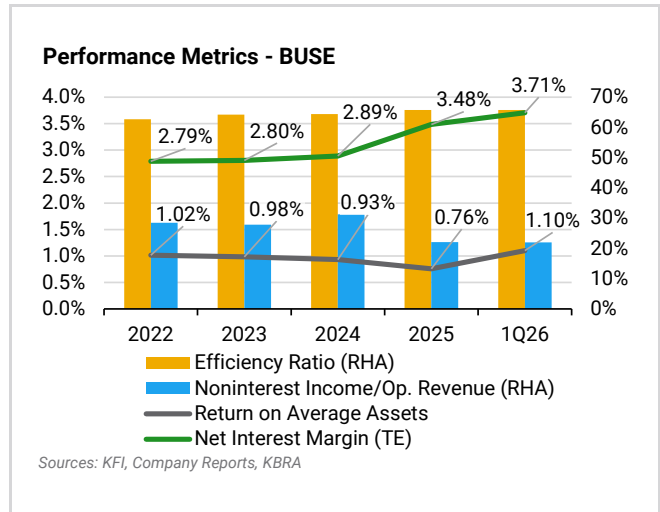


## Key Quantitative Rating Determinants

The quantitative financial fundamentals of the bank are derived from the analysis of the bank’s intrinsic financial strength and potential adjustments due to KBRA’s stress testing as well as an analysis of current and historical financial metrics.

### Performance

Legacy First Busey’s earnings profile has been a consistent (1.10% average adjusted ROA for last five years) ROA generator and is grounded in a strong relationship based, deposit-first mindset that supports a conservative lending model. The company also benefits from an efficient operating model (adjusted efficiency in mid-50%) and diversified and recurring fee-based revenue streams that currently averages in the low 20% of total revenue (~30% of revenue prior to CFB acquisition). The combination of an earning asset mix that has a higher exposure to variable rate loans and a low-cost deposit funding model has organically skewed the balance sheet to be asset sensitive. However, the company has managed the asset sensitivity to be more neutral and has demonstrated resilience and durability through various economic and interest rate cycles.



In 1Q25, BUSE completed the transformative acquisition of CFB meaningfully reshaping the company’s earnings profile with the addition of approximately \$6.6 billion in average earning assets (~60% of BUSE pre-merger). The CFB footprint provides exposure to higher growth MSAs along with more competitive deposit pricing and lower fee income penetration relative to legacy First Busey. Post-closing, BUSE has worked to optimize the balance sheet with a focus on relationships that has generated some intentional reduction in the loan and deposit base for non-relationship customers. In 1Q26, BUSE worked down \$70 million of the PCD portfolio and has approximately \$900 million remaining that will amortize over time. Management has actively exited syndication loans and loan verticals BUSE does not plan to pursue such as the restaurant segment. The company also took several actions in 2025 to reposition the balance sheet that included the sale of \$203 million in AFS securities generating a \$15.5 million pre-tax loss. In aggregate, the balance sheet repositioning has enhanced its core net interest margin (excludes purchase accounting accretion) driving ~60 bps of improvement from the closing of the CFB acquisition in 1Q25 to 3.64% in 1Q26. Core NIM has been supported by higher yields on the investment securities portfolio (17.5% of average earning assets at 1Q26) along with the low-cost funding model (1.81% cost of deposits for 1Q26) which has helped to absorb the impact of lower loan yields in the declining rate environment.

As mentioned earlier, noninterest income is a key ratings driver and foundational to the BUSE operating model, although the contribution on total revenue as a percentage has declined post-CFB acquisition (from upper 20% to low 20% range), providing the company with opportunities to grow its product utilization rates across the acquired base. The fee income is durable in nature with over 70% derived from “counter cyclical” cashflow streams including wealth management (~\$16 billion in AUC), payments and treasury management services. The wealth segment has been a long-standing, core focus of the company which also includes the niche Ag Services business. Over the last year, BUSE has established new wealth teams in key markets including Kansas City, Wichita, Oklahoma City, Dallas, Denver and Phoenix with solid growth in the Western markets. The segment targets high net worth individuals and business owners and has generated pre-tax profit margins in the mid-to-upper 40% range.



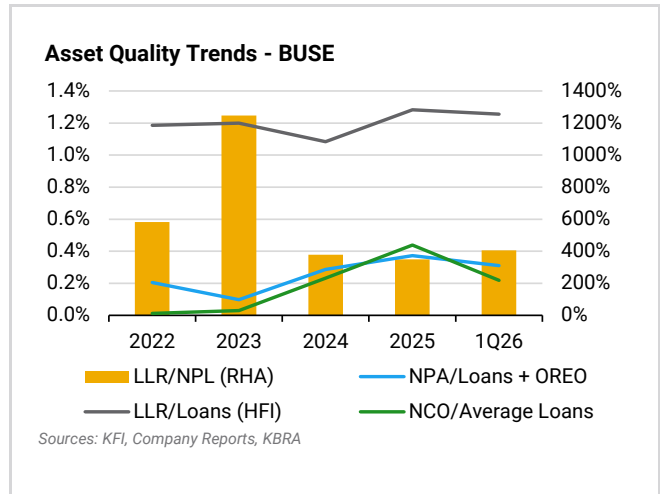
Cost saves from the CFB acquisition were projected to generate \$25 million in annual cost synergies with 100% realization in 2026. Through 1Q26, the adjusted efficiency ratio has been running in the mid-50% range reflecting the scale of BUSE post-CFB acquisition. Looking forward, we expect BUSE’s focus on generating organic growth centered on building core deposits that fund earning asset growth to drive loan growth in 2H26 as the company continues to address paydowns and work through the acquired loan portfolio. With that in mind, we expect BUSE to continue to generate solid adjusted ROA the remainder of 2026, consistent with the higher end of the rating category, as the company shifts into a more offensive posture and further leverages the full company platform.

## Asset Quality

First Busey has maintained a strong credit culture grounded in conservative underwriting, proactive credit administration, low concentration policy limits, and monitoring anchored in long-term relationships, which has led to solid credit performance post-GFC with an average NCO of 0.14% (2013 – 2025). Following the pandemic, BUSE’s asset quality trends improved until 2024 when the impacts from the 525 bps of interest rate hikes began to impact credit performance. With that said, the primary driver to the higher NPAs in 2024 was an idiosyncratic issue related to a \$15 million CRE loan that was ultimately collected in 2025 with a full recovery.

In 1Q25, BUSE materially transformed its loan portfolio with the acquisition of CFB that added \$6 billion in loans with an emphasis on C&I and CRE lending. The acquired portfolio initially included \$1.4 billion in PCD loans (23% of acquired portfolio) which carried an associated 7% ACL. BUSE projected a credit mark of 1.88% (\$119 million) which was allocated between 75% PCD and 25% non-PCD. Correspondingly, Busey’s allowance for credit losses (ACL) rose to 1.41% of total portfolio loans and the company has spent much of 2025 aggressively working through the acquired portfolio utilizing a portion of the boosted LLR reducing it to 1.26% as of 1Q26. The company has a reserve cushion of 1.86% comprised of loan loss reserves and purchase accounting marks at 1Q26 as well. We would note that BUSE’s credit due diligence process included an independent third-party loan review that comprised ~80% of CFB’s portfolio, and 87% and 76% of all C&D and other CRE loans, respectively. The review also covered 86% of all watch, criticized, and classified loans and was augmented by BUSE’s internal credit team, which reviewed 95% of all watch, criticized, and classified credits and conducted a targeted review of newly originated loans.

BUSE’s loan portfolio is commercially oriented with only 4% related to consumer lending. The company differentiates itself from its rated peers though with a higher concentration, although granular, in C&I lending at 25% of the loan portfolio, which increases to 36% if owner occupied CRE is included. BUSE also has a small exposure to cash value life insurance (CVLI) that the company is interested in growing that was initially acquired through their M&M acquisition in 2024. After C&I, non-owner occupied CRE of 22% and 1-4 family mortgage of 16% accounts for the majority of the loan portfolio.





### BUSE Loan Portfolio Diversification by Loan Type and Sector

	\$ in millions			
	Property Type	3/31/26 Balances	% of Total Loans	3/31/26 Classified Balances
<b>Investor-Owned CRE<sup>1</sup></b>	Apartments	\$1,153.0	8.6 %	\$0.0
	Industrial/Warehouse	921.4	6.8 %	0.1
	Retail	776.2	5.8 %	0.0
	Traditional Office	508.5	3.8 %	0.5
	Land Acq. & Dev.	396.2	2.9 %	11.8
	Hotel	338.9	2.5 %	0.0
	Student Housing	274.2	2.0 %	0.0
	Specialty	237.6	1.8 %	0.0
	Senior Housing	159.5	1.2 %	0.0
	Self-Storage	146.8	1.1 %	0.0
	Medical Office	137.9	1.0 %	0.0
	Other	168.5	1.3 %	0.0
	<b>Grand Total</b>	<b>\$5,218.7</b>	<b>38.8 %</b>	<b>\$12.4</b>

Only 0.2% of total CRE-I loans are classified

100/300 Test:  
46% C&D  
229% CRE-I

	\$ in millions			
	Property Type	3/31/26 Balances	% of Total Loans	3/31/26 Classified Balances
<b>Owner-Occupied CRE</b>	Industrial/Warehouse	\$492.2	3.7 %	\$11.3
	Specialty	327.1	2.4 %	6.5
	Traditional Office	210.1	1.6 %	1.2
	Medical Office	150.1	1.1 %	0.0
	Restaurant	116.7	0.9 %	8.9
	Retail	110.4	0.8 %	1.7
	Other	16.9	0.1 %	3.6
	<b>Grand Total</b>	<b>\$1,423.5</b>	<b>10.6 %</b>	<b>\$33.2</b>

Only 2.3% of total OOCRE loans are classified

Lower risk profiles as underwritten to the primary occupying business and are not as exposed to lease turnover risks

	\$ in millions			
	NAICS Sector	3/31/26 Balances	% of Total Loans	3/31/26 Classified Balances
<b>Commercial &amp; Industrial (C&amp;I)</b>	Finance and Insurance	\$804.6	6.0 %	\$14.4
	Manufacturing	468.4	3.5 %	57.4
	Real Estate, Rental and Leasing	381.9	2.8 %	3.5
	Food Services, Drinking Places	330.3	2.5 %	8.0
	Wholesale Trade	247.1	1.8 %	9.2
	Construction	229.6	1.7 %	3.4
	Other Services (ex. Public Admin)	223.9	1.7 %	2.7
	Mining, Quarrying, Oil, Gas	217.4	1.6 %	0.0
	Retail Trade	179.1	1.3 %	4.0
	Agriculture, Forestry, Fishing	161.7	1.2 %	4.8
	Transportation	151.3	1.1 %	9.0
	Health Care and Social Assist.	148.3	1.1 %	9.7
	Professional, Scientific, Tech	129.9	1.0 %	16.5
	Educational Services	111.0	0.8 %	0.1
	Other	297.7	2.2 %	15.7
	<b>Grand Total</b>	<b>\$4,082.2</b>	<b>30.3 %</b>	<b>\$158.4</b>

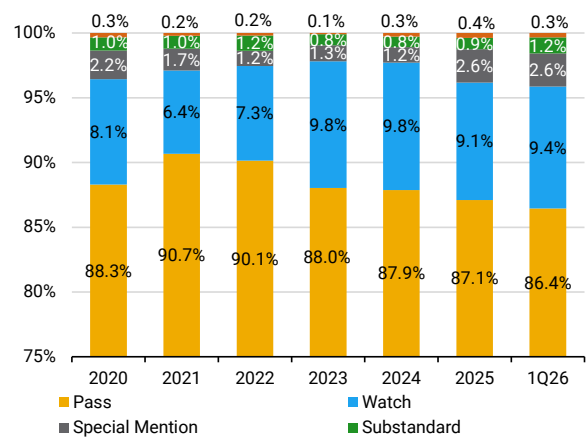
Majority of the Finance & Insurance portfolio (represents 20% of C&I loans, or 6% of total loans) is secured by marketable securities

C&I lines of credits have an overall utilization of 51%, demonstrating substantial borrowing capacity and appropriate revolving of most lines

Source: Company Presentation

As the credit migration chart shows, BUSE conservatively risk rates their credits and criticized and classified loan levels have been historically low post-COVID. However, the addition of the CFB portfolio in 2025 had an impact on credit migration, most notably in the Special Mention category. Total criticized and classified loans have grown from a low of 2.2% in 2023 to 3.8% in 2025. The addition of CFB and general market conditions contributed to a 150 bps increase between 2024 and 2025. In 2025, C&I and other commercial accounted for 69% of commercial substandard (accrual+non-accrual) and 52% of special mention. CRE accounted for 20% of substandard and 41% of special mention. The trend between 2024 and the addition of CFB in 2025 reflects a higher concentration in C&I and other commercial in the special mention and substandard categories as the company continues to work through the acquired portfolio and legacy BUSE relationships. Despite the increase in classified loans, we take comfort in BUSE’s conservative credit administration approach, limited relationship concentrations and policy limits, and strong first line loss absorbing buffers. The latter includes durable earnings generation and solid reserve coverage (1.26% of loans at 1Q26), which are augmented by strong regulatory capital support. It is worth noting that in 2024 prior to the CFB acquisition, BUSE effectively limited loan growth in 2024 as its proactively worked out of approximately \$500 million in lower rated credits. The company has also retained its special assets workout group from 2008/2009 which positions it well in the event of a “normalized credit cycle.”

### Credit Migration - BUSE



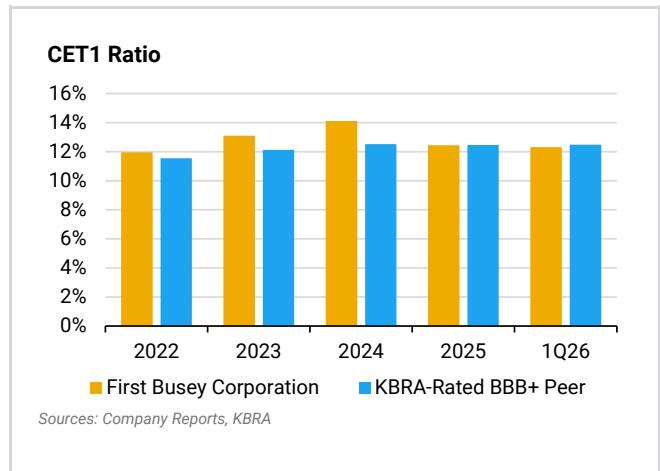
Sources: 10-Ks and 10-Qs, KBRA Research



## Capital

BUSE's capital profile remains solid, with core capital continuing to provide a meaningful cushion despite the larger post-acquisition balance sheet and significant capital actions taken since the CrossFirst transaction. Core capital levels have improved post-acquisition with CET1 and TCE to 12.3% and 9.8% at 1Q26. Although CET1 remains below pre-acquisition levels, the company has rebuilt capital over the past year through earnings retention and balance sheet management, notwithstanding integration related pressures and sizable shareholder distributions. BUSE repurchased approximately 3.1 million common shares in 2025 for about \$69.9 million, followed by an additional 2.6 million shares for \$65.6 million in 1Q26. Even with that level of capital return, capital remains sound and generally in line with peer-rated levels.

The capital structure was also repositioned meaningfully during 2025. BUSE added \$215 million of preferred capital through the issuance of Series B preferred through depositary shares in May 2025. This issuance strengthened the capital base with Tier 1 capital and added an additional layer of loss-absorbing capacity above common equity. At the same time, the company redeemed the full \$125 million of 2020 subordinated notes on June 1, 2025, simplifying the debt stack and reducing refinancing overhang. Capital support continues to include the \$100 million subordinated debt issued in June 2022, which is not callable until June 15, 2027, as well as approximately \$77 million of trust preferred securities. Following the CrossFirst acquisition, those TruPS no longer qualify as Tier 1 capital because the combined company moved above the \$15 billion asset threshold, though they continue to receive Tier 2 treatment and mature between 2033 and 2036. BUSE's double leverage improved to 98% in 4Q25 from 105% in 1Q25, indicating lower structural leverage and a more conservative capital position. Overall, these actions reflect active capital management rather than balance sheet pressure and leave BUSE with a solid capital base and good strategic flexibility.



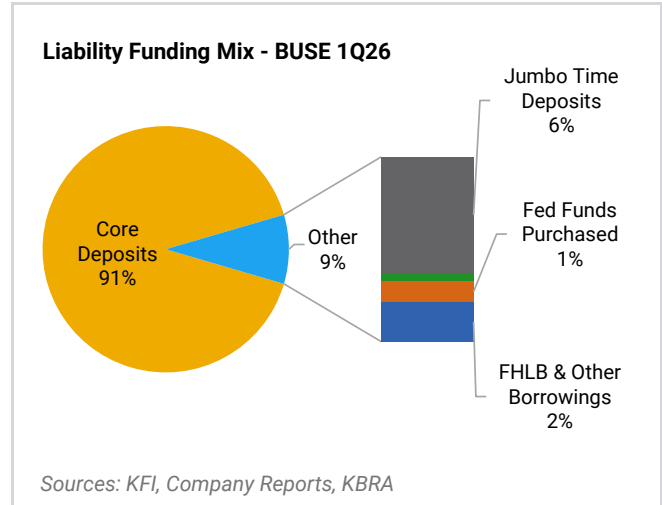
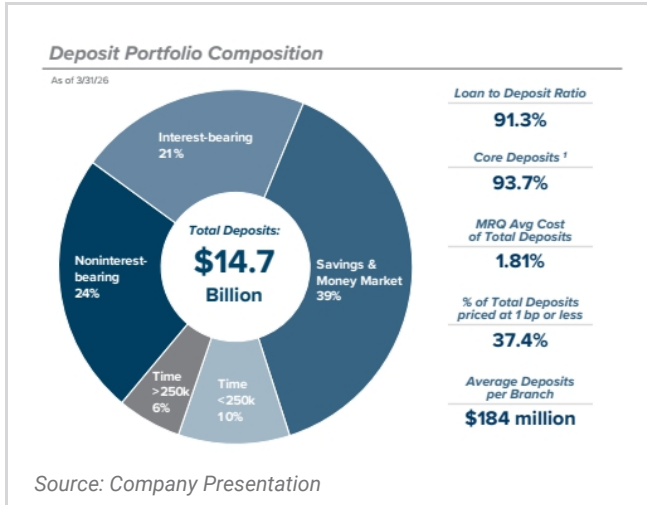
## Funding & Liquidity

BUSE's funding and liquidity profile remains a meaningful credit strength, supported by the legacy franchise's durable core deposit base, relatively low funding costs, and limited reliance on wholesale channels. The combination with CrossFirst has introduced a somewhat more loaned-up balance sheet and a more commercially weighted funding profile, but the consolidated franchise continues to benefit from BUSE's longstanding branch-based deposit gathering model and stronger legacy deposit granularity. Subsequently, funding remains anchored by core relationship balances rather than rate-sensitive sources, with core deposits representing 94% of total deposits at 1Q26, underscoring continued support from relationship-based funding rather than reliance on wholesale sources.

The deposit base also continues to reflect the franchise's long operating history, established market presence, and a meaningful mix of lower-cost operating accounts. Deposit quality remains favorable, supported by a solid level of nonmaturity and noninterest-bearing balances. At 1Q26, nonmaturity deposits represented approximately 84% of total deposits, including roughly 24% in noninterest-bearing deposits, 21% in interest-bearing transaction accounts, and 39% in savings and MMDA balances, underscoring the continued importance of operating and relationship accounts within the franchise. Deposit relationships also appear notably granular, limiting reliance on any single depositor or small group of accounts. We also view the consistency of the core deposit mix as reflective of disciplined execution of a broader acquisition strategy that has historically emphasized deposit-rich franchises and conservatively managed balance sheets. From a strategic standpoint, BUSE's franchise continues to benefit from strong positions in its legacy Illinois markets, while the new markets acquired in the CFB transaction offer an opportunity to deepen retail banking penetration over time. That dynamic should support further funding diversification as the larger company fully integrates and builds out deposit gathering in faster-growth markets where its presence is less mature.



Liquidity remains ample and provides solid protection against deposit runoff or market stress. At year-end 2025, BUSE reported nearly \$1.8 billion of cash and unencumbered securities, along with approximately \$3.9 billion of additional contingent borrowing capacity from the FHLB, Federal Reserve, fed funds lines, and the revolving credit facility. Liquidity remained strong in 1Q26, with management citing \$8.63 billion of total available on- and off-balance-sheet liquidity. In our view, that level of available funding provides substantial coverage of uninsured and uncollateralized deposits and reinforces the company’s ability to absorb stress without materially increasing funding risk.



## Key Qualitative Rating Determinants

The qualitative aspects of First Busey Corporation were assessed using a scorecard that focuses on four key factors: market strategy, risk management, liquidity management, and the operating environment. For the most part, the bank scored above average for qualitative factors. For qualitative aspects, KBRA relies principally on discussions with management supplemented by publicly available data, regulatory filings and KBRA’s view of the economic and regulatory environment. The following describes KBRA’s qualitative assessment for First Busey Corporation:

### Market Strategy

BUSE’s highly diversified community banking franchise is anchored by a balanced and commercially focused loan portfolio complemented by strong fee income verticals derived from activities less correlated to lending. Revenues from a scalable wealth management business and a payment technology solutions platform have generated more than 60% of total noninterest income in recent years. In 2025, the company combined its payment technology solutions business with its treasury management services to offer a holistic approach to businesses’ needs. Total noninterest income accounts for low-to-mid 20% of total revenue or just above 1% of average assets, with both measures tracking favorably to the rated peer average. The CrossFirst Bankshares, Inc.

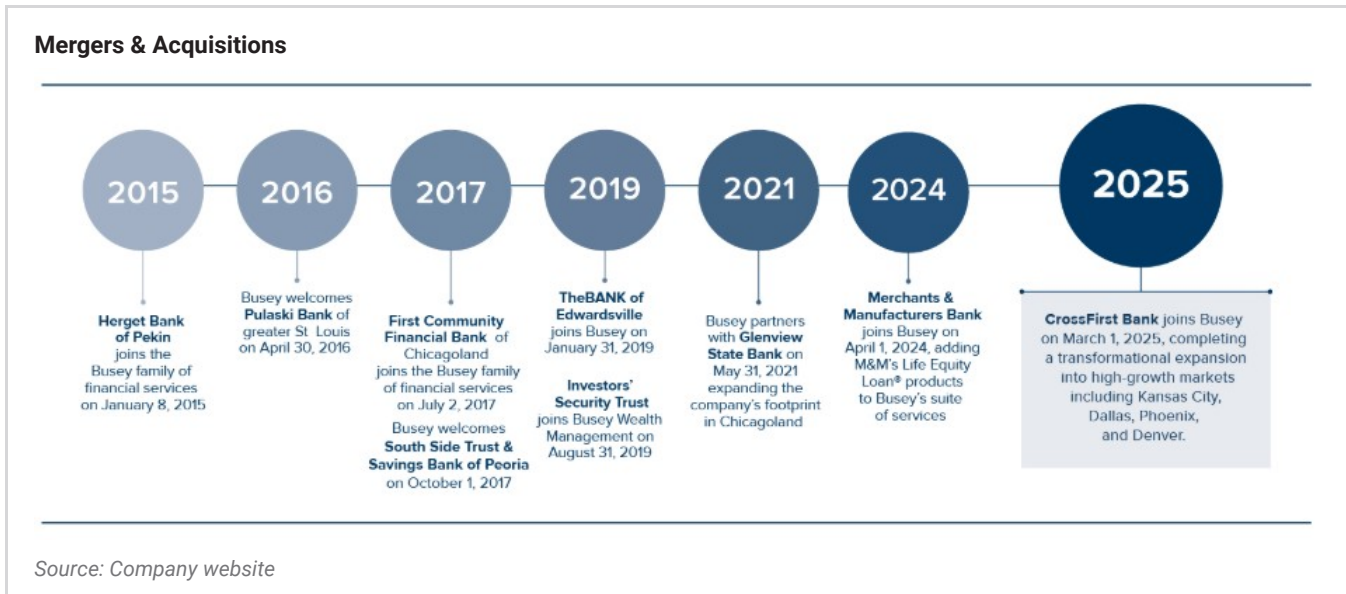


acquisition significantly increased BUSE’s scale and geographic diversification, creating a premier commercial bank in the Midwest, Southwest, and Florida, with 80 full-service locations across 10 states— Arizona, Colorado, Florida, Illinois, Indiana, Kansas, Missouri, New Mexico, Oklahoma, and Texas, and \$15+ billion in wealth assets under care.



The acquisition also offers opportunities to further penetrate the expanded markets with wealth management and treasury/payment management services further building the fee income contribution to total revenue.

With respect to growth, BUSE has been acquisitive with nine acquisitions in the last eleven years and the company has tripled its size via acquisitions and internal organic growth. The inorganic pathway has supplemented banking and wealth management scale across its heritage midwestern markets while expanding into faster growth MSAs via the CrossFirst Bankshares, Inc. acquisition including Denver, Kansas City, Dallas-Ft. Worth, and Phoenix. In 2024, BUSE acquired Merchants and Manufacturers Bank Corporation and its subsidiary, Merchants and Manufacturers Bank (originally announced in November 2023) which provided the company with an entry into life insurance backed line of credit products fully secured by the cash value of life insurance policies. Management favors banks in more densely populated markets within its footprint or adjacent that possess conservative credit cultures, durable core deposits, revenue diversity, and competitive market shares.



Following the CrossFirst acquisition, the leadership transition identified Michael Maddox as Vice Chairman and President of First Busey Corporation and President and CEO of Busey Bank, scheduled to replace First Busey Corporation Chairman and CEO Van Dukeman. That plan was modified in 1Q26 following the departure of Mr. Maddox from the company. Upon Mr. Maddox's departure, an agreement was executed with Van Dukeman that extended his contract for at least two additional years to remain as the Chairman and CEO of First Busey Corporation. Mr. Dukeman also assumed the roles of President of First Busey Corporation and CEO of Busey Bank. Mr. T. Anthony (Tony) Hammond, who was the President of Regional Banking, was appointed to serve as President of Busey Bank.

KBRA views the leadership transition as an instrumental element to fully integrate the BUSE deposit first strategy along with embedding a conservative credit culture throughout the bank, meaningfully reducing the risk profile, and sustaining a consistent risk appetite over time.

## Risk Management

KBRA views BUSE's risk management framework as strong, underpinned by continuity in seasoned leadership, well-developed credit risk and governance policies, conservative policy lending limits, and disciplined acquisitions. The company's risk committee structures are typical of those of larger banking institutions. The asset-liability committee (ALCO) meets at least quarterly to assess market conditions and interest rate risks and opportunities. Lending concentrations and average loan sizes of commercial loans are generally granular in relation to BUSE's balance sheet scale, further reflective of a disciplined credit culture. Moreover, policy lending and concentration limits appear more conservative than many similarly-rated peers.



The company's underwriting and credit administration policies and governance appear clearly defined with loans appropriately monitored based on size and risk rating. The company's underwriting standards aim to promote long-term high-touch relationships as opposed to relying on short-term transactions. However, management ascribes to a quick to downgrade and slow to upgrade philosophy, which aligns with the company's conservative credit culture. A loan review group, which is independent of the credit group and loan committee, reviews loans on a periodic basis with new loans reviewed quarterly and large relationships reviewed annually. New loans greater than \$15 million or renewals of loans greater than \$20 million that require material changes need Loan Committee approval. When engaging in purchased participations, well-established relationships are paramount to the activity. With respect to regulatory compliance and risks, the company's dedicated BSA Officer supports BSA/AML monitoring and oversight, and the company has enhanced the Model Risk program and increased efficiency and automation in the loan review process.

## Liquidity Management

BUSE's liquidity management framework and methodologies are viewed as solid with well-defined risk limits. In gauging liquidity strength, particularly following the Fed's pivot from the ZIRP into monetary tightening, the company performed stress testing that measured the funding capacity over a 12-month period across multiple stress scenarios, including, but not limited to, loss of uninsured deposits, increased collateral haircuts on FHLB borrowings, and acute loss of non-maturity deposits, and staggered reductions in federal funding line availability. Stress test results showed sufficient capacity, even under very severe scenarios. BUSE possesses strong liquidity buffers, protected by a low-leveraged balance sheet and ample levels of on and -off balance sheet sources. The bank holding company also holds over 18 months of operating expenses in cash as of December 31, 2025.

## Operating Environment

Overall, the U.S. banking system has a strong regulatory framework. Since the 2008 financial crisis, banking institutions have adjusted to additional rules and regulations resulting from the Dodd-Frank Wall Street Reform and Consumer Protection Act and Basel III standards. Despite some easing of regulatory burden, particularly for small to mid-sized banks in recent years, regulatory standards and oversight remain strong for the U.S. banking system. The latest research on this and other topics can be found [here](#).

## External Support

Pursuant to the 2010 Dodd-Frank Act, U.S. regulators created a resolution regime with the goal of preventing a systemic crisis if a systemically important bank fails. For non-systemically important depositories such as the bank, KBRA believes that uninsured depositors could benefit from some degree of extraordinary systemic support. However, KBRA does not foresee any regulatory support being extended to creditors or investors at the bank or its BHC. As the bank operates in the U.S. market, a well-developed economy with a AAA sovereign rating, there were no adjustments for country risk. In addition, the company is publicly traded, and the rating does not incorporate external support related to its ownership structure.

## Ratings Approach

KBRA's ratings are supported by the following factors: i) a quantitative view of the bank's financial fundamentals, including stress testing, ii) a qualitative assessment of the bank's management and market strategy, and iii) the incorporation of potential external systemic support. KBRA's ratings for the bank holding company reflect the overall credit profile of the organization and the potential structural subordination of its liabilities to the liabilities of its subsidiary in an event of default or regulatory intervention. KBRA's short-term ratings are derived from senior long-term bank ratings. Consistent with KBRA's typical notching practices, subordinated debt is rated one notch below senior unsecured debt.



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