# 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 26, 2021**

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

| **Nevada** | **0-15950** | **37-1078406** |
|---|---|---|
| (State or other jurisdiction of incorporation) | (Commission File Number) | (I.R.S. Employer Identification No.) |

**100 W. University Ave.**
**Champaign, Illinois 61820**
(Address of principal executive offices) (Zip code)

**(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 (*see* General Instruction A.2. below):

☐ 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 | The 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 26, 2021, First Busey Corporation ("First Busey") issued a press release disclosing financial results for the quarter ended December 31, 2020. A copy of the press 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 First Busey for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (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 of 1933, as amended (the "Securities Act"), or the Exchange Act.*

**Item 7.01 Regulation FD Disclosure.**

On January 26, 2021, First Busey published supplemental slides discussing First Busey's financial results for the quarter ended December 31, 2020 and coronavirus disease 2019 response. 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 First 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.**

**(d) Exhibits.**

| | |
|---|---|
| 99.1 | Press Release issued by First Busey Corporation, dated January 26, 2021. |
| 99.2 | Supplemental slides issued by First Busey Corporation, dated January 26, 2021. |
| 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 hereunto duly authorized.

Date: January 26, 2021

**First Busey Corporation**

| | |
|---|---|
| By: | /s/ Jeffrey D. Jones |
| Name: | Jeffrey D. Jones |
| Title: | Chief Financial Officer |

**Exhibit 99.1**

January 26, 2021

**First Busey Announces Fourth Quarter and Full Year 2020 Earnings**
CHAMPAIGN, IL – (GLOBE NEWSWIRE) – First Busey Corporation (Nasdaq: BUSE)

100 W. UNIVERSITY AVE.
CHAMPAIGN, IL 61820
WWW.BUSEY.COM

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

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

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

**Other recent highlights:**

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

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

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

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

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

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

On January 1, 2020, the Company adopted ASU 2016-13 (Topic 326), "Measurement of Credit Losses on Financial Instruments," commonly referenced as the Current Expected Credit Loss ("CECL") model. Upon adoption of CECL, the Company recognized a $16.8 million increase in its allowance for credit losses, substantially attributable to the remaining loan fair value marks on prior acquisitions, and a $5.5 million increase in its reserve for unfunded commitments. Under accounting rules, the reserve for unfunded commitments is carried on the balance sheet in other liabilities rather than as a component of the allowance for credit losses. These one-time increases, net of tax, were $15.9 million and recorded as an adjustment to beginning retained earnings. Ongoing impacts of the CECL methodology will be dependent upon changes in economic conditions and forecasts, originated and acquired loan portfolio composition, credit performance trends, portfolio duration, and other factors. During the fourth quarter of 2020, the Company recorded provision for credit losses of $3.1 million, primarily as a result of economic factors and continued uncertainty due to the coronavirus disease 2019 ("COVID-19") pandemic. An insignificant amount from provision for unfunded commitments was reversed in the fourth quarter. The allowance for credit losses increased from $53.7 million at December 31, 2019, to $101.0 million at December 31, 2020, representing 1.48% of total portfolio loans outstanding and 1.59% of portfolio loans excluding the Paycheck Protection Program ("PPP") loans, up from 0.80% at December 31, 2019. The allowance represented 415.82% of non-performing loans at December 31, 2020.

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

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

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

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

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

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

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

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

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

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

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

**SELECTED FINANCIAL HIGHLIGHTS[1]**

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

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

[1] Results are unaudited.

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

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

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

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

| **Condensed Consolidated Balance Sheets**[1] *(dollars in thousands, except per share data)* | As of | | | | |
|---|---|---|---|---|---|
| | **December 31, 2020** | September 30, 2020 | June 30, 2020 | March 31, 2020 | December 31, 2019 |
| **Assets** | | | | | |
| Cash and cash equivalents | **$ 688,537** | $ 479,721 | $ 1,050,072 | $ 342,848 | $ 529,288 |
| Investment securities | **2,266,717** | 2,098,657 | 1,701,992 | 1,770,881 | 1,654,209 |
| Loans held for sale | **42,813** | 87,772 | 108,140 | 89,943 | 68,699 |
| Commercial loans | **5,368,897** | 5,600,705 | 5,637,999 | 5,040,507 | 4,943,646 |
| Retail real estate and retail other loans | **1,445,280** | 1,520,606 | 1,591,021 | 1,704,992 | 1,743,603 |
| Portfolio loans | **$ 6,814,177** | $ 7,121,311 | $ 7,229,020 | $ 6,745,499 | $ 6,687,249 |
| Allowance | **(101,048)** | (98,841) | (96,046) | (84,384) | (53,748) |
| Premises and equipment | **135,191** | 144,001 | 146,951 | 149,772 | 151,267 |
| Goodwill and other intangibles | **363,521** | 365,960 | 368,053 | 370,572 | 373,129 |
| Right of use asset | **7,714** | 7,251 | 8,511 | 9,074 | 9,490 |
| Other assets | **326,425** | 333,796 | 319,272 | 327,200 | 276,146 |
| **Total assets** | **$ 10,544,047** | $ 10,539,628 | $ 10,835,965 | $ 9,721,405 | $ 9,695,729 |
| **Liabilities & Stockholders' Equity** | | | | | |
| Non-interest bearing deposits | **$ 2,552,039** | $ 2,595,075 | $ 2,764,408 | $ 1,910,673 | $ 1,832,619 |
| Interest-bearing checking, savings, and money market deposits | **5,006,462** | 4,819,859 | 4,781,761 | 4,580,547 | 4,534,927 |
| Time deposits | **1,119,348** | 1,227,767 | 1,363,497 | 1,482,013 | 1,534,850 |
| Total deposits | **$ 8,677,849** | $ 8,642,701 | $ 8,909,666 | $ 7,973,233 | $ 7,902,396 |
| Securities sold under agreements to repurchase | **175,614** | 201,641 | 194,249 | 167,250 | 205,491 |
| Short-term borrowings | **4,658** | 4,651 | 24,648 | 21,358 | 8,551 |
| Long-term debt | **226,792** | 226,801 | 256,837 | 134,576 | 182,522 |
| Junior subordinated debt owed to unconsolidated trusts | **71,468** | 71,427 | 71,387 | 71,347 | 71,308 |
| Lease liability | **7,757** | 7,342 | 8,601 | 9,150 | 9,552 |
| Other liabilities | **109,840** | 129,360 | 134,493 | 126,906 | 95,475 |
| **Total liabilities** | **$ 9,273,978** | $ 9,283,923 | $ 9,599,881 | $ 8,503,820 | $ 8,475,295 |
| **Total stockholders' equity** | **$ 1,270,069** | $ 1,255,705 | $ 1,236,084 | $ 1,217,585 | $ 1,220,434 |
| **Total liabilities & stockholders' equity** | **$ 10,544,047** | $ 10,539,628 | $ 10,835,965 | $ 9,721,405 | $ 9,695,729 |
| **Share Data** | | | | | |
| Book value per common share | **$ 23.34** | $ 23.03 | $ 22.67 | $ 22.38 | $ 22.28 |
| Tangible book value per common share[2] | **$ 16.66** | $ 16.32 | $ 15.92 | $ 15.57 | $ 15.46 |
| Ending number of common shares outstanding | **54,404,379** | 54,522,231 | 54,516,000 | 54,401,208 | 54,788,772 |

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

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

**Condensed Consolidated Statements of Income**[1]
*(dollars in thousands, except per share data)*

| | For the Three Months Ended December 31, | | For the Year Ended December 31, | |
|---|---|---|---|---|
| | **2020** | **2019** | **2020** | **2019** |
| Interest and fees on loans | **$ 71,525** | $ 76,290 | **$ 284,959** | $ 304,193 |
| Interest on investment securities | **9,651** | 10,682 | **39,916** | 45,721 |
| Other interest income | **127** | 1,824 | **1,723** | 6,320 |
| **Total interest income** | **$ 81,303** | $ 88,796 | **$ 326,598** | $ 356,234 |
| | | | | |
| Interest on deposits | **4,638** | 13,670 | **30,691** | 55,077 |
| Interest on securities sold under agreements to repurchase | **64** | 559 | **660** | 2,348 |
| Interest on short-term borrowings | **19** | 156 | **234** | 1,041 |
| Interest on long-term debt | **2,906** | 1,719 | **9,118** | 7,131 |
| Interest on junior subordinated debt owed to unconsolidated trusts | **740** | 756 | **2,960** | 3,414 |
| **Total interest expense** | **$ 8,367** | $ 16,860 | **$ 43,663** | $ 69,011 |
| | | | | |
| **Net interest income** | **$ 72,936** | $ 71,936 | **$ 282,935** | $ 287,223 |
| Provision for credit losses | **3,141** | 2,367 | **38,797** | 10,406 |
| **Net interest income after provision for credit losses** | **$ 69,795** | $ 69,569 | **$ 244,138** | $ 276,817 |
| | | | | |
| Wealth management fees | **10,632** | 11,223 | **42,928** | 38,561 |
| Fees for customer services | **8,204** | 9,048 | **31,604** | 36,683 |
| Remittance processing | **3,930** | 3,765 | **15,396** | 15,042 |
| Mortgage revenue | **3,159** | 3,576 | **13,038** | 11,703 |
| Income on bank owned life insurance | **1,019** | 1,142 | **5,380** | 5,795 |
| Security gains (losses), net | **855** | 605 | **1,331** | (18) |
| Other | **2,700** | 2,279 | **8,588** | 8,649 |
| **Total non-interest income** | **$ 30,499** | $ 31,638 | **$ 118,265** | $ 116,415 |
| | | | | |
| Salaries, wages and employee benefits | **31,322** | 35,117 | **126,719** | 140,473 |
| Data processing | **4,043** | 6,462 | **16,426** | 21,511 |
| Net occupancy expense of premises | **4,188** | 4,811 | **17,607** | 18,176 |
| Furniture and equipment expense | **2,239** | 2,570 | **9,550** | 9,506 |
| Professional fees | **2,888** | 2,103 | **8,396** | 11,104 |
| Amortization of intangible assets | **2,439** | 2,681 | **10,008** | 9,547 |
| Other | **16,954** | 11,746 | **45,491** | 48,477 |
| **Total non-interest expense** | **$ 64,073** | $ 65,490 | **$ 234,197** | $ 258,794 |
| | | | | |
| Income before income taxes | **$ 36,221** | $ 35,717 | **$ 128,206** | $ 134,438 |
| Income taxes | **7,876** | 7,146 | **27,862** | 31,485 |
| **Net income** | **$ 28,345** | $ 28,571 | **$ 100,344** | $ 102,953 |
| | | | | |
| **Per Share Data** | | | | |
| Basic earnings per common share | **$ 0.52** | $ 0.52 | **$ 1.84** | $ 1.88 |
| Diluted earnings per common share | **$ 0.52** | $ 0.52 | **$ 1.83** | $ 1.87 |
| Average common shares outstanding | **54,532,705** | 55,055,530 | **54,567,429** | 54,851,652 |
| Diluted average common shares outstanding | **54,911,458** | 55,363,258 | **54,826,939** | 55,132,494 |

[1] Results are unaudited.

**Balance Sheet Growth**

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

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

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

**Net Interest Margin and Net Interest Income**

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

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

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

**Asset Quality**

The Company continues to see sound and stable asset quality metrics. Loans 30-89 days past due were $7.6 million as of December 31, 2020, compared to $6.7 million as of September 30, 2020 and $14.3 million as of December 31, 2019. Non-performing loans totaled $24.3 million as of December 31, 2020, compared to $24.2 million as of September 30, 2020, and $29.5 million as of December 31, 2019. Continued disciplined credit management resulted in non-performing loans as a percentage of total loans of 0.36% at December 31, 2020, as compared to 0.34% at September 30, 2020 and 0.44% at December 31, 2019. Non-performing loans as a percentage of total loans, excluding the amortized cost of PPP loans, was 0.38% at December 31, 2020.

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

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

**Asset Quality**[1]

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

[1] Results are unaudited.

**Non-Interest Income**

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

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

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

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

Mortgage revenue of $3.2 million in the fourth quarter of 2020 decreased compared to $5.8 million in the third quarter of 2020 and $3.6 million in the fourth quarter of 2019. The decrease in the fourth quarter of 2020 was due to closed and sold loan volume declines and increased mortgage servicing revenue (“MSR”) amortization.

**Operating Efficiency**

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

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

Noteworthy components of non-interest expense are as follows:

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

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

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

**Capital Strength**

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

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

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

**4Q20 Quarterly Earnings Supplement**

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

**Corporate Profile**

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

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

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

For more information about us, visit busey.com.

Category: Financial
Source: First Busey Corporation

**Contacts:**

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**Non-GAAP Financial Information**

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

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

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

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

*(dollars in thousands)*

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

[1] Annualized measure.

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

*(dollars in thousands)*

| | Three Months Ended | | | Year Ended | |
|---|---|---|---|---|---|
| | **December 31, 2020** | September 30, 2020 | December 31, 2019 | **December 31, 2020** | December 31, 2019 |
| Net income | **$ 28,345** | $ 30,829 | $ 28,571 | **$ 100,344** | $ 102,953 |
| Acquisition expenses | | | | | |
| Salaries, wages and employee benefits | - | - | 367 | - | 4,083 |
| Data processing | **56** | - | 1,017 | **56** | 1,523 |
| Lease or fixed asset impairment | **245** | 234 | 165 | **479** | 580 |
| Professional fees and other | **479** | 99 | 879 | **864** | 8,477 |
| Other restructuring costs | | | | | |
| Salaries, wages and employee benefits | **113** | 2,011 | 38 | **2,470** | 495 |
| Data processing | **-** | - | 351 | **-** | 827 |
| Fixed asset impairment | **6,657** | - | 1,861 | **6,657** | 1,861 |
| Professional fees and other | **-** | 185 | 796 | **185** | 2,248 |
| MSR valuation impairment | **-** | - | (1,822) | **-** | - |
| Related tax benefit | **(1,640)** | (555) | (441) | **(2,327)** | (4,618) |
| Adjusted net income | **$ 34,255** | $ 32,803 | $ 31,782 | **$ 108,728** | $ 118,429 |
| | | | | | |
| Diluted average common shares outstanding | **54,911,458** | 54,737,920 | 55,363,258 | **54,826,939** | 55,132,494 |
| **Reported:** Diluted earnings per share | **$ 0.52** | $ 0.56 | $ 0.52 | **$ 1.83** | $ 1.87 |
| **Adjusted:** Diluted earnings per share | **$ 0.62** | $ 0.60 | $ 0.57 | **$ 1.98** | $ 2.15 |
| | | | | | |
| Average total assets | **$ 10,419,364** | $ 10,680,995 | $ 9,713,858 | **$ 10,292,256** | $ 9,443,690 |
| | | | | | |
| **Reported**: Return on average assets[1] | **1.08%** | 1.15% | 1.17% | **0.97%** | 1.09% |
| **Adjusted**: Return on average assets [1] | **1.31%** | 1.22% | 1.30% | **1.06%** | 1.25% |

[1] Annualized measure.

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

*(dollars in thousands)*

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

[1] Annualized measure.

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

*(dollars in thousands)*

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

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

*(dollars in thousands)*

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

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

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

[2] Annualized measure.

[3] Calculated using adjusted net income.

**Special Note Concerning Forward-Looking Statements**

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

Exhibit 99.2


4Q20 QUARTERLY
EARNINGS
SUPPLEMENT
January 26, 2021
Busey
FIRST BUSEY CORPORATION
busey.com Member FDIC

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# Non-GAAP Financial Measures

This document contains financial information determined other than in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Management uses these "non-GAAP" measures in its analysis of the Company's performance. Management also believes that these non-GAAP financial measures allow for better comparability of period to period operating performance. Additionally, the Company believes this information is utilized by regulators and market analysts to evaluate a company's financial condition, and therefore, such information is useful to investors. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. A reconciliation of the non-GAAP measures used in this document to the most directly comparable GAAP measures is provided beginning on page 32 of this document. For more details on the Company's non-GAAP measures, refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2019 and the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020.

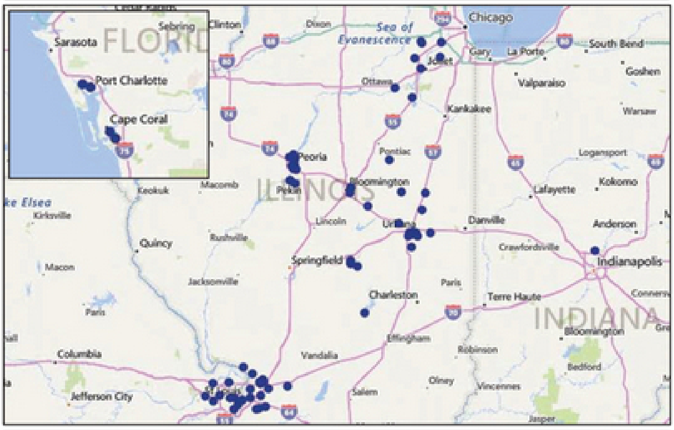
# Table of Contents

# Overview of First Busey Corporation (BUSE)

## Company Overview

- 150+ year old bank headquartered in Champaign, IL
- Full service community bank serving Illinois, St. Louis, Indianapolis, and Southwest Florida markets
- Diversified lending portfolio across real estate, commercial, and retail products
- Named among Forbes' 2018 and 2019 Best-In-State Banks (Illinois), American Banker's "Best Banks to Work For" since 2016, and Best Places to Work in money management by Pensions & Investments Magazine in 2018, 2019, and 2020
- Numerous, other repeat "Best Places to Work" awards in all states in which it operates
- First Busey maintains an unwavering focus on its 4 Pillars – associates, customers, communities and shareholders

## Branch Map




## Primary Business Segments

### Commercial Banking

BuseyBANK

- Illinois state chartered bank, organized in 1868
- Bank offers full suite of diversified financial products and services for consumers and businesses
- 68 branch locations, serving four state footprint

### Wealth Management

Busey WEALTH MANAGEMENT

- Provides premier wealth and asset management services for individuals and businesses
- $10.23bn Assets Under Care

### Retail Payment Processing

firstech

- Provides comprehensive and innovative payment processing capabilities
- Solutions tailored for online, mobile, walk-in, CSR, direct debit, lockbox, auto phone pay, VerID
- 28 million transactions per year

(1) Non-GAAP calculation, see Appendix

## Financial Highlights

| $ in millions | 2018 | 2019 | 2020 |
|---|---|---|---|
| Total Assets | $7,702 | $9,696 | $10,544 |
| Total Loans (Exc. HFS) | 5,568 | 6,687 | 6,814 |
| Total Deposits | 6,249 | 7,902 | 8,678 |
| Total Equity | 995 | 1,220 | 1,270 |
| NPA/Assets | 0.48% | 0.34% | 0.27% |
| NIM | 3.45% | 3.38% | 3.03% |
| Core PPNR ROAA(1) | 1.86% | 1.76% | 1.75% |
| Core ROAA(1) | 1.34% | 1.25% | 1.06% |
| Core ROATCE(1) | 15.89% | 14.54% | 12.47% |

# Diversified Business Model

**Banking the intersection of commercial and wealth**

| Busey BANK | Busey WEALTH MANAGEMENT | firstech |
|---|---|---|
| **Business** | **Investment Advisory** | **Business Solutions** |
| Commercial Lending | Investment Services | Custom Consulting |
| Business Saving Services | Investment Management | Lockbox Processing |
| Business Checking Services | Financial Goals | Payment Concentrator Processing |
| Merchant Services Solutions | Private Client | Verid |
| **Personal** | Business Planning | **Payment Solutions** |
| Online Banking | | Walk-In Payments |
| Credit and Debit Cards | | Online Bill Payments |
| Checking Services | | Mobile Payments |
| Consumer Loans | | Direct Debit |
| Mortgage Banking | | |
| Mobile Banking | | |

# Attractive Geographic Footprint

**Four distinct operating regions provide for attractive mix of customers and demographics, providing compelling business and market opportunities**

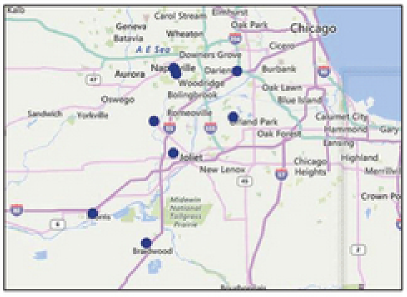
## Northern

**Banking Centers:** 8

**Deposits:** $1.1B

**Avg. Deposits Per Branch:** $137.5MM

**Median HHI:** $76,758



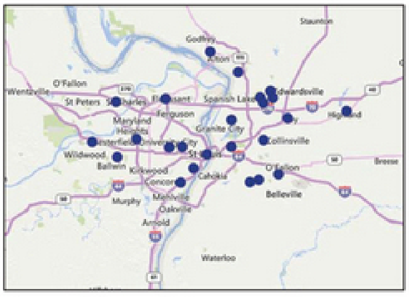

## Gateway

**Banking Centers:** 24

**Deposits:** $2.7B

**Avg. Deposits Per Branch:** $112.5MM

**2020 Pop:** 2.8 Million




## Central

**Banking Centers:** 32

**Deposits:** $4.9B

**Avg. Deposits Per Branch:** $153.1MM

**DMS Rank:** Top 5 in 7 out of 8 IL Markets

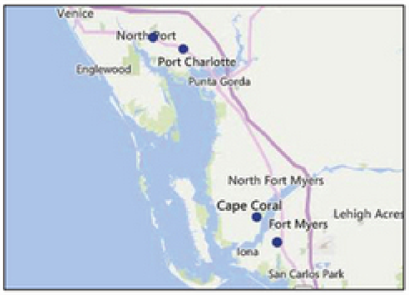

## Florida

**Banking Centers:** 4

**Deposits:** $289MM

**Avg. Deposits Per Branch:** $72.3MM

**2020-25 Pop. Growth:** 5.9% versus U.S. avg. 2.9%




**The proposed acquisition of Glenview State Bank, announced on January 19, 2021 would add 7 branches and $1.2 billion in deposits to our Northern Region**

Previously announced branch consolidation was completed on October 23, 2020. Exhibits above depict the First Busey franchise subsequent to the completion of those branch closures. Exhibits do not include statistics related to the announced acquisition of Glenview State Bank Source: S&P Global Market Intelligence, US Census Claritas data as of 6.30.20

# Experienced Management Team

**Van A. Dukeman**

*Chairman, President & Chief Executive Officer, First Busey Corporation*

Has served as President & CEO of First Busey since 2007. Mr. Dukeman was President & CEO of Main Street Trust from 1998 until its merger with First Busey in 2007.

In addition to his role as President & CEO, Mr. Dukeman became Chairman of the Holding Company Board effective July 22.

Mr. Dukeman's 40 years of diverse financial services experience and extensive board involvement throughout his career brings a conservative operating philosophy and a management style that focus on Busey's associates, customers, communities and shareholders.

**Highly experienced board with nearly 150 years of combined director experience**

**Management aligned with shareholders (insider ownership of 8.3%)**

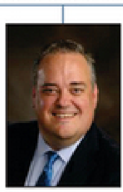
**Robin N. Elliott**

*President & CEO, Busey Bank*

Joined Busey in 2006 and led various finance functions prior to serving as CFO/COO and now Bank President/CEO.

Mr. Elliott has played instrumental roles in executing various strategic and growth initiatives.

Before joining Busey, Mr. Elliott worked for various national public accounting firms, including Ernst & Young.



**Jeffrey D. Jones**

*EVP & CFO*

Joined Busey in August 2019, bringing his nearly 20 years of investment banking and financial services experience to Busey.

Mr. Jones 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.

**Robert F. Plecki, Jr.**

*EVP, Chief Banking Officer*

Joined Busey in 1984 and has served in the role of Chief Credit Officer or Chief Banking Officer of First Busey since 2010 as well as serving as the Chair of Credit Committees.

Mr. Plecki previously served as President & CEO of Busey Wealth Management, COO, and EVP of the Florida and Champaign market.

Prior to the 2007 merger with First Busey, Bob served in various management roles at Main Street Trust.

**Amy L. Randolph**
*Chief of Staff & EVP of Pillar Relations*

**John J. Powers**
*EVP & General Counsel*

**Monica L. Bowe**
*EVP & Chief Risk Officer*

# Investment Highlights

| | |
|---|---|
| **Attractive Franchise** | • Established in 1868, with more than 150 years of commitment to local communities and businesses<br>• Operating with 68 branches across four states: Illinois, Missouri, Indiana, and Florida<br>• Experienced and proven management team<br>• Attractive and diverse business strategy with premier commercial bank, wealth management, and payment processing solutions for individuals and businesses |
| **Sound Growth Strategy** | • Drive organic growth through regional operating model with highly aligned commercial and wealth relationship focused strategies in key markets of operation<br>• Leverage track record as proven successful acquirer to expand through disciplined M&A |
| **High Quality Loan Portfolio** | • Strengths in commercial & industrial, commercial real estate, and residential real estate lending<br>• Highly diversified loan portfolio without material loan concentrations<br>• Strong asset quality and continued firm-wide commitment to upholding high standards of credit quality<br>• Reserves/NPLs of 416% and NPL/Loans of 0.38% (excludes PPP loans; as of 12/31/20) |
| **Strong Core Deposits** | • Attractive core deposit to total deposit ratio (98%) (1)<br>• Low cost of total deposits (22 bps) and cost of non-time deposits (7 bps) in Q4 2020 |
| **Strong Capital and Liquidity Position** | • GAAP and regulatory capital levels significantly in excess of well-capitalized requirements<br>• Remains substantially core deposit funded, with a low loan-to-deposit ratio<br>• High quality, short duration securities portfolio and asset sensitive balance sheet |
| **Diversified Revenue** | • Significant revenue derived from diverse and complimentary fee income sources<br>• Noninterest income/operating revenue of 29% MRQ and FY2020 |
| **Attractive Profitability and Returns** | • Core Pre-Provision Net Revenue ROAA 1.75% FY2020 and 1.80% Q4 2020(2)<br>• Core ROAA & ROATCE 1.06% and 12.47% FY2020 and 1.31% and 15.21% Q4 2020(2)<br>• Core Adjusted Efficiency Ratio for FY2020 is 53.02% and for 52.39% Q4 2020(2)<br>• 4Q20 Core diluted EPS $0.62(2) and quarterly dividend of $0.23 (4.03% yield)(3) |

(1) Core Deposits include non-brokered transaction accounts, money market deposit accounts, and time deposits of $250,000 or less
(2) Non-GAAP calculation, see Appendix (3) Based on BUSE closing stock price on January 21, 2021. Company announced dividend increase to $0.23 on January 13, 2021

# Protecting a Strong Balance Sheet

**Robust Capital Foundation**

- Capital ratios significantly in excess of well-capitalized minimums
- Regulatory capital relief on CECL implementation and PPP loans
- TCE/TA ratio of 9.03% at 12/31/20[1]
- Total RBC of 17.04% at 12/31/20
- TBV per share of $16.66 at 12/31/20[1], up 7.8% year-over-year

**Resilient Loan Portfolio**

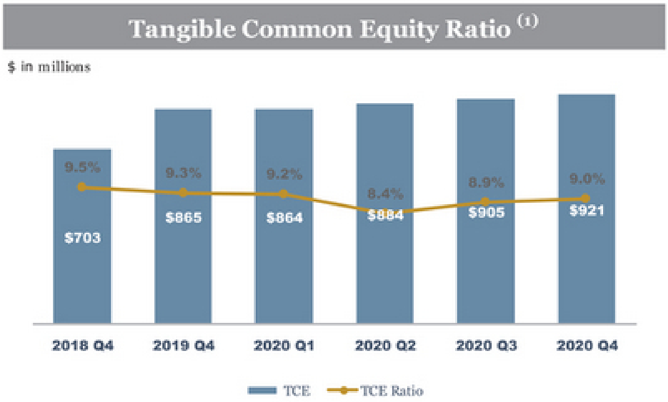
- Diversified portfolio, conservatively underwritten with low levels of concentration
- NPAs/Assets: 0.27%   Classified Assets/Capital: 8.5%
- Substantial reserve build under CECL → ACL/Loans: 1.59%[2]   ACL/NPLs: 415.82%
- Significant decline in commercial loans in active deferral/modification from 23.1% of total ex-PPP commercial loan portfolio at June 30, 2020 to 4.0% at January 15, 2021
- 100 / 300 Test: 41% C&D   221% CRE

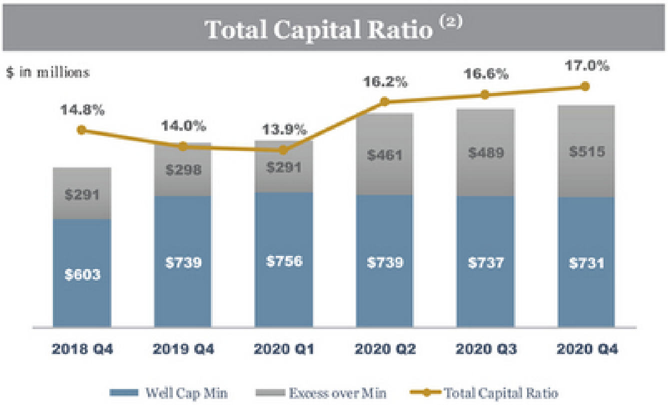
**Strong Core Deposit Franchise & Ample Liquidity**

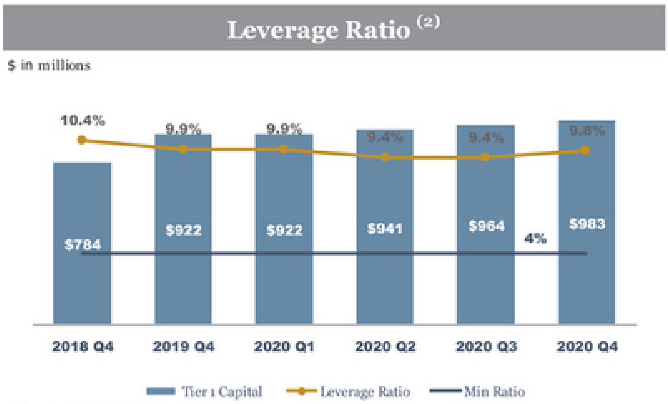
- Robust holding company and bank-level liquidity
- Strong core deposit franchise
  - 78.5% loan-to-deposit ratio, 97.7% core deposits [3]
- Borrowings accounted for approximately 3.3% of total funding at 12/31/20
- $3.0 billion in cash & securities (72% of securities portfolio unpledged)
- Substantial sources of off-balance sheet contingent funding ($3.2 billion)

(1) Non-GAAP calculation, see Appendix
(2) Excluding amortized cost of PPP loans
(3) Core Deposits include non-brokered transaction accounts, money market deposit accounts, and time deposits of $250,000 or less

# Robust Capital Foundation




## Consolidated Capital as of 12/31/2020 (2)

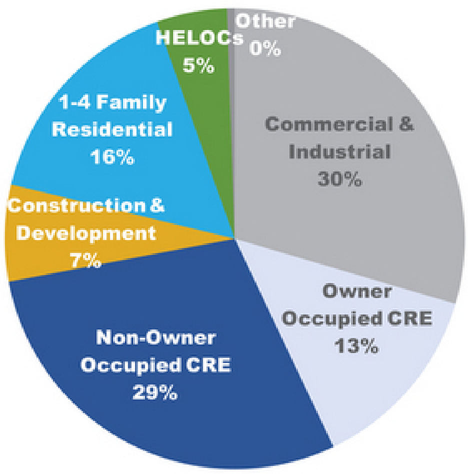
$ in millions

| | Total Capital Ratio | Tier 1 Capital Ratio | Common Equity Tier 1 Ratio |
|---|---|---|---|
| Current Ratio | 17.0% | 13.4% | 12.4% |
| Minimum Well Capitalized Ratio | 10.0% | 8.0% | 6.5% |
| Amount of Capital | $1,246 | $983 | $909 |
| Well Capitalized Minimum | $731 | $585 | $475 |
| Excess Amount over Well-Capitalized | $515 | $398 | $434 |

(1) Non-GAAP calculation, see Appendix
(2) 4Q20 Capital Ratios are preliminary estimates

# High Quality Loan Portfolio

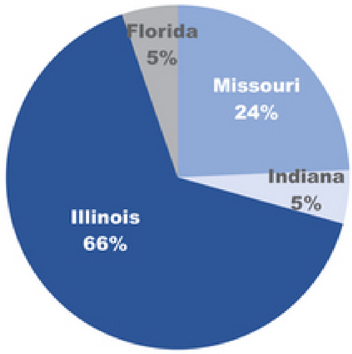
## Loan Portfolio Composition as of 12/31/2020



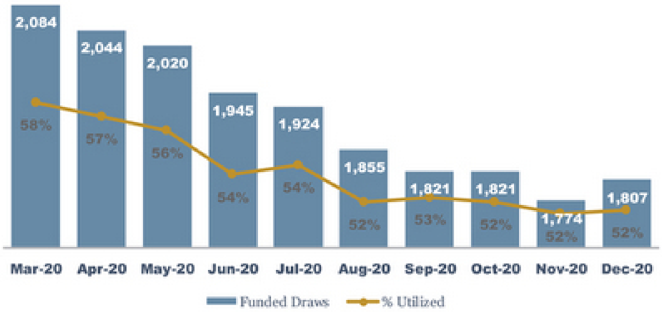

Total Loan Portfolio = $6.8 billion
MRQ Yield on Loans = 4.07%

Total Loan Portfolio (ex-PPP) = $6.4 billion
MRQ Yield on Loans (ex-PPP) = 3.87%

## Loan Portfolio Geographic Segmentation [(1)]




## Funded Draws & Line Utilization Rate [(2)]




(1) Based on loan origination
(2) Excludes Credit Card and Overdraft Protection

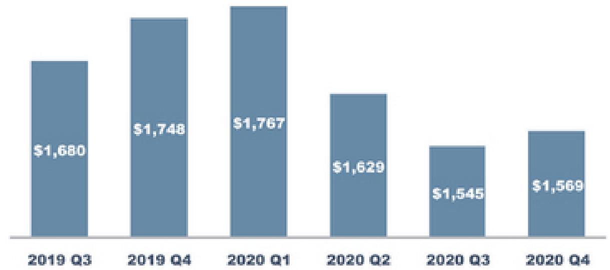
# High Quality Loan Portfolio: C&I

**C&I Portfolio Overview**

- 25% of total loan portfolio (ex-PPP loans)
- Diversified portfolio results in low levels of concentrated exposure
  - Top concentration in one industry (manufacturing) is 16%, or 4% of total loans
- Only 2.3% of loans are classified
- No material exposure to oil & gas
- Decrease in C&I loans outstanding from Q1 to Q4 driven by decreased line utilization

**Total C&I Loans (1)**

$ in millions




(1) (ex-PPP) loan totals include purchase accounting, FASB, overdrafts, etc.

**C&I Loans by Sector (ex-PPP)**

$ in thousands

| NAICS Sector | 12/31/20 Balances (ex-PPP) | % of Total Loans (ex-PPP) | 12/31/20 Classified Balances |
|---|---|---|---|
| Manufacturing | $259,367 | 4.1% | $11,816 |
| Finance and Insurance | $184,290 | 2.9% | $0 |
| Educational Services | $167,600 | 2.6% | $881 |
| Real Estate Rental & Leasing | $155,263 | 2.4% | $793 |
| Wholesale Trade | $152,812 | 2.4% | $925 |
| Agriculture, Forestry, Fishing and Hunting | $109,318 | 1.7% | $1,964 |
| Construction | $107,136 | 1.7% | $2,321 |
| Health Care and Social Assistance | $93,253 | 1.5% | $162 |
| Public Administration | $66,263 | 1.0% | $0 |
| Retail Trade | $64,492 | 1.0% | $918 |
| Food Services and Drinking Places | $42,501 | 0.7% | $1,186 |
| Transportation | $40,314 | 0.6% | $2,069 |
| Professional, Scientific, and Technical Services | $36,349 | 0.6% | $7,675 |
| Other Services (except Public Administration) | $28,366 | 0.4% | $71 |
| Administrative and Support Services | $17,518 | 0.3% | $3,560 |
| Arts, Entertainment, and Recreation | $12,585 | 0.2% | $2,086 |
| Information | $9,295 | 0.1% | $0 |
| Accommodation | $7,570 | 0.1% | $0 |
| Management of Companies and Enterprises | $7,054 | 0.1% | $0 |
| Waste Management Services | $2,403 | 0.0% | $0 |
| Mining, Quarrying, and Oil and Gas Extraction | $1,832 | 0.0% | $0 |
| Utilities | $1,677 | 0.0% | $0 |
| Warehousing and Storage | $980 | 0.0% | $0 |
| Other | $375 | 0.0% | $0 |
| **Grand Total** | **$1,568,611** | **24.6%** | **$36,426** |

# Loan Portfolio: Low Levels of Concentrated Exposure

$ in thousands

## Manufacturing Loans

| Subsector | 12/31/20 Balances (ex-PPP) | % of Total Loans (ex-PPP) | 1/15/21 Active Deferral Balances | 12/31/20 Classified Balances | % of Category Classified | 12/31/20 PPP Balances |
|---|---|---|---|---|---|---|
| Food Manufacturing | $57,565 | 0.9% | $0 | $1,477 | 2.6% | $4,289 |
| Transportation Equipment Manufacturing | $53,873 | 0.8% | $0 | $1,321 | 2.5% | $109 |
| Machinery Manufacturing | $51,048 | 0.8% | $0 | $216 | 0.4% | $5,880 |
| Miscellaneous Manufacturing | $38,071 | 0.6% | $0 | $0 | 0.0% | $3,271 |
| Fabricated Metal Product Manufacturing | $12,390 | 0.2% | $0 | $109 | 0.9% | $2,517 |
| Primary Metal Manufacturing | $9,649 | 0.2% | $0 | $0 | 0.0% | $1,723 |
| Printing and Related Support Activities | $8,311 | 0.1% | $0 | $0 | 0.0% | $4,297 |
| Nonmetallic Mineral Product Manufacturing | $5,683 | 0.1% | $0 | $0 | 0.0% | $536 |
| Electrical Equipment, Appliance, and Component | $5,296 | 0.1% | $0 | $0 | 0.0% | $59 |
| Beverage and Tobacco Product Manufacturing | $4,520 | 0.1% | $1,804 | $3,039 | 67.2% | $799 |
| Plastics and Rubber Products Manufacturing | $3,511 | 0.1% | $0 | $621 | 17.7% | $718 |
| Paper Manufacturing | $3,127 | 0.0% | $0 | $2,619 | 83.8% | $891 |
| Computer and Electronic Product Manufacturing | $2,378 | 0.0% | $0 | $2,360 | 99.3% | $539 |
| Textile Product Mills | $1,407 | 0.0% | $0 | $0 | 0.0% | $1,340 |
| Furniture and Related Product Manufacturing | $1,148 | 0.0% | $0 | $53 | 4.6% | $610 |
| Chemical Manufacturing | $599 | 0.0% | $0 | $0 | 0.0% | $455 |
| Wood Product Manufacturing | $535 | 0.0% | $0 | $0 | 0.0% | $1,124 |
| Apparel Manufacturing | $244 | 0.0% | $0 | $0 | 0.0% | $399 |
| Textile Mills | $10 | 0.0% | $0 | $0 | 0.0% | $0 |
| Petroleum and Coal Products Manufacturing | $0 | 0.0% | $0 | $0 | 0.0% | $63 |
| Leather and Allied Product Manufacturing | $0 | 0.0% | $0 | $0 | 0.0% | $71 |
| Grand Total | $259,367 | 4.1% | $1,804 | $11,816 | 4.6% | $29,689 |

**Total Manufacturing Loans: $259 Million or 4.1% of Loan Portfolio (ex-PPP loans)**

**4.6% Classified Loans**

**Diversified exposure across 21 industry subsectors results in no single level of high concentration**

**No subsector accounts for more than 1% of the total portfolio**

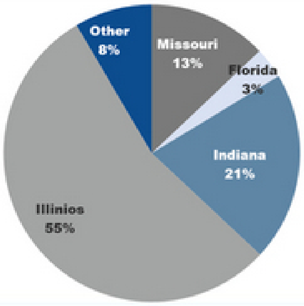
# High Quality Loan Portfolio: CRE

$ in thousands

## Owner Occupied CRE Loans by Industry

| Property Type | 12/31/20 Balances (ex-PPP) | % of Total Loans (ex-PPP) | 12/31/20 Classified Balances |
|---|---|---|---|
| Industrial/Warehouse | $294,969 | 4.6% | $10,108 |
| Specialty CRE | $246,703 | 3.9% | $7,676 |
| Office CRE | $204,729 | 3.2% | $952 |
| Retail CRE | $74,591 | 1.2% | $845 |
| Restaurant CRE | $68,400 | 1.1% | $3,937 |
| Apartments | $6,728 | 0.1% | $0 |
| Continuing Care | $3,824 | 0.1% | $0 |
| Nursing Homes | $2,085 | 0.0% | $0 |
| Hotel | $1,387 | 0.0% | $0 |
| Student Housing | $112 | 0.0% | $0 |
| Other CRE | $8,259 | 0.1% | $10 |
| **Grand Total** | $911,787 | 14.3% | $23,528 |

## Multifamily - Apartments & Student Housing by State




- **61.3% Weighted Avg. LTV**
- **$26.7MM as of 1/15/21 in active deferrals, representing 3.3% of the category balance**
- **62.1% are long-term Busey customers (4+ yrs)**
- **0.8% Classified Loans in Segment**

## Investor Owned CRE Loans by Industry (1)

| Property Type | 12/31/20 Balances (ex-PPP) | % of Total Loans (ex-PPP) | 12/31/20 Classified Balances |
|---|---|---|---|
| Retail CRE | $493,185 | 7.7% | $511 |
| Apartments | $467,316 | 7.3% | $1,636 |
| Student Housing | $337,028 | 5.3% | $4,458 |
| Office CRE | $294,091 | 4.6% | $2,511 |
| Industrial/Warehouse | $206,387 | 3.2% | $121 |
| Hotel | $170,541 | 2.7% | $0 |
| Senior Housing | $137,727 | 2.2% | $0 |
| Land Acquisition & Dev. | $94,069 | 1.5% | $2,400 |
| Specialty CRE | $77,580 | 1.2% | $55 |
| Nursing Homes | $66,181 | 1.0% | $5,594 |
| Restaurant CRE | $33,688 | 0.5% | $1,906 |
| 1-4 Family | $27,689 | 0.4% | $1 |
| Continuing Care Facilities | $14,685 | 0.2% | $0 |
| Other CRE | $6,536 | 0.1% | $225 |
| **Grand Total** | $2,426,702 | 38.1% | $19,419 |

(1) Investor owned CRE includes C&D, Multi-family and non-owner occupied CRE

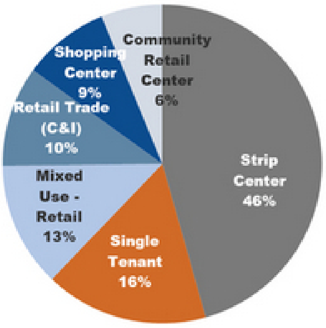
### CRE Portfolio Overview

- 52% of total loan portfolio
- 27% of CRE loans are owner-occupied
- Only 1.3% of total CRE loans and 0.8% of non-owner occupied CRE loans are classified
- Low Levels of Concentrated Exposure
  - Retail CRE top concentration at 17% of total CRE portfolio

# Loan Portfolio: Low Levels of Concentrated Exposure

$ in thousands

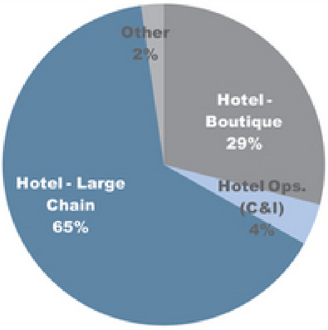
## Retail Trade & Retail CRE Loans




| Retail Flag | 12/31/20 Balances (ex-PPP) | % of Total Loans (ex-PPP) | 1/15/21 Active Deferral Balances | Weighted Avg LTV | % of Classified Loans in Segment | 12/31/20 PPP Balances |
|---|---|---|---|---|---|---|
| Strip Center | $288,408 | 4.5% | $3,884 | 67.1% | 0.1% | $0 |
| Single Tenant | $104,497 | 1.6% | $115 | 54.4% | 0.8% | $0 |
| Mixed Use - Retail | $80,113 | 1.3% | $0 | 58.9% | 0.1% | $0 |
| Retail Trade (C&I) | $64,492 | 1.0% | $0 | | 1.4% | $25,780 |
| Shopping Center | $55,595 | 0.9% | $7,035 | 46.0% | 0.0% | $0 |
| Community Retail Center | $39,163 | 0.6% | $0 | 49.9% | 0.0% | $0 |
| Grand Total | $632,267 | 9.9% | $11,034 | 60.2% | 0.4% | $25,780 |

**Total Retail Loans: $632 million or 9.9% of Loan Portfolio**

## Traveler Accommodation Loans



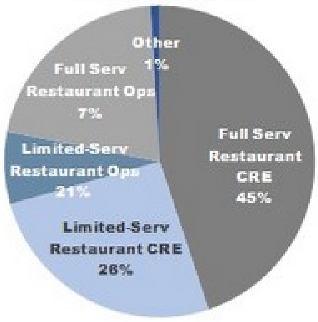

| Subsector | 12/31/20 Balances (ex-PPP) | % of Total Loans (ex-PPP) | 1/15/21 Active Deferral Balances | Weighted Avg LTV | % of Classified Loans in Segment | 12/31/20 PPP Balances |
|---|---|---|---|---|---|---|
| Hotel - Full Service Large Chain | $59,117 | 0.9% | $12,208 | 61.4% | 0.0% | $0 |
| Hotel - Limited Service Large Chain | $56,751 | 0.9% | $21,191 | 63.2% | 0.0% | $0 |
| Hotel - Full Service Boutique | $41,775 | 0.7% | $30,945 | 65.7% | 0.0% | $0 |
| Hotel - Limited Service Boutique | $10,247 | 0.2% | $0 | 54.6% | 0.0% | $0 |
| Hotel Operations (C&I) | $7,510 | 0.1% | $0 | | 0.0% | $3,070 |
| Mixed Use - Hotel/Motel | $3,848 | 0.1% | $0 | 45.7% | 0.0% | $0 |
| Motel CRE | $189 | 0.0% | $0 | 28.2% | 0.0% | $0 |
| Other Accommodation Loans | $60 | 0.0% | $0 | | 0.0% | $66 |
| Grand Total | $179,498 | 2.8% | $64,344 | 62.3% | 0.0% | $3,136 |

**Total Traveler Accommodation Loans: $179 Million or 2.8% of Loan Portfolio**

# Loan Portfolio: Low Levels of Concentrated Exposure

$ in thousands

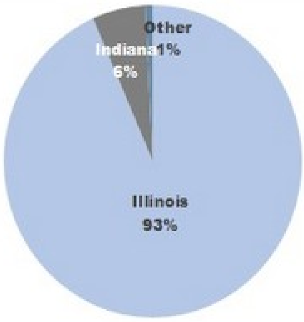
## Food Services Loans




| Food Services | 12/31/20 Balances (ex-PPP) | % of Total Loans (ex-PPP) | 1/15/21 Active Deferral Balances | Weighted Avg LTV | % of Classified Loans in Segment | 12/31/20 PPP Balances |
|---|---|---|---|---|---|---|
| Full-Service Restaurant CRE | $64,947 | 1.0% | $15,799 | 60.5% | 9.0% | $0 |
| Limited-Service Restaurant CRE | $37,140 | 0.6% | $19 | 72.8% | 0.0% | $0 |
| Limited-Service Restaurant Operations | $30,363 | 0.5% | $1,347 | | 0.0% | $7,034 |
| Full-Service Restaurant Operations | $10,806 | 0.2% | $6,211 | | 10.8% | $19,163 |
| Drinking Place Operations | $1,040 | 0.0% | $80 | | 0.0% | $931 |
| Other Food Services | $291 | 0.0% | $25 | | 0.0% | $1,126 |
| Grand Total | $144,589 | 2.3% | $23,482 | 64.9% | 4.9% | $28,254 |

**Total Food Services Loans: $145 Million or 2.3% of Loan Portfolio**

## Agriculture Loans




| Geographic Location by State | 12/31/20 Balances (ex-PPP) | % of Total Loans (ex-PPP) | 1/15/21 Active Deferral Balances | Farmland WAVG LTV | % of Classified Loans in Segment | % of Long-Term Customers (4+ Yrs) |
|---|---|---|---|---|---|---|
| Illinois | $77,638 | 1.2% | $0 | 42.0% | 0.8% | 84.6% |
| Indiana | $2,168 | 0.0% | $0 | 46.3% | 0.0% | 100.0% |
| Other State | $736 | 0.0% | $0 | 36.3% | 0.0% | 100.0% |
| Missouri | $302 | 0.0% | $0 | 40.3% | 0.0% | 100.0% |
| Total Farmland | $80,844 | 1.3% | $0 | 42.2% | 0.7% | 85.3% |
| Illinois | $44,028 | 0.7% | $0 | | 3.1% | 91.4% |
| Indiana | $5,349 | 0.1% | $0 | | 0.0% | 100.0% |
| Total Farm Operating Line | $49,376 | 0.8% | $0 | | 2.8% | 91.6% |
| Grand Total | $130,220 | 2.0% | $0 | | 1.5% | 87.5% |

**Total Agriculture Loans: $130 Million or 2.0% of Loan Portfolio**

# Update on COVID –Related Deferral & Modification Trends

## Commercial and Small Business Clients

- Busey announced on March 26 a six-month modification program, including up to two 90-day deferrals of payments or interest only payment options. This program expired on September 30 and all deferrals granted from this original opt-in program are no longer active
- While our formal program expired, Busey continues to offer support to customers clearly impacted by COVID-19 with deferrals approved after September 30 on a special request basis
- Deferrals have declined in the current outstanding commercial book from 23.4% to 4.0% as of 1/15/21

| *Commercial Payment Relief Program* | 1/15/21 # of Loans | 1/15/21 $ Net Balances | % of All Deferral Balances | *% of Total Net* |
|---|---|---|---|---|
| **Total Commercial Loans:** $ in thousands | 7,668 | $5,055,499 | | |
| **Loans with deferrals granted after 9/30/20** | | | | |
| *Loans with aggregate deferral period exceeding 6 months* | | | | |
| Active Full Pmt Deferrals (ex-SBA loans) | 16 | $22,993 | 2.0% | |
| Active I/O Deferrals | 11 | $61,545 | 5.2% | |
| Blended (P&I and I/O) Deferrals | 27 | $83,311 | 7.1% | |
| SBA Loans with additional 90-Day Full Pmt Deferrals granted by Busey | 8 | $1,837 | 0.2% | |
| *Total* | **62** | **$169,686** | 14.4% | *3.4%* |
| *Loans with aggregate deferral period less than 6 months* | | | | |
| Active Full Pmt Deferrals | 9 | $7,954 | 0.7% | |
| Active I/O Deferrals | 9 | $23,349 | 2.0% | |
| Blended (P&I and I/O) Deferrals | 5 | $2,889 | 0.2% | |
| *Total* | **23** | **$34,193** | 2.9% | *0.7%* |
| ***Total Active Deferral Loans*** | **85** | **$203,879** | **17.2%** | *4.0%* |
| **Expired pmt relief, pmt not yet received** | **5** | **$1,036** | **0.1%** | *0.0%* |
| **Exited Payment Relief Program** | **993** | **$977,056** | **82.7%** | *19.3%* |
| Loans currently in the Payment Relief Program (A) | 85 | $203,879 | | |
| Loans no longer in deferral (B + C) | 998 | $978,091 | | |
| ***Total commercial loans granted deferrals (A+B+C):*** | **1,083** | **$1,181,970** | | *23.4%* |

# Update on COVID –Related Deferral & Modification Trends

$ in thousands

| Active Commercial Deferrals by Sectors | | | | | |
|---|---|---|---|---|---|
| Property/Industry | 12/31/20 Balances (ex-PPP) | % of Total Loans (ex-PPP) | Classified Loan Balances | 1/15/21 Active Deferral Balances | % of Segment in Active Deferral |
| Hotel CRE | $171,928 | 2.7% | $0 | $64,344 | 37.4% |
| Specialty CRE | $350,971 | 5.5% | $7,731 | $25,828 | 7.4% |
| Senior Housing | $137,727 | 2.2% | $0 | $25,389 | 18.4% |
| Student Housing | $337,140 | 5.3% | $4,458 | $23,283 | 6.9% |
| Restaurant CRE | $102,088 | 1.6% | $5,843 | $15,818 | 15.5% |
| Retail CRE | $567,776 | 8.9% | $1,356 | $11,034 | 1.9% |
| Industrial/Warehouse | $501,356 | 7.9% | $10,230 | $10,124 | 2.0% |
| Office CRE | $500,553 | 7.9% | $3,463 | $9,965 | 2.0% |
| Food Services and Drinking Places | $42,501 | 0.7% | $1,186 | $7,664 | 18.0% |
| Apartments | $474,431 | 7.5% | $1,636 | $3,429 | 0.7% |
| Arts, Entertainment, and Recreation | $12,585 | 0.2% | $2,086 | $2,469 | 19.6% |
| Manufacturing | $259,367 | 4.1% | $11,816 | $1,804 | 0.7% |
| Health Care and Social Assistance | $93,253 | 1.5% | $162 | $1,641 | 1.8% |
| Land Acquisition & Dev. | $94,069 | 1.5% | $2,400 | $500 | 0.5% |
| Wholesale Trade | $152,812 | 2.4% | $925 | $264 | 0.2% |
| Administrative and Support Services | $17,518 | 0.3% | $3,560 | $160 | 0.9% |
| Other CRE | $44,128 | 0.7% | $1,441 | $72 | 0.2% |
| Real Estate Rental & Leasing | $155,263 | 2.4% | $793 | $53 | 0.0% |
| 1-4 Family | $219,369 | 3.4% | $2,149 | $38 | 0.0% |
| Grand Total | | | | $203,879 | |

# Update on COVID –Related Deferral & Modification Trends

## Personal Loan and Mortgage Customers

### *Retail Payment Relief Program*

| $ in thousands | 1/15/21 # of Loans | 1/15/21 $ Balances | % of All Deferral Balances | *% of Total Balances* |
|---|---|---|---|---|
| **Total Consumer Portfolio Loans (1)** | 20,801 | $1,162,108 | | |
| **A *Total Active Deferral Loans*** | **345** | **$47,150** | **39.5%** | *4.1%* |
| **B Exited Payment Relief Program** | **532** | **$72,073** | **60.5%** | *6.2%* |
| *Total loans outstanding that received a deferral (A+B):* | **877** | **$119,223** | | *10.3%* |

| ***Retail Active Deferrals Timeline (1):*** | **# of Loans** | **$ Balances** |
|---|---|---|
| Active Deferrals at 6/30/20 | 892 | $124,901 |
| Active Deferrals at 9/30/20 | 559 | $81,922 |
| Active Deferrals at 12/31/20 | 351 | $47,671 |
| Active Deferrals at 1/15/21 | 345 | $47,150 |

(1) *Table does not include GSE servicing-retained loans or purchased HELOC pool*

# Participating in the CARES Act Paycheck Protection Program

## Small Business Applications & Loan Funding

- As part of the CARES Act, Congress appropriated approximately $349 billion for the creation of the Paycheck Protection Program (PPP) as well as approving on April 24, 2020 an additional $310 billion for the PPP
- Busey was a bridge for this program and actively helped its customers sign up for this important financial resource
- On December 27, 2020, the Economic Aid Act became law extending the authority to make Paycheck Protection Program loans through March 31, 3021. The Act allocates $284 billion to fund this third round of PPP. We are actively assisting customers under the extended PPP programs

## Summary Impact

- $749.4 million PPP loans originated as part of the CARES Act
- 4,569 total loans processed
- Over 85,000 jobs impacted
- $451.5 million PPP loans outstanding as of 12/31/2020 (see table for detail)
- $287.8 million of borrow forgiveness funds received from SBA during 4Q20
- Additional $167.4 million submitted to SBA pending forgiveness receipt at 12/31/2020
- Generated fees of approximately $25.4 million in 2020
  - Recognized $7.9 million fees net of deferred costs during Q4 2020, $4.2 million during Q3 2020, and $3.0 million during Q2 2020
  - $6.6 million deferred fees and $1.5 million deferred costs remaining as of 12/31/2020

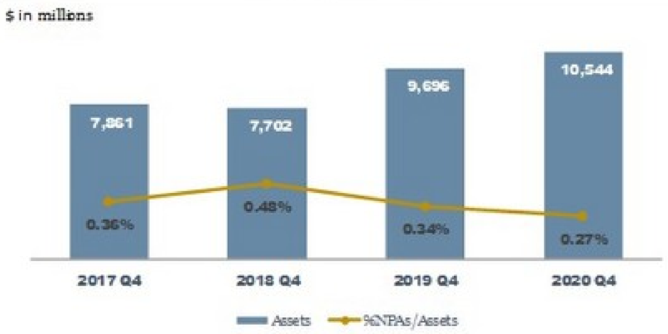
| Industry $ in thousands | PPP Balances | # of PPP Loans | Average Loan Size |
|---|---|---|---|
| Construction | $96,682 | 341 | $284 |
| Health Care and Social Assistance | $71,349 | 330 | $216 |
| Professional, Scientific, and Technical Services | $34,594 | 288 | $120 |
| Wholesale Trade | $31,933 | 110 | $290 |
| Manufacturing | $29,689 | 160 | $186 |
| Food Services and Drinking Places | $28,254 | 274 | $103 |
| Other Services (except Public Administration) | $27,091 | 352 | $77 |
| Retail Trade | $25,780 | 228 | $113 |
| Real Estate Rental & Leasing | $23,919 | 203 | $118 |
| Transportation | $17,972 | 83 | $217 |
| Finance and Insurance | $16,978 | 133 | $128 |
| Administrative and Support Services | $16,060 | 99 | $162 |
| Educational Services | $8,568 | 49 | $175 |
| Arts, Entertainment, and Recreation | $6,188 | 90 | $69 |
| Information | $4,129 | 16 | $258 |
| Accommodation | $3,136 | 29 | $108 |
| Other | $2,870 | 36 | $80 |
| Public Administration | $2,066 | 7 | $295 |
| Agriculture, Forestry, Fishing and Hunting | $1,958 | 75 | $26 |
| Warehousing and Storage | $878 | 3 | $293 |
| Waste Management Services | $578 | 7 | $83 |
| Management of Companies and Enterprises | $545 | 5 | $109 |
| Mining, Quarrying, and Oil and Gas Extraction | $271 | 3 | $90 |
| Utilities | $18 | 1 | $18 |
| Grand Total | $451,507 | 2,922 | $155 |

# Navigating Credit Cycle from Position of Strength

**Overview**

- Conservative underwriting and strong asset quality allowed the Company to enter the economic downturn well-prepared
- Non-performing asset and classified asset ratios have declined to multi-year lows
- Net charge-off experience has remained stable in range of 0.11% to 0.13% over the last three years
- Adoption of CECL and subsequent provisioning has significantly bolstered reserve levels

## NPAs / Assets

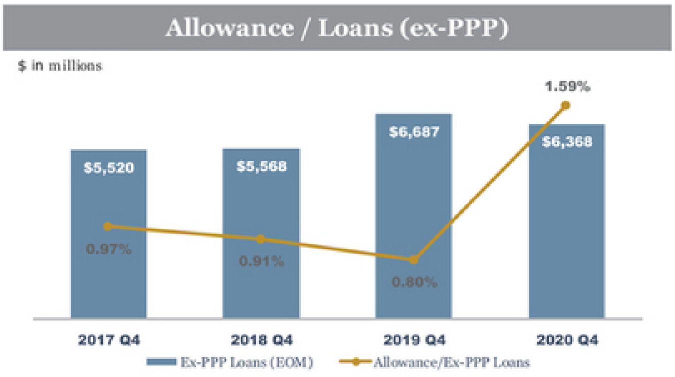


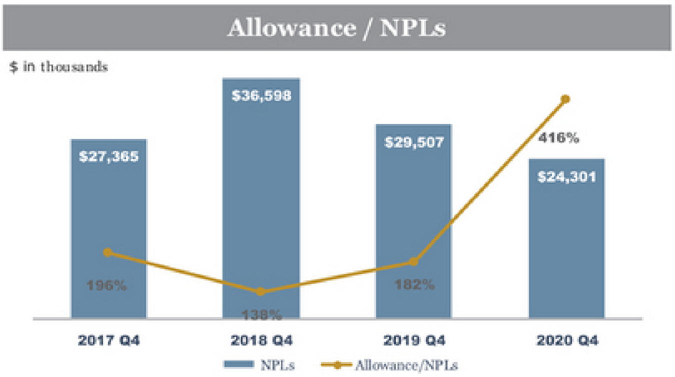

## Classifieds / Capital (1)

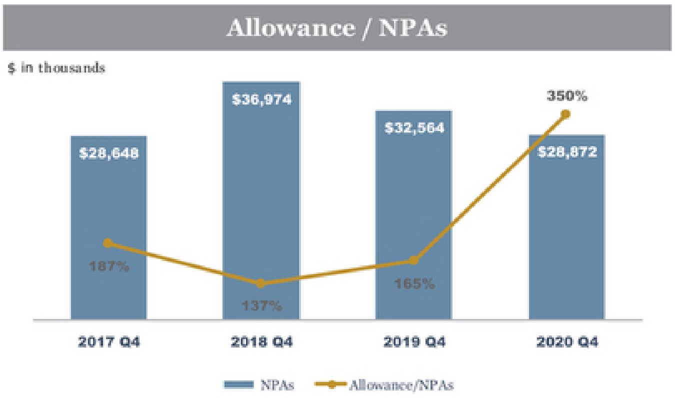

## NCOs / Average Loans

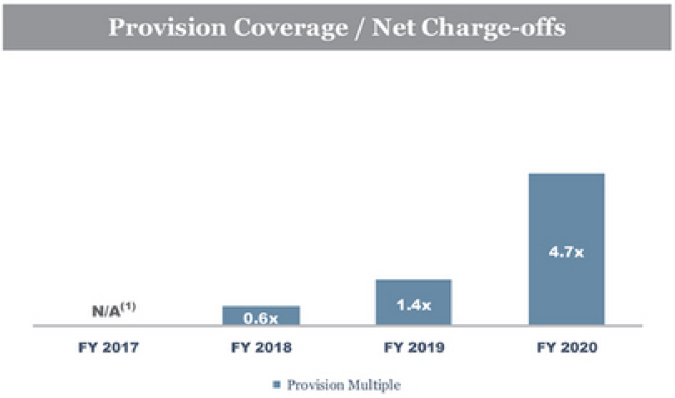

(1) Capital calculated as Busey Bank Tier 1 Capital + Allowance for credit losses

# Adoption of CECL Fortifies Loan Loss Reserves



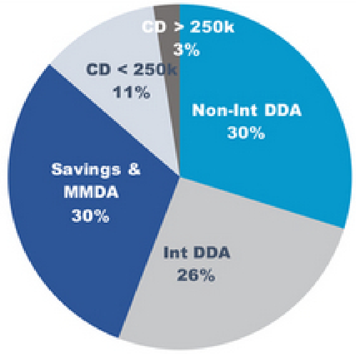




(1) 4Q17 provision expense was $5.303 million and net recoveries were $0.484 million

# Ample Sources of Liquidity

## 2020 Q4 Average Deposit Composition

$ in millions




**2020 Q4 Average Cost of Deposits = 0.22%**
**2020 Q4 Average Cost of Non-Time Deposits = 0.07%**

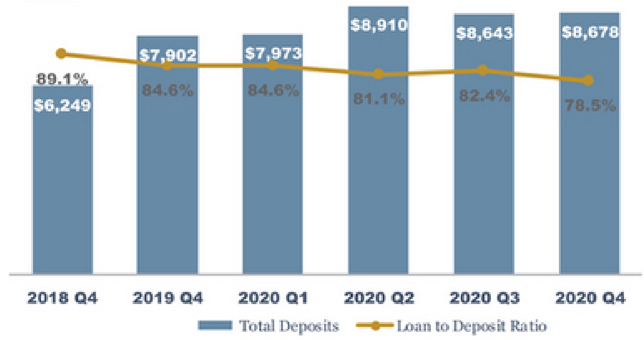
## Contingency Liquidity as of 12/31/20

$ in millions

| | |
|---|---|
| Unpledged Securities | $1,606 |
| Available FHLB | $1,337 |
| FRB Discount | $505 |
| Fed Funds Lines | $467 |
| Brokered Availability (10% deposits) | $860 |
| Total | $4,775 |

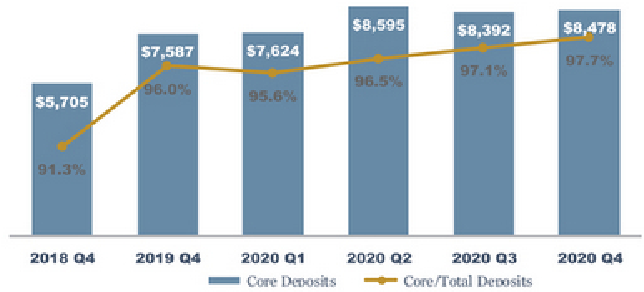
## Total Deposits & Loan to Deposit Ratio

$ in millions




## Core Deposits(1) / Total Deposits

$ in millions




(1) Core Deposits include non-brokered transaction accounts, money market deposit accounts, and time deposits of $250,000 or less

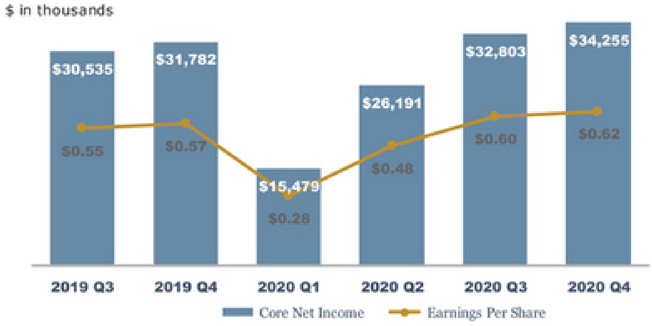
# Quarterly Earnings Review

| | |
|---|---|
| **Net-Interest Income** | • Net Interest Income increased 4.6% from \$69.8 million in Q3 to \$72.9 million in Q4<br>  ◦ Loan interest income and fees (net of deferred costs) attributable to PPP increased to \$9.5 million in 4Q20 from \$6.1 million in 3Q20<br>• Net Interest Margin increased 20 bps vs Q3 from 2.86% to 3.06% in Q4<br>  ◦ PPP loan forgiveness and associated recognition of deferred fees net of deferred cost contributed 21 bps to NIM<br>  ◦ Core ex-PPP and ex-accretion loan yield declined 5 bps from 3.78% to 3.73% offset by 5 bps improvement in funding costs<br>  ◦ Accretion income accounted for 10 bps of NIM in Q4, down from 11bps in Q3 |
| **Non-Interest Income** | • Non-interest income of \$30.5 million in Q4, equated to 29.5% of operating revenue<br>• Wealth Management fees rose to \$10.6 million in 4Q20 with assets under management up 7.6% to \$10.2 billion at quarter-end<br>• Fees for customer services were \$8.2 million in Q4, an increase from \$8.0 million in Q3<br>• Mortgage revenue declined to \$3.2 million in 4Q20 from \$5.8 million in 3Q20 |
| **Non-Interest Expense** | • Core non-interest expenses [1] (excluding one-time acquisition and restructuring related items) of \$56.5 million in 4Q20<br>• Core adjusted non-interest expenses (excluding intangible amortization, unfunded commitment provision and one-time items) of \$54.1 million in 4Q20, equating to 52.4% core adjusted efficiency ratio[1]<br>• \$5.1 million decrease in quarterly run rate of core adjusted expenses[1] since 4Q19 implies 8.6% reduction in core expense base<br>• Amortization expense associated with tax credits increased core non-interest expenses \$1.1 million quarter over quarter. These expenses are offset dollar for dollar in the income tax expense line |
| **Provision** | • Provision expense of \$3.1 million in Q4 compared to \$5.5 million in Q3<br>  ◦ Net charge-offs totaled \$0.9 million in Q4 compared to \$2.8 million in Q3 |
| **Earnings** | • Core, adjusted pre-provision net revenue of \$47.2 million (1.80% PPNR ROAA) [1]<br>• Core net income of \$34.3 million or \$0.62 per diluted share [1]<br>• 1.31% Core ROAA and 15.2% Core ROATCE [1] |

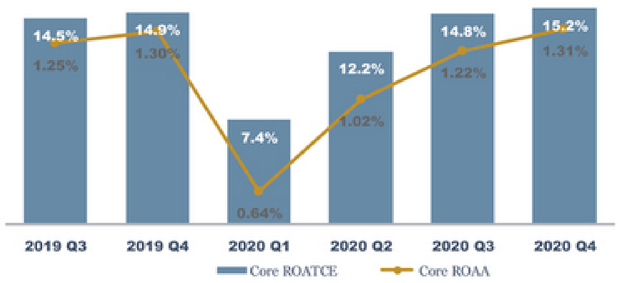
(1) Non-GAAP calculation, see Appendix

# Core Earnings Power

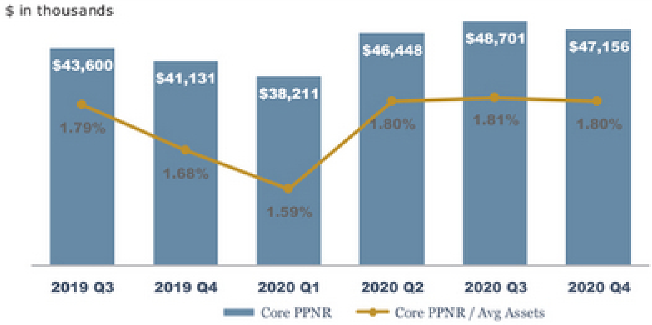
## Core Net Income & Earnings Per Share [1]



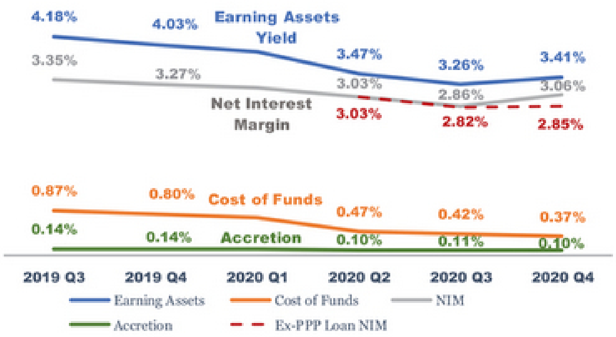

## Core ROAA & ROATCE [1]




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



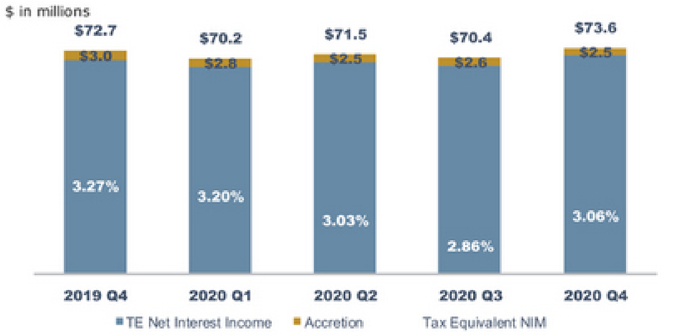

## Net Interest Margin



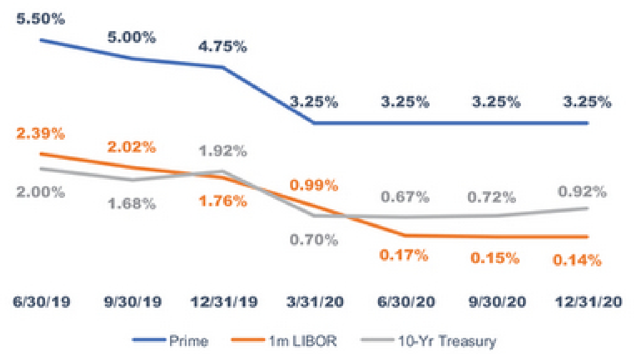

(1) Non-GAAP calculation, see Appendix

# Net Interest Margin

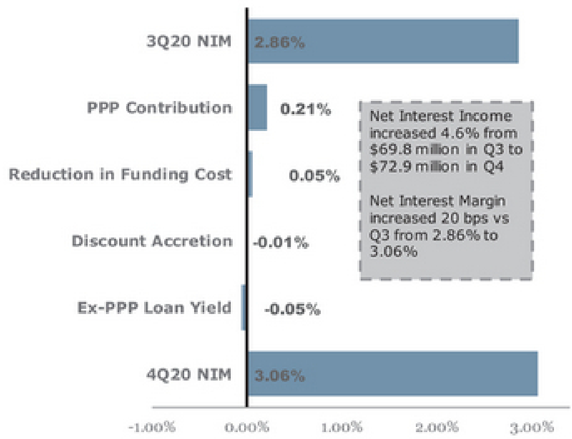
## Net Interest Income & Net Interest Margin




## Historical Key Rates




## Net Interest Margin Bridge




- PPP contribution driven by $288 million of SBA forgiveness resulting in acceleration of net fee accretion recognition
- Leveraging our core deposit dominated funding base to drive down funding costs further in the 4Q

# Diversified and Significant Sources of Fee Income

**Overview**

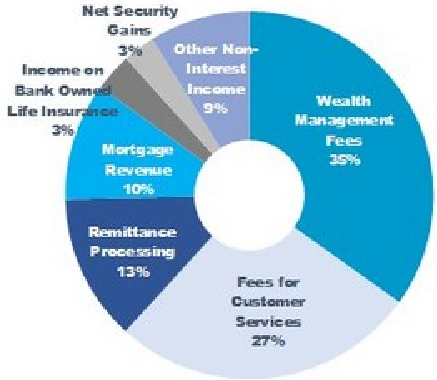
- Resilient, varied and complimentary sources of fee income provide revenue diversification with heightened value amidst cycle of margin compression
- Fee income represented 29.5% of operating revenue in 4Q20 and 29.5% FY 2020
- Key businesses of wealth management and payment processing contributed 48% of fee income in 4Q20
- Q-o-Q decline in non-interest income primarily attributable to $2.6 million decline in mortgage revenue

**Non-Interest Income / Total Revenue**

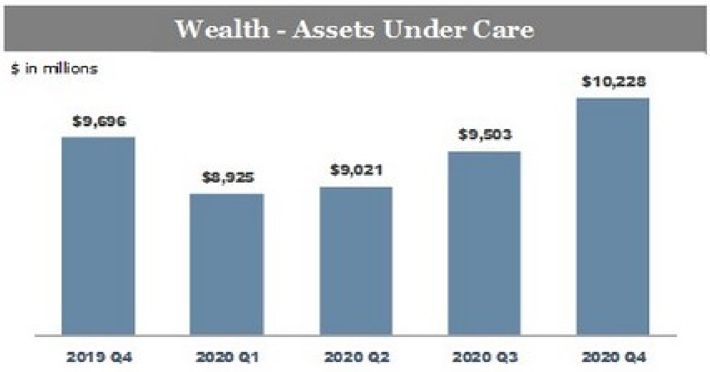

**Sources of Non-Interest Income**

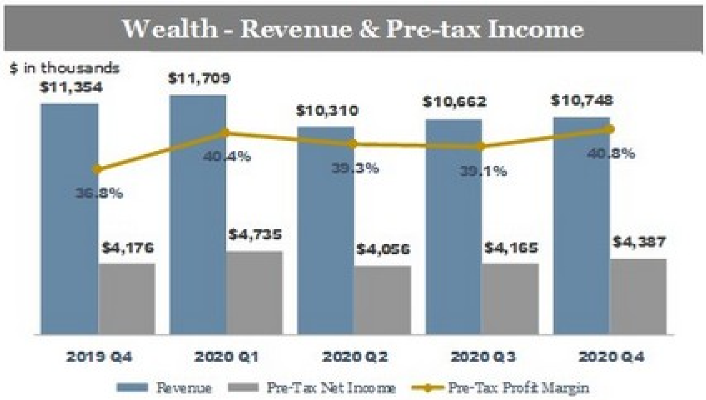
$ in thousands

| Non-Interest Income Details | 2020 Q4 |
|---|---|
| Wealth Management Fees | $10,632 |
| Fees for Customer Services | $8,204 |
| Remittance Processing | $3,930 |
| Mortgage Revenue | $3,159 |
| Income on Bank Owned Life Insurance | $1,019 |
| Net Security Gains | $855 |
| Other Non-Interest Income | $2,700 |
| **Total Non-Interest Income** | **$30,499** |



# Resilient Wealth Management Platform




**Overview**

- Provides a full range of asset management, investment and fiduciary services to individuals, businesses and foundations, tax preparation, philanthropic advisory services and farm and brokerage services

**Q4 2020 Summary**

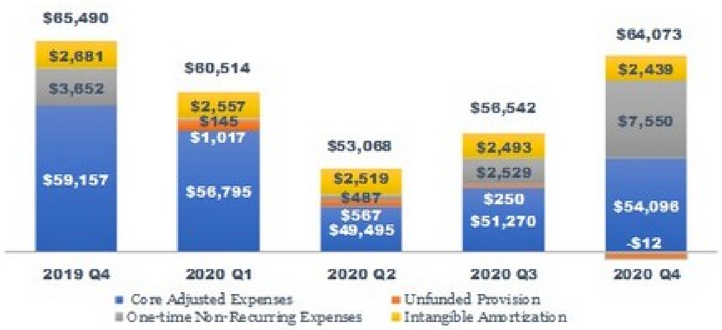
- Assets under care (AUC) eclipsed $10 billion for the first time in the company's history and increased to $10.2 billion in 4Q20, a 7.6% increase over 3Q20 and 5.5% over the previous quarterly high in 4Q19
- Wealth revenue of $10.7 million in 4Q20, and $43.4 million for FY2020
- Wealth pre-tax net income of $4.4 million in 4Q20, and $17.3 million for FY2020
- Pre-tax profit margin of 40.8% in Q420 compares to 39.9% for FY2020
- Strong quarter for new assets funded, with $152 million during 4Q20 and $564 million for the year

**Acquisition**

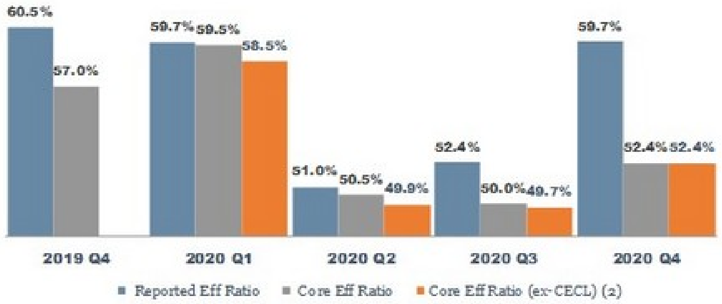
- Announced acquisition of Glenview State Bank would add nearly $1.1 billion in AUC upon completion

# Focused Control on Expenses Driving Efficiency Gains

## Non-Interest Expense




## Efficiency Ratio [(1)]




- The Company's efforts to reduce core expenses have driven efficiency gains despite the margin compression experienced
- Core adjusted expenses[(1)] of $54.1 million in 4Q20 excluding amortization, acquisition / restructuring related charges
- $5.1 million decrease in quarterly run rate of core adjusted expenses[(1)] since 4Q19 implies 8.6% reduction in core expense base
- An increase of New Market Tax Credit amortization of $1.1 million which reduces income taxes
- Professional fee increases of $1.2 million Q-o-Q, with $0.3 million attributable to non-core expenses

(1) Non-GAAP calculation, see Appendix (2) Core Efficiency Ratio (ex-CECL) Non-GAAP less provision for unfunded commitments

# Focused Control on Expenses Driving Efficiency Gains

**Recap of Recently Completed Bank Efficiency Initiatives**

- In accordance with the Company's previously announced plans, 12 banking centers were closed on October 23, 2020, as part of the Company's efforts to ensure a balance between its physical banking center network and robust digital banking services while also optimizing operating efficiency
- When fully realized, annualized expense savings net of expected associated revenue impacts are anticipated to be approximately $3.3 million. A significant majority of these cost savings began to be realized in the fourth quarter of 2020
- Non-operating pretax expenses(1) in salaries, wages and employee benefits in relation to the banking center closings were $0.6 million during the third quarter of 2020 and $0.1 million in the fourth quarter of 2020

**Full-Time Equivalents (FTE)**


- Fixed asset impairment of $6.7 million was recorded during the fourth quarter of 2020 related to these banking centers
- Operating model reorganization executed in Q3 2020 anticipated annualized pre-tax non-interest expense savings of approximately $3.6 million, with approximately $1.6 million impacting 2020. Non-operating pre-tax expenses(1) in relation to the reorganization were $1.4 million in Q3 2020

- Headcount reduced 15.6% from 3Q19 to 4Q20

(1) Non-GAAP calculation, see Appendix

# APPENDIX

# Use of Non-GAAP Financial Measures

*($ in thousands)*
*(Unaudited results)*

| | Three Months Ended | | | | |
|---|---|---|---|---|---|
| | December 31, 2020 | September 30, 2020 | June 30, 2020 | March 31, 2020 | December 31, 2019 |
| Net interest income | $ 72,936 | $ 69,753 | $ 70,813 | $ 69,433 | $ 71,936 |
| Non-interest income | 30,499 | 32,285 | 27,964 | 27,517 | 31,638 |
| Less securities (gains) and losses, net | (855) | 426 | (315) | (587) | (605) |
| Non-interest expense | (64,073) | (56,542) | (53,068) | (60,514) | (65,490) |
| Pre-provision net revenue | $ 38,507 | $ 45,922 | $ 45,394 | $ 35,849 | $ 37,479 |
| Acquisition and other restructuring expenses | 7,550 | 2,529 | 487 | 145 | 3,652 |
| Provision for unfunded commitments | (12) | 250 | 567 | 1,017 | — |
| New Market Tax Credit amortization | 1,111 | — | — | 1,200 | — |
| **Adjusted:** pre-provision net revenue | $ 47,156 | $ 48,701 | $ 46,448 | $ 38,211 | $ 41,131 |
| **Average total assets** | $ 10,419,364 | $ 10,680,995 | $ 10,374,820 | $ 9,688,177 | $ 9,713,858 |
| **Reported**: Pre-provision net revenue to average assets(1) | 1.47 % | 1.71 % | 1.76 % | 1.49 % | 1.53 % |
| **Adjusted**: Pre-provision net revenue to average assets(1) | 1.80 % | 1.81 % | 1.80 % | 1.59 % | 1.68 % |

| | Three Months Ended | | | | |
|---|---|---|---|---|---|
| | December 31, 2020 | September 30, 2020 | June 30, 2020 | March 31, 2020 | December 31, 2019 |
| Net income | $ 28,345 | $ 30,829 | $ 25,806 | $ 15,364 | $ 28,571 |
| Acquisition expenses | | | | | |
| Salaries, wages, and employee benefits | — | — | — | — | 367 |
| Data processing | 56 | — | — | — | 1,017 |
| Lease or fixed asset impairment | 245 | 234 | — | — | 165 |
| Professional fees and other | 479 | 99 | 141 | 145 | 879 |
| Other restructuring costs | | | | | |
| Salaries, wages, and employee benefits | 113 | 2,011 | 346 | — | 38 |
| Data processing | — | — | — | — | 351 |
| Fixed asset impairment | 6,657 | — | — | — | 1,861 |
| Professional fees and other | — | 185 | — | — | 796 |
| MSR valuation impairment | — | — | — | — | (1,822) |
| Related tax benefit | (1,640) | (555) | (102) | (30) | (441) |
| Adjusted net income | $ 34,255 | $ 32,803 | $ 26,191 | $ 15,479 | $ 31,782 |
| Dilutive average common shares outstanding | 54,911,458 | 54,737,920 | 54,705,273 | 54,913,329 | 55,363,258 |
| **Reported**: Diluted earnings per share | $ 0.52 | $ 0.56 | $ 0.47 | $ 0.28 | $ 0.52 |
| **Adjusted**: Diluted earnings per share | 0.62 | 0.60 | 0.48 | 0.28 | 0.57 |
| Average total assets | $ 10,419,364 | $ 10,680,995 | $ 10,374,820 | $ 9,688,177 | $ 9,713,858 |
| **Reported**: Return on average assets(1) | 1.08 % | 1.15 % | 1.00 % | 0.64 % | 1.17 % |
| **Adjusted**: Return on average assets(1) | 1.31 % | 1.22 % | 1.02 % | 0.64 % | 1.30 % |

(1) Annualized measure

# Use of Non-GAAP Financial Measures

| *($ in thousands)* *(Unaudited results)* | Three Months Ended December 31, 2020 | September 30, 2020 | June 30, 2020 | March 31, 2020 | December 31, 2019 |
|---|---|---|---|---|---|
| **Reported**: Net Interest income | $ 72,936 | $ 69,753 | $ 70,813 | $ 69,433 | $ 71,936 |
| Tax-equivalent adjustment | 655 | 638 | 717 | 730 | 781 |
| Tax-equivalent interest income | $ 73,591 | $ 70,391 | $ 71,530 | $ 70,163 | $ 72,717 |
| **Reported**: Non-interest income | 30,499 | 32,285 | 27,964 | 27,517 | 31,638 |
| Less securities (gains) and losses, net | (855) | 426 | (315) | (587) | (605) |
| **Adjusted**: Non-interest income | $ 29,644 | $ 32,711 | $ 27,649 | $ 26,930 | $ 31,033 |
| **Reported**: Non-interest expense | 64,073 | 56,542 | 53,068 | 60,514 | 65,490 |
| Amortization of intangible assets | (2,439) | (2,493) | (2,519) | (2,557) | (2,681) |
| Non-operating adjustments: | | | | | |
| Salaries, wages, and employee benefits | (113) | (2,011) | (346) | — | (405) |
| Data processing | (56) | — | — | — | (1,368) |
| Impairment, professional fees and other | (7,381) | (518) | (141) | (145) | (1,879) |
| **Adjusted**: Non-interest expense | $ 54,084 | $ 51,520 | $ 50,062 | $ 57,812 | $ 59,157 |
| **Reported**: Efficiency ratio | 59.70 % | 52.42 % | 50.97 % | 59.69 % | 60.54 % |
| **Adjusted**: Efficiency ratio | 52.39 % | 49.97 % | 50.48 % | 59.54 % | 57.02 % |

| | As of and for the Three Months Ended December 31, 2020 | September 30, 2020 | June 30, 2020 | March 31, 2020 | December 31, 2019 |
|---|---|---|---|---|---|
| Total assets | $ 10,544,047 | $ 10,539,628 | $ 10,835,965 | $ 9,721,405 | $ 9,695,729 |
| Goodwill and other intangible assets, net | (363,521) | (365,960) | (368,053) | (370,572) | (373,129) |
| Tax effect of other intangible assets, net | 14,556 | 15,239 | 15,825 | 16,530 | 17,247 |
| Tangible assets | $ 10,195,082 | $ 10,188,907 | $ 10,483,737 | $ 9,367,363 | $ 9,339,847 |
| Total stockholders' equity | 1,270,069 | 1,255,705 | 1,236,084 | 1,217,585 | 1,220,434 |
| Goodwill and other intangible assets, net | (363,521) | (365,960) | (368,053) | (370,572) | (373,129) |
| Tax effect of other intangible assets, net | 14,556 | 15,239 | 15,825 | 16,530 | 17,247 |
| Tangible common equity | $ 921,104 | $ 904,984 | $ 883,856 | $ 863,543 | $ 864,552 |
| Ending number of common shares outstanding | 54,404,379 | 54,522,231 | 54,516,000 | 54,401,208 | 54,788,772 |
| **Tangible common equity to tangible assets**[1] | 9.03 % | 8.88 % | 8.43 % | 9.22 % | 9.26 % |
| **Tangible book value per share** | $ 16.66 | $ 16.32 | $ 15.92 | $ 15.57 | $ 15.46 |
| Average common equity | $ 1,261,298 | $ 1,248,448 | $ 1,233,270 | $ 1,218,160 | $ 1,224,447 |
| Average goodwill and other intangible assets, net | (365,120) | (367,490) | (369,699) | (372,240) | (379,268) |
| Average tangible common equity | $ 896,178 | $ 880,958 | $ 863,571 | $ 845,920 | $ 845,179 |
| **Reported**: Return on average tangible common equity[2] | 12.58 % | 13.92 % | 12.02 % | 7.30 % | 13.41 % |
| **Adjusted**: Return on average tangible common equity[2][3] | 15.21 % | 14.81 % | 12.20 % | 7.36 % | 14.92 % |

(1) Tax-effected measure (2) Annualized measure (3) Calculated using adjusted net income

# Use of Non-GAAP Financial Measures

*($ in thousands)*
*(Unaudited results)*

| | Year Ended 2018 | 2019 | 2020 |
|---|---|---|---|
| Net income | $ 98,928 | $ 102,953 | $ 100,344 |
| Acquisition expenses | | | |
| Salaries, wages, and employee benefits | 1,233 | 4,083 | — |
| Data processing | 406 | 1,523 | 56 |
| Lease or fixed asset impairment | — | 580 | 479 |
| Professional fees and other | 2,486 | 8,477 | 864 |
| Other restructuring costs | | | |
| Salaries, wages, and employee benefits | 1,058 | 495 | 2,470 |
| Data processing | — | 827 | — |
| Fixed asset impairment | 817 | 1,861 | 6,657 |
| Professional fees and other | — | 2,248 | 185 |
| MSR valuation impairment | — | — | — |
| Related tax benefit | (1,451) | (4,618) | (2,327) |
| Adjusted net income | $ 103,477 | $ 118,429 | $ 108,728 |
| **Average total assets** | $ 7,742,142 | $ 9,443,690 | $ 10,292,256 |
| **Reported**: Return on average assets[2] | 1.28 % | 1.09 % | 0.97 % |
| **Adjusted**: Return on average assets[2] | 1.34 % | 1.25 % | 1.06 % |

*(Unaudited results)*

| | Year Ended 2018 | 2019 | 2020 |
|---|---|---|---|
| Net interest income | $ 241,406 | $ 287,223 | $ 282,935 |
| Non-interest income | 89,993 | 116,415 | 118,265 |
| Less securities (gains) and losses, net | (331) | 18 | (1,331) |
| Non-interest expense | (193,043) | (258,794) | (234,197) |
| Pre-provision net revenue | $ 138,025 | $ 144,862 | $ 165,672 |
| Acquisition and other restructuring expenses | 6,000 | 20,094 | 10,711 |
| Provision for unfunded commitments | — | — | 1,822 |
| New Market Tax Credit amortization | — | 1,200 | 2,311 |
| **Adjusted:** pre-provision net revenue | $ 144,025 | $ 166,156 | $ 180,516 |
| **Average total assets** | $ 7,742,142 | $ 9,443,690 | $ 10,292,256 |
| **Reported**: Pre-provision net revenue to average assets[2] | 1.78 % | 1.53 % | 1.61 % |
| **Adjusted**: Pre-provision net revenue to average assets[2] | 1.86 % | 1.76 % | 1.75 % |

*(Unaudited results)*

| | Year Ended 2018 | 2019 | 2020 |
|---|---|---|---|
| Total Assets | $ 7,702,357 | $ 9,695,729 | $ 10,544,047 |
| Goodwill and other intangible assets, net | (300,558) | (373,129) | (363,521) |
| Tax effect of other intangible assets, net | 8,547 | 17,247 | 14,556 |
| Tangible assets | $ 7,410,346 | $ 9,339,847 | $ 10,195,082 |
| Total stockholders' equity | 994,964 | 1,220,434 | 1,270,069 |
| Goodwill and other intangible assets, net | (300,558) | (373,129) | (363,521) |
| Tax effect of other intangible assets, net | 8,547 | 17,247 | 14,556 |
| Tangible common equity | $ 702,953 | $ 864,552 | $ 921,104 |
| Ending number of common shares outstanding | 48,874,836 | 54,788,772 | 54,404,379 |
| **Tangible common equity to tangible assets[1]** | 9.49 % | 9.26 % | 9.03 % |
| **Tangible book value per share** | $ 14.21 | $ 15.46 | $ 16.66 |
| Average common equity | $ 954,949 | $ 1,186,127 | $ 1,240,374 |
| Average goodwill and other intangible assets, net | (303,917) | (371,666) | (368,624) |
| Average tangible common equity | $ 651,032 | $ 814,461 | $ 871,750 |
| **Reported**: Return on average tangible common equity[2] | 15.20 % | 12.64 % | 11.51 % |
| **Adjusted**: Return on average tangible common equity[2][3] | 15.89 % | 14.54 % | 12.47 % |

(1) Tax-effected measure (2) Annualized measure (3) Calculated using adjusted net income