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 24, 2023

First Busey Corporation

(Exact name of Registrant as specified in its charter)

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

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

(217) 365-4544
Registrant's telephone number, including area code
N/A
(Former name or former address, if changed since last report.)

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

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

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

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

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value	BUSE	Nasdaq Stock Market LLC

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

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On January 24, 2023, First Busey Corporation (First Busey) issued a press release disclosing financial results for the quarter ended December 31, 2022. 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 (Exchange Act), or otherwise subject to the liabilities of that section, nor will any of such information or exhibits be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended (Securities Act), or the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On January 24, 2023, First Busey published supplemental slides discussing First Busey's financial results for the quarter ended December 31, 2022. 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.

Exhibit Number	Description of Exhibit
99.1	Press Release issued by First Busey Corporation, dated January 24, 2023
99.2	Supplemental slides issued by First Busey Corporation, dated January 24, 2023
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and included in Exhibit 101)

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

First Busey Corporation

Date:	January 24, 2023	By:	/s/ Jeffrey D. Jones
			Jeffrey D. Jones
			Chief Finanical Officer

January 24, 2023

First Busey Announces 2022 Fourth Quarter Earnings

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

First Busey Reports Fourth Quarter Net Income of $34.4 million and diluted EPS of $0.61

Message from our Chairman & CEO

Fourth Quarter 2022 Highlights:

- *Adjusted quarterly net income[1] of $36.3 million and adjusted diluted EPS[1] of $0.65*
- *Net interest margin[1] of 3.24% reflects a 24-basis point increase over prior quarter*
- *Core loan growth[1] of $56.2 million, representing a 2.90% annualized growth rate*
- *Non-performing assets of 0.13% of total assets and allowance for credit losses of 582.01% of nonperforming loans*
- *FirsTech revenue[2] of $5.4 million, representing 9.2% year-over-year growth*
- *Adjusted core efficiency ratio[1] of 55.8%, compared to 57.6% in the fourth quarter of 2021, and 57.5% for the full year 2022*
- *For additional information, please refer to the 4Q22 Quarterly Earnings Supplement*

Fourth Quarter Financial Results

Net income for First Busey Corporation ("First Busey" or the "Company") for the fourth quarter of 2022 was $34.4 million, or $0.61 per diluted common share, compared to $35.7 million, or $0.64 per diluted common share, for the third quarter of 2022, and $29.9 million, or $0.53 per diluted common share, for the fourth quarter of 2021. Adjusted net income[1] for the fourth quarter of 2022 was $36.3 million, or $0.65 per diluted common share, compared to $36.4 million, or $0.65 per diluted common share, for the third quarter of 2022, and $34.3 million, or $0.61 per diluted common share, for the fourth quarter of 2021. For the fourth quarter of 2022, annualized return on average assets and annualized return on average tangible common equity[1] were 1.11% and 18.04%, respectively. Based on adjusted net income[1], annualized return on average assets was 1.17% and annualized return on average tangible common equity[1] was 19.03% for the fourth quarter of 2022.

Fourth quarter 2022 results were negatively impacted by an increase in income tax expense as a result of adjusting our estimated annual effective tax rate ("AETR"). First Busey estimates income tax expense for the year based on amounts expected to be owed to federal and state tax jurisdictions. An estimated AETR is established based on this estimate and is used to calculate our quarterly income tax provision. Our pre-tax income significantly exceeded our initial estimates, primarily driven by our rapidly expanding net interest margin, and as a result we revised our AETR. Due to this revision in our AETR, our fourth quarter effective tax rate increased to 24.7% compared to 19.2% in the third quarter. The Company's effective tax rate was 20.7% for the full year 2022.

Pre-provision net revenue[1] for the fourth quarter of 2022 was $46.4 million, compared to $46.5 million for the third quarter of 2022 and $34.0 million for the fourth quarter of 2021. Adjusted pre-provision net revenue[1] for the fourth quarter of 2022 was $50.0 million, compared to $48.8 million for the third quarter of 2022 and $41.1 million for the fourth quarter of 2021. Pre-provision net revenue to average assets[1] for the fourth quarter of 2022 was 1.49%, compared to 1.47% for the third quarter of 2022, and 1.04% for the fourth quarter of 2021. Adjusted pre-provision net revenue to average assets[1] for the fourth quarter of 2022 was 1.61%, compared to 1.54% for the third quarter of 2022 and 1.27% for the fourth quarter of 2021.

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

[2] Revenue from the Company's subsidiary, FirsTech, Inc. ("FirsTech"), excluding intracompany eliminations.

Taking into account these fourth quarter results, full year 2022 pre-provision net revenue[3] and adjusted pre-provision net revenue[3] were $168.5 million and $179.4 million, respectively. Net income and adjusted net income[3] were $128.3 million, or $2.29 per diluted common share, and $131.9 million, or $2.35 per diluted common share, respectively. For the full year of 2022, return on average assets and return on average tangible common equity[3] were 1.03% and 15.56%, respectively. Based on adjusted net income[3], return on average assets was 1.06% and return on average tangible common equity[3] was 15.99%. Full year 2022 net income and adjusted net income include the impact of net security losses of $2.1 million, which are primarily related to unrealized losses recognized on equity securities.

The Company's fourth quarter has historically been a seasonally light quarter for loan growth; however, during the fourth quarter of 2022 the Company experienced its seventh consecutive quarter of core loan[3] growth. Loans are being originated at attractive spreads while not sacrificing our prudent underwriting standards. Core loan[3] growth was $56.2 million in the fourth quarter of 2022, compared to growth of $178.5 million in the third quarter of 2022 and $141.6 million in the fourth quarter of 2021. Over the last four quarters, the Company has generated $610.8 million in core loan[3] growth, equating to a year-over-year growth rate of 8.6%. Our loan to deposit ratio ended the quarter at 76.7%.

In addition, our fee-based businesses continue to add revenue diversification. Excluding net securities gains and losses, non-interest income of $28.9 million accounted for 24.1% of total operating revenue during the fourth quarter of 2022. Beginning on July 1, 2022, we became subject to the Durbin Amendment of the Dodd-Frank Act. The Durbin Amendment requires the Federal Reserve to establish a maximum permissible interchange fee for many types of debit transactions. The impact of these rules for the third and fourth quarters were a $2.4 million reduction in fee income for each quarter.

Asset quality remains pristine by both historical as well as present-day industry standards. In the fourth quarter of 2022, non-performing assets declined to 0.13% of total assets, from 0.14% in the third quarter of 2022 and 0.17% in the fourth quarter of 2021. The Company's results for the fourth quarter of 2022 include a provision expense of $0.9 million for credit losses and a provision release of $0.5 million for unfunded commitments. The total allowance for credit losses was $91.6 million at December 31, 2022, representing 1.19% of total portfolio loans outstanding. The Company recorded an insignificant amount of net recoveries in the fourth quarter of 2022.

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 other restructuring charges in the fourth quarter of 2022 were $2.4 million. The Company believes that non-GAAP measures—including pre-provision net revenue, adjusted pre-provision net revenue, pre-provision net revenue to average assets, adjusted pre-provision net revenue to average assets, adjusted net income, adjusted diluted earnings per share, adjusted return on average assets, return on average tangible common equity, adjusted return on average tangible common equity, adjusted net interest income, adjusted net interest margin, adjusted noninterest expense, adjusted core expense, efficiency ratio, adjusted efficiency ratio, adjusted core efficiency ratio, tangible book value per common share, tangible common equity, tangible common equity to tangible assets, core loans, core loans to portfolio loans, core deposits, core deposits to total deposits, and core loans to core deposits—facilitate the assessment of its financial results and peer comparability. A reconciliation of these non-GAAP measures is included in tabular form at the end of this release (see *"Non-GAAP Financial Information"*).

Hurricane Ian

On September 28, 2022, Hurricane Ian made landfall in southwest Florida and impacted our operations in the region. We remain focused on assisting our clients and employees as they navigate the challenges from this historic storm. As of today, two of our three branches are fully operational, and services have been restored at a temporary facility for our third location. Efforts undertaken to date include: 1) financial assistance for associates impacted by the storm; 2) creation of a relief center for associates to access much needed supplies; 3) staffing resource reallocation to support our southwest Florida operations; 4) fee waivers for impacted customers; and 5) loan modification program for impacted commercial and retail real estate customers. During the fourth quarter of 2022 we recognized $0.2 million in noninterest income resulting from a gain on hurricane related disposal of fixed assets, offset by waived service charges, and $0.4 million in noninterest expense in connection with these initiatives.

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

Efficiency Optimization Plan & FirsTech Leadership Change
Early in the fourth quarter of 2022, we implemented a targeted restructuring and efficiency optimization plan that is expected to generate annual salary and benefits savings of approximately $4.0 million to $4.1 million. Approximately 33% of the quarterly run-rate for savings was reflected in our results for the fourth quarter of 2022, and we anticipate our savings to be at a 100% run-rate by the first quarter of 2023. We expect to largely reinvest the anticipated savings to support ongoing growth initiatives across our franchise over the next several quarters.

Late in the fourth quarter of 2022, we instituted a leadership change at our wholly-owned payments subsidiary, FirsTech, that reflects our continued commitment to scaling and growing this business. Robin Elliott replaces Farhan Yasin as President & CEO of FirsTech and all other leadership remains unchanged. In less than two years, FirsTech has been re-energized, revenue has increased, talent has been upgraded across the enterprise, and the technology stack has been redesigned and modernized, positioning the Company for scalable growth. Going forward we are squarely focused on executing on our growth strategy to provide comprehensive and innovative payment technology solutions that enable businesses to connect with their customers in a multitude of ways on a single, highly-configurable, secure platform.

The Company incurred one-time severance-related costs of $2.4 million during the fourth quarter of 2022, primarily related to the efficiency optimization plan and FirsTech leadership change.

Community Banking
First Busey's goal of being a strong community bank begins with outstanding associates. The Company is humbled to be named among the 2022 Best Banks to Work For by *American Banker*, the 2022 Best Places to Work in Money Management by *Pensions and Investments*, the 2022 Best Places to Work in Illinois by *Daily Herald Business Ledger*, and the 2022 Best Companies to Work For in Florida by *Florida Trend* magazine.

As we reflect back on 2022 and look ahead to 2023, the Company feels confident that we are well positioned to navigate these uncertain times while continuing to produce quality growth and profitability. We are grateful for the opportunities to earn the business of our customers, based on the contributions of our talented associates and the continued support of our loyal shareholders.

/s/ Van A. Dukeman

Chairman, President & Chief Executive Officer

First Busey Corporation

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

	Three Months Ended			Years Ended	
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
EARNINGS & PER SHARE AMOUNTS					
Net income	$ 34,387	$ 35,661	$ 29,926	$ 128,311	$ 123,449
Diluted earnings per common share	0.61	0.64	0.53	2.29	2.20
Cash dividends paid per share	0.23	0.23	0.23	0.92	0.92
Pre-provision net revenue[1, 2]	46,360	46,498	33,954	168,493	138,652
Revenue[3]	120,037	117,234	105,123	452,374	400,432
Net income by operating segments:					
Banking	37,564	37,082	27,955	131,596	117,844
FirsTech	(453)	353	313	847	1,527
Wealth Management	3,855	3,756	4,285	18,543	18,570
AVERAGE BALANCES					
Cash and cash equivalents	$ 281,926	$ 331,397	$ 857,694	$ 411,785	$ 764,398
Investment securities	3,451,471	3,667,753	4,087,813	3,731,048	3,355,819
Loans held for sale	1,623	4,195	18,073	5,178	21,803
Portfolio loans	7,619,199	7,617,918	7,113,963	7,445,962	6,969,807
Interest-earning assets	11,242,126	11,497,783	11,947,653	11,473,063	10,978,116
Total assets	12,330,132	12,531,856	12,895,049	12,492,948	11,904,935
Noninterest bearing deposits	3,494,001	3,583,693	3,531,345	3,550,517	3,142,155
Interest-bearing deposits	6,843,688	6,993,125	7,276,237	6,958,436	6,753,643
Total deposits	10,337,689	10,576,818	10,807,582	10,508,953	9,895,798
Securities sold under agreements to repurchase and federal funds purchased	236,656	233,032	262,004	244,004	218,454
Interest-bearing liabilities	7,500,294	7,605,148	7,898,627	7,583,331	7,312,409
Total liabilities	11,207,585	11,350,408	11,566,357	11,297,777	10,580,073
Stockholders' equity - common	1,122,547	1,181,448	1,328,692	1,195,171	1,324,862
Average tangible common equity[2]	756,420	812,467	950,867	824,747	952,269
PERFORMANCE RATIOS					
Pre-provision net revenue to average assets[1, 2]	1.49 %	1.47 %	1.04 %	1.35 %	1.16 %
Return on average assets	1.11 %	1.13 %	0.92 %	1.03 %	1.04 %
Return on average common equity	12.15 %	11.98 %	8.94 %	10.74 %	9.32 %
Return on average tangible common equity[2]	18.04 %	17.41 %	12.49 %	15.56 %	12.96 %
Net interest margin[2, 4]	3.24 %	3.00 %	2.36 %	2.84 %	2.49 %
Efficiency ratio[2]	58.77 %	57.62 %	64.42 %	59.89 %	62.19 %
Noninterest revenue as a % of total revenues[3]	24.07 %	26.38 %	32.93 %	28.50 %	32.40 %
NON-GAAP FINANCIAL INFORMATION					
Adjusted pre-provision net revenue[1, 2]	$ 50,003	$ 48,800	$ 41,144	$ 179,424	$ 160,792
Adjusted net income[2]	36,290	36,435	34,277	131,910	137,108
Adjusted diluted earnings per share[2]	0.65	0.65	0.61	2.35	2.45
Adjusted pre-provision net revenue to average assets[2]	1.61 %	1.54 %	1.27 %	1.44 %	1.35 %
Adjusted return on average assets[2]	1.17 %	1.15 %	1.05 %	1.06 %	1.15 %
Adjusted return on average tangible common equity[2]	19.03 %	17.79 %	14.30 %	15.99 %	14.40 %
Adjusted net interest margin[2, 4]	3.22 %	2.97 %	2.31 %	2.81 %	2.42 %
Adjusted efficiency ratio[2]	56.75 %	56.81 %	59.09 %	58.89 %	57.89 %

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

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

	As of				
	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
ASSETS					
Cash and cash equivalents	$ 227,164	$ 347,149	$ 230,852	$ 479,228	$ 836,095
Investment securities	3,391,240	3,494,710	3,708,922	3,941,656	3,994,822
Loans held for sale	1,253	4,546	4,813	6,765	23,875
Commercial loans	5,766,496	5,724,137	5,613,955	5,486,817	5,449,689
Retail real estate and retail other loans	1,959,206	1,945,977	1,883,823	1,786,056	1,739,309
Portfolio loans	7,725,702	7,670,114	7,497,778	7,272,873	7,188,998
Allowance for credit losses	(91,608)	(90,722)	(88,757)	(88,213)	(87,887)
Premises and equipment	126,524	128,175	130,892	133,658	136,147
Goodwill and other intangible assets, net	364,296	367,091	369,962	372,913	375,924
Right of use asset	12,829	10,202	8,615	9,014	10,533
Other assets	579,277	566,123	493,356	439,615	381,182
Total assets	$ 12,336,677	$ 12,497,388	$ 12,356,433	$ 12,567,509	$ 12,859,689
LIABILITIES & STOCKHOLDERS' EQUITY					
Noninterest bearing deposits	$ 3,393,666	$ 3,628,169	$ 3,505,299	$ 3,568,651	$ 3,670,267
Interest checking, savings, and money market deposits	5,822,239	6,173,041	6,074,108	6,132,355	6,162,661
Time deposits	855,375	800,187	817,821	890,830	935,649
Total deposits	$ 10,071,280	$ 10,601,397	$ 10,397,228	$ 10,591,836	$ 10,768,577
Securities sold under agreements to repurchase	$ 229,806	$ 234,597	$ 228,383	$ 255,668	$ 270,139
Short-term borrowings	351,054	16,225	16,396	17,683	17,678
Long-term debt	252,038	254,835	317,304	265,769	268,773
Junior subordinated debt owed to unconsolidated trusts	71,810	71,765	71,721	71,678	71,635
Lease liability	12,995	10,311	8,655	9,067	10,591
Other liabilities	201,717	201,670	154,789	137,783	133,184
Total liabilities	11,190,700	11,390,800	11,194,476	11,349,484	11,540,577
Total stockholders' equity	1,145,977	1,106,588	1,161,957	1,218,025	1,319,112
Total liabilities & stockholders' equity	$ 12,336,677	$ 12,497,388	$ 12,356,433	$ 12,567,509	$ 12,859,689
SHARE AND PER SHARE AMOUNTS					
Book value per common share	$ 20.73	$ 20.04	$ 21.00	$ 22.03	$ 23.80
Tangible book value per common share[1]	$ 14.14	$ 13.39	$ 14.31	$ 15.29	$ 17.01
Ending number of common shares outstanding	55,279,124	55,232,434	55,335,703	55,278,785	55,434,910

1. See “Non-GAAP Financial Information” for reconciliation.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS *(unaudited)*
(dollars in thousands, except per share amounts)

	Three Months Ended			Years Ended	
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
INTEREST INCOME					
Interest and fees on loans held for sale and portfolio	$ 84,947	$ 76,081	$ 62,965	$ 287,477	$ 252,097
Interest on investment securities	19,560	18,249	13,658	69,412	45,552
Other interest income	1,377	1,085	294	3,097	1,151
Total interest income	$ 105,884	$ 95,415	$ 76,917	$ 359,986	$ 298,800
INTEREST EXPENSE					
Interest on deposits	$ 8,277	$ 3,565	$ 2,497	$ 16,112	$ 12,583
Interest on securities sold under agreements to repurchase and federal funds purchased	810	459	50	1,475	227
Interest on short-term borrowings	1,221	190	84	1,647	279
Interest on long-term debt	3,546	4,110	3,123	14,285	12,173
Junior subordinated debt owed to unconsolidated trusts	881	786	655	3,029	2,840
Total interest expense	$ 14,735	$ 9,110	$ 6,409	$ 36,548	$ 28,102
Net interest income	$ 91,149	$ 86,305	$ 70,508	$ 323,438	$ 270,698
Provision for credit losses	859	2,364	(4,736)	4,623	(15,101)
Net interest income after provision for credit losses	$ 90,290	$ 83,941	$ 75,244	$ 318,815	$ 285,799
NONINTEREST INCOME					
Wealth management fees	$ 12,956	$ 12,508	$ 13,751	$ 55,378	$ 53,086
Fees for customer services	6,989	7,627	9,668	33,111	35,604
Payment technology solutions	5,022	5,080	4,576	20,067	18,347
Mortgage revenue	198	438	1,086	1,895	7,239
Income on bank owned life insurance	947	958	1,727	3,663	5,166
Net securities gains (losses)	191	4	474	(2,133)	3,070
Other noninterest income	2,776	4,318	3,807	14,822	10,292
Total noninterest income	$ 29,079	$ 30,933	$ 35,089	$ 126,803	$ 132,804
NONINTEREST EXPENSE					
Salaries, wages, and employee benefits	$ 41,790	$ 39,762	$ 38,090	$ 159,016	$ 145,312
Data processing expense	5,848	5,447	4,981	21,648	21,862
Net occupancy expense	4,638	4,705	4,740	19,130	18,346
Furniture and equipment expense	1,771	1,799	2,001	7,645	8,301
Professional fees	1,432	1,579	1,932	6,125	7,549
Amortization of intangible assets	2,795	2,871	3,074	11,628	11,274
Interchange expense	1,692	1,574	1,432	6,298	5,792
Other operating expenses	13,711	12,999	14,919	52,391	43,344
Total noninterest expense	$ 73,677	$ 70,736	$ 71,169	$ 283,881	$ 261,780
Income before income taxes	$ 45,692	$ 44,138	$ 39,164	$ 161,737	$ 156,823
Income taxes	11,305	8,477	9,238	33,426	33,374
Net income	$ 34,387	$ 35,661	$ 29,926	$ 128,311	$ 123,449
SHARE AND PER SHARE AMOUNTS					
Basic earnings per common share	$ 0.62	$ 0.64	$ 0.54	$ 2.32	$ 2.23
Diluted earnings per common share	$ 0.61	$ 0.64	$ 0.53	$ 2.29	$ 2.20
Average common shares outstanding	55,350,423	55,349,547	55,705,169	55,387,073	55,369,476
Diluted average common shares outstanding	56,177,790	56,073,164	56,413,026	56,137,164	56,008,805

Balance Sheet Growth

Our balance sheet remains a source of strength. Total assets were $12.34 billion at December 31, 2022, compared to $12.50 billion at September 30, 2022, and $12.86 billion at December 31, 2021. At December 31, 2022, portfolio loans were $7.73 billion, compared to $7.67 billion as of September 30, 2022, and $7.19 billion as of December 31, 2021. Amortized costs of Paycheck Protection Program ("PPP") loans of $0.8 million, $1.4 million, and $75.0 million are included in the December 31, 2022, September 30, 2022, and December 31, 2021, portfolio loan balances, respectively. During the fourth quarter of 2022, Busey Bank experienced another quarter of core loan[4] growth of $56.2 million, consisting of growth in commercial balances[5] of $42.9 million and growth in retail real estate and retail other balances of $13.3 million. Growth was principally driven by our Central and Northern Illinois, and Florida service centers. As has been our practice, we remain steadfast in disciplined underwriting.

Average portfolio loans were $7.62 billion for both the third and fourth quarters of 2022, compared to $7.11 billion for the fourth quarter of 2021. The average balance of PPP loans for the fourth quarter of 2022 was $1.0 million, compared to $4.2 million for the third quarter of 2022 and $123.5 million for the fourth quarter of 2021. Average interest-earning assets for the fourth quarter of 2022 were $11.24 billion, compared to $11.50 billion for the third quarter of 2022, and $11.95 billion for the fourth quarter of 2021.

Total deposits were $10.07 billion at December 31, 2022, compared to $10.60 billion at September 30, 2022, and $10.77 billion at December 31, 2021. Average deposits were $10.34 billion for the fourth quarter of 2022, compared to $10.58 billion for the third quarter of 2022 and $10.81 billion for the fourth quarter of 2021. Deposit trends in the quarter were driven by a number of elements, including 1) anticipated seasonal factors, including ordinary course public fund outflows and customer fluctuations in the normal course of business operations of certain core commercial customers, and 2) the macroeconomic environment, including prevailing interest rates and anticipated future Federal Reserve Open Market Committee ("FOMC") rate moves, and inflationary pressures. Fluctuations in deposit balances were also attributed to changes in the retention of PPP loan funding in customer deposit accounts and the residual impacts of fiscal stimulus measures, along with the movement of deposits by certain non-relationship customers to competitors based on rate offerings. As in prior quarters, the Company experienced net deposit outflows into Busey Wealth Management offerings. The Company remains funded substantially through core deposits[4] with significant market share in its primary markets. Core deposits[4] accounted for 98.8% of total deposits as of December 31, 2022. Cost of deposits was 0.32% in the fourth quarter of 2022, which represents a 19 basis point increase from the third quarter of 2022. Excluding time deposits, the Company's cost of deposits was 0.28% in the fourth quarter of 2022, a 17 basis point increase from September 30, 2022.

Asset Quality

Credit quality continues to be exceptionally strong. Loans 30-89 days past due totaled $6.5 million as of December 31, 2022, compared to $6.3 million as of both September 30, 2022, and December 31, 2021. Non-performing loans decreased to $15.7 million as of December 31, 2022, compared to $16.7 million as of September 30, 2022, and $16.9 million as of December 31, 2021. Continued disciplined credit management resulted in non-performing loans as a percentage of portfolio loans of 0.20% at December 31, 2022, compared to 0.22% as of September 30, 2022, and 0.23% as of December 31, 2021. Non-performing assets were 0.13% of total assets at the end of the fourth quarter of 2022, compared to 0.14% at September 30, 2022 and 0.17% at December 31, 2021.

Net recoveries of an insignificant amount were recorded for the fourth quarter of 2022, compared to net charge-offs of $0.4 million for the third quarter of 2022 and net charge-offs of $0.2 million for the fourth quarter of 2021. The allowance as a percentage of portfolio loans was 1.19% at December 31, 2022, compared to 1.18% at September 30, 2022, and 1.22% at December 31, 2021. The allowance as a percentage of non-performing loans was 582.01% at December 31, 2022, compared to 544.75% at September 30, 2022, and 521.52% at December 31, 2021. For the full year 2022, the Company recorded net charge-offs as a percentage of average loans of 0.01%.

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

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

[5] Commercial balances include commercial, commercial real estate, and real estate construction loans.

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

	As of				
	December 31, 2022	**September 30, 2022**	**June 30, 2022**	**March 31, 2022**	**December 31, 2021**
Total assets	$ 12,336,677	$ 12,497,388	$ 12,356,433	$ 12,567,509	$ 12,859,689
Portfolio loans	7,725,702	7,670,114	7,497,778	7,272,873	7,188,998
Portfolio loans excluding amortized cost of PPP loans	7,724,857	7,668,688	7,490,162	7,241,104	7,114,040
Loans 30 – 89 days past due	6,548	6,307	5,157	3,916	6,261
Non-performing loans:					
Non-accrual loans	15,067	15,425	15,840	12,488	15,946
Loans 90+ days past due and still accruing	673	1,229	1,654	197	906
Non-performing loans	$ 15,740	$ 16,654	$ 17,494	$ 12,685	$ 16,852
Non-performing loans, segregated by geography:					
Illinois / Indiana	$ 10,347	$ 10,531	$ 11,261	$ 6,467	$ 10,450
Missouri	4,676	5,008	5,259	5,263	5,349
Florida	717	1,115	974	955	1,053
Other non-performing assets	850	1,219	1,429	3,606	4,416
Non-performing assets	$ 16,590	$ 17,873	$ 18,923	$ 16,291	$ 21,268
Allowance for credit losses	$ 91,608	$ 90,722	$ 88,757	$ 88,213	$ 87,887
RATIOS					
Non-performing loans to portfolio loans	0.20 %	0.22 %	0.23 %	0.17 %	0.23 %
Non-performing loans to portfolio loans, excluding PPP loans	0.20 %	0.22 %	0.23 %	0.18 %	0.24 %
Non-performing assets to total assets	0.13 %	0.14 %	0.15 %	0.13 %	0.17 %
Non-performing assets to portfolio loans and other non-performing assets	0.21 %	0.23 %	0.25 %	0.22 %	0.30 %
Allowance for credit losses to portfolio loans	1.19 %	1.18 %	1.18 %	1.21 %	1.22 %
Allowance for credit losses to portfolio loans, excluding PPP	1.19 %	1.18 %	1.18 %	1.22 %	1.24 %
Allowance for credit losses as a percentage of non-performing loans	582.01 %	544.75 %	507.36 %	695.41 %	521.52 %

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

	Three Months Ended			Years Ended	
	December 31, 2022	**September 30, 2022**	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**
Net charge-offs (recoveries)	$ (27)	$ 399	$ 179	$ 902	$ 2,238
Provision expense (release)	859	2,364	(4,736)	4,623	(15,101)
Net charge-offs, annualized	NM	1,583	710	902	2,238
Average portfolio loans	7,619,199	7,617,918	7,113,963	7,445,962	6,969,807
Net charge-off ratio	NM	0.02 %	0.01 %	0.01 %	0.03 %

Net Interest Margin[6] and Net Interest Income

Net interest margin[6] for the fourth quarter of 2022 was 3.24%, compared to 3.00% for the third quarter of 2022 and 2.36% for the fourth quarter of 2021. Excluding purchase accretion, adjusted net interest margin[6] was 3.22% for the fourth quarter of 2022, compared to 2.97% in the third quarter of 2022 and 2.31% in the fourth quarter of 2021. Net interest income was $91.1 million in the fourth quarter of 2022, compared to $86.3 million in the third quarter of 2022 and $70.5 million in the fourth quarter of 2021.

The FOMC raised rates by 125 basis points during the fourth quarter of 2022, and by a total of 425 basis points for the full year ending December 31, 2022. Rising rates have a positive impact on net interest margin[6], as assets, in particular commercial loans, reprice more quickly and to a greater extent than liabilities. While the fourth quarter showed strong net interest margin expansion, the Company anticipates future quarters to reflect more of the impact of rising deposit and funding costs. In general, net interest margins[6] have been impacted over the last two years by PPP loans, the Company's liquidity position, and the issuance of debt, with more recent impacts resulting from rate increases. Factors contributing to the 24-basis point increase in net interest margin during the fourth quarter of 2022 include:

- Increased loan portfolio income contributed +42 basis points
- Increases in the cash and securities portfolio yield contributed +7 basis points
- Increased deposit funding costs contributed -17 basis points
- Increased borrowing costs contributed -4 basis points
- Increased net interest expense on cash flow hedges contributed -3 basis points
- Decreased recognition of purchase accounting accretion contributed -1 basis points

Based on our most recent Asset Liability Management Committee ("ALCO") model, a 100 basis point parallel rate shock is expected to increase net interest income by 3.0% over the subsequent twelve-month period. Market competition for deposits has started to increase and deposits betas are likely to increase going forward, which is factored into our ALCO model. The Company continues to evaluate off-balance sheet hedging strategies as well as embedding rate protection in our asset originations to provide stabilization to net interest income in lower rate environments. We are committed to protecting our quality core deposit franchise and are in regular contact with our customers to proactively address their needs and concerns. In the fourth quarter of 2022, our interest-bearing non-maturity deposit beta was 18.2%. Since the onset of the current FOMC tightening cycle that began in the first quarter of 2022, our cumulative interest-bearing non-maturity deposit beta has been 10.4%. Our cycle-to-date total deposit beta has been 6.3% through December 31, 2022. Deposit betas are calculated based on an average federal funds rate of 3.82% during the fourth quarter of 2022, which is a 147 basis point increase over the third quarter average federal funds rate of 2.35%.

Noninterest Income

Noninterest income was $29.1 million for the fourth quarter of 2022, as compared to $30.9 million for the third quarter of 2022 and $35.1 million for the fourth quarter of 2021. Revenues from wealth management fees and payment technology solutions activities represented 61.8% of the Company's noninterest income for the quarter ended December 31, 2022, providing a balance to spread-based revenue from traditional banking activities.

Wealth management fees were $13.0 million for the fourth quarter of 2022, compared to $12.5 million for the third quarter of 2022 and $13.8 million for the fourth quarter of 2021. The quarter over quarter increase in wealth management fees is primarily attributable to rebounds in market valuations. The Wealth Management operating segment generated net income of $3.9 million in the fourth quarter of 2022, compared to $3.8 million in the third quarter of 2022, and $4.3 million in the fourth quarter of 2021. First Busey's Wealth Management division ended the fourth quarter of 2022 with $11.06 billion in assets under care, compared to $10.75 billion at the end of the third quarter of 2022 and $12.73 billion at the end of the fourth quarter of 2021. Our portfolio management team continues to produce solid results in the face of very volatile markets.

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

Payment technology solutions revenue from FirsTech was $5.0 million for the fourth quarter of 2022, compared to $5.1 million for the third quarter of 2022 and $4.6 million for the fourth quarter of 2021. Excluding intracompany eliminations, FirsTech generated revenue of $5.4 million during the fourth quarter of 2022, compared to $5.6 million in the third quarter of 2022 and $4.9 million during the fourth quarter of 2021. The FirsTech operating segment generated net losses of $0.5 million in the fourth quarter of 2022, compared with net income of $0.4 million in the third quarter of 2022 and net income of $0.3 million in the fourth quarter of 2021. The Company is currently making strategic investments in FirsTech to enhance future growth, including further upgrades to the product and engineering teams to build an application programming interface ("API") cloud-based platform to provide for fully integrated payment capabilities, as well as the continued development of our BaaS platform.

Fees for customer services were $7.0 million for the fourth quarter of 2022, compared to $7.6 million in the third quarter of 2022 and $9.7 million in the fourth quarter of 2021. Year-over-year declines are attributable primarily to the impact of the Durbin Amendment on interchange revenue and, to a lesser extent, modifications implemented to overdraft and non-sufficient funds fee structures.

Mortgage revenue was $0.2 million in the fourth quarter of 2022, a decrease from $0.4 million in the third quarter of 2022 and $1.1 million in the fourth quarter of 2021, due to declines in sold-loan volume and gain on sale premiums.

Other noninterest income was $2.8 million in the fourth quarter of 2022, a decrease from $4.3 million in the third quarter of 2022 and $3.8 million in the fourth quarter of 2021. Fluctuations between the third quarter of 2022 and the fourth quarter of 2022 were primarily the result of decreases in swap origination fee income and fluctuations in venture capital investment values.

Operating Efficiency

Noninterest expense was $73.7 million in the fourth quarter of 2022, compared to $70.7 million in the third quarter of 2022 and $71.2 million in the fourth quarter of 2021. Noninterest expense, excluding non-operating adjustments[7], was $71.2 million in the fourth quarter of 2022, compared to $69.8 million in the third quarter of 2022 and $65.5 million in the fourth quarter of 2021. As a result, the efficiency ratio[7] was 58.77% for the quarter ended December 31, 2022, compared to 57.62% for the quarter ended September 30, 2022, and 64.42% for the quarter ended December 31, 2021. The adjusted core efficiency ratio[7] was 55.75% for the quarter ended December 31, 2022, compared to 55.67% for the quarter ended September 30, 2022 and 57.62% for the quarter ended December 31, 2021. The Company remains focused on expense discipline, and has made necessary investments during the past two years to support the continued organic growth of our key business lines and related support and risk management functions.

Noteworthy components of noninterest expense are as follows:

- Salaries, wages, and employee benefits were $41.8 million in the fourth quarter of 2022, compared to $39.8 million in the third quarter of 2022 and $38.1 million in the fourth quarter of 2021. Total full-time equivalents numbered 1,497 at December 31, 2022, compared to 1,513 at September 30, 2022, and 1,463 at December 31, 2021. The Company recorded non-operating expense of $2.4 million for salaries, wages, and employee benefit expenses in the fourth quarter of 2022, compared to none in the third quarter of 2022 and $2.0 million in the fourth quarter of 2021.

- Data processing expense was $5.8 million in the fourth quarter of 2022, compared to $5.4 million in the third quarter of 2022 and $5.0 million in the fourth quarter of 2021. The Company did not record any non-operating data processing expenses in the third or fourth quarter of 2022, compared to $0.1 million in the fourth quarter of 2021.

- Professional fees were $1.4 million in the fourth quarter of 2022, compared to $1.6 million in the third quarter of 2022 and $1.9 million in the fourth quarter of 2021. The Company recorded an insignificant amount of non-operating professional fees in the fourth quarter of 2022, compared to $0.1 million in the third quarter of 2022 and $0.2 million in the fourth quarter of 2021.

- Amortization expense was $2.8 million in the fourth quarter of 2022, compared to $2.9 million in the third quarter of 2022 and $3.1 million in the fourth quarter of 2021.

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

- Other operating expenses were $13.7 million for the fourth quarter of 2022, compared to $13.0 million in the third quarter of 2022 and $14.9 million in the fourth quarter of 2021. The Company recorded an insignificant amount of non-operating expenses within the other operating expense line in the fourth quarter of 2022, compared to $0.9 million in the third quarter of 2022 and $3.3 million in the fourth quarter of 2021. The quarter-over-quarter increase is primarily attributable to business development expenses, charitable contributions, and captive insurance claim expenses.

The Company's effective tax rate for the fourth quarter of 2022 was 24.7%, an increase from 19.2% in the third quarter of 2022. The fourth quarter increase was a result of adjusting our AETR due to pre-tax income significantly exceeding our initial estimates, primarily attributable to our expanding net interest margin. For the full year 2022, the Company's effective tax rate was 20.7%, which was lower than the combined federal and state statutory rate of approximately 28.0% due to tax exempt interest income, such as municipal bond interest and bank owned life insurance income, and investments in various federal and state tax credits.

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. On January 27, 2023, the Company will pay a cash dividend of $0.24 per common share to stockholders of record as of January 20, 2023, which represents a 4.3% increase from the previous quarterly dividend of $0.23 per share. The Company has consistently paid dividends to its common stockholders since the bank holding company was organized in 1980.

As of December 31, 2022, the Company continued to exceed the capital adequacy requirements necessary to be considered “well-capitalized” under applicable regulatory guidelines. The Company’s Common Equity Tier 1 ratio is estimated[8] to be 11.96% at December 31, 2022, compared to 11.79% at September 30, 2022, and 11.85% at December 31, 2021. Our Total Capital to Risk Weighted Assets ratio is estimated[8] to be 16.12% at December 31, 2022, compared to 15.98% at September 30, 2022, and 15.70% at December 31, 2021.

The Company’s tangible common equity[9] was $790.5 million at December 31, 2022, compared to $748.9 million at September 30, 2022, and $959.4 million at December 31, 2021. Tangible common equity[9] represented 6.60% of tangible assets at December 31, 2022, compared to 6.17% at September 30, 2022, and 7.68% at December 31, 2021. The Company’s tangible book value per common share[9] increased from $13.39 at September 30, 2022, to $14.14 at December 31, 2022. The year-over-year decline in both the ratio of tangible common equity to tangible assets[9] and tangible book value per common share[9], is primarily attributable to the fair market valuation adjustment of the Company’s securities portfolio as a result of the rapidly rising rate environment as reflected in the accumulated other comprehensive income (loss) ("AOCI") component of shareholder’s equity, net of retained earnings and amortization of intangible assets over the same period.

4Q22 Quarterly Earnings Supplement

For additional information on the Company’s financial condition and operating results, please refer to the 4Q22 Quarterly Earnings Supplement presentation furnished via Form 8-K on January 24, 2023, in connection with this earnings release.

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[8] Capital ratios for the fourth quarter of 2022 are not yet finalized, and are subject to change.

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

Corporate Profile

As of December 31, 2022, First Busey Corporation (Nasdaq: BUSE) was a $12.34 billion financial holding company headquartered in Champaign, Illinois.

Busey Bank, a wholly-owned bank subsidiary of First Busey Corporation, had total assets of $12.30 billion as of December 31, 2022, and is headquartered in Champaign, Illinois. Busey Bank currently has 46 banking centers serving Illinois, eight banking centers serving Missouri, three banking centers serving southwest Florida, and one banking center in Indianapolis, Indiana.

Busey Bank's wholly-owned subsidiary, FirsTech, is a payments platform specializing in the evolving financial technology needs of small and medium-sized businesses, highly regulated enterprise industries, and financial institutions. With associates across the United States, FirsTech provides comprehensive and innovative payment technology solutions that enable businesses to connect with their customers in a multitude of ways on a single, highly configurable, secure platform. Fast, secure payment modes include, but are not limited to, text-based payments; electronic payments concentration delivered to Automated Clearing House networks; internet voice recognition ("IVR"); credit cards; in-store payments for customers at retail pay agents; direct debit services; and lockbox remittance processing for customers to make payments by mail. Once these payments are processed through integration with our customers' financial systems, FirsTech provides its customers with reconciliation and settlement services to ensure payment confirmation. Additionally, FirsTech provides consulting and technology services through its Professional Services Division, assisting clients in identifying and implementing payment technologies to meet their evolving needs. In 2022, FirsTech started a phased launch of its innovative BaaS platform, helping community banks and their commercial customers build modernized payment solutions, which include online payment technologies and automated file transfers. More information about FirsTech can be found at firstechpayments.com.

Through the Company's Wealth Management division, the Company provides asset management, investment, and fiduciary services to individuals, businesses, and foundations. As of December 31, 2022, assets under care were $11.06 billion.

Busey Bank has been named among America's Best Banks for 2022, a first-ever recognition by *Forbes* magazine. Ranked 52nd overall, Busey was the top-ranked bank headquartered in Illinois; only three other Illinois-based banks were included on the list. Additionally, for the first time in 2022, Busey was named a Leading Disability Employer by the *National Organization on Disability*—this highly selective award is presented only to top performing companies demonstrating positive outcomes in recruiting, hiring, retaining and advancing people with disabilities in their workforce. We are honored to be consistently recognized nationally and locally for our engaged culture of integrity and commitment to community development.

For more information about us, visit busey.com.

Category: Financial
Source: First Busey Corporation

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Non-GAAP Financial Information

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

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

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

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

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

(dollars in thousands)

		Three Months Ended			Years Ended	
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
PRE-PROVISION NET REVENUE						
Net interest income		$ 91,149	$ 86,305	$ 70,508	$ 323,438	$ 270,698
Total noninterest income		29,079	30,933	35,089	126,803	132,804
Net security (gains) losses		(191)	(4)	(474)	2,133	(3,070)
Total noninterest expense		(73,677)	(70,736)	(71,169)	(283,881)	(261,780)
Pre-provision net revenue		46,360	46,498	33,954	168,493	138,652
Non-GAAP adjustments:						
Acquisition and other restructuring expenses		2,442	957	5,641	4,537	17,351
Provision for unfunded commitments		(464)	(320)	294	61	(774)
Amortization of New Markets Tax Credits		1,665	1,665	1,255	6,333	5,563
Adjusted pre-provision net revenue		$ 50,003	$ 48,800	$ 41,144	$ 179,424	$ 160,792
Pre-provision net revenue, annualized	[a]	$ 183,928	$ 184,476	$ 134,709	$ 168,493	$ 138,652
Adjusted pre-provision net revenue, annualized	[b]	198,381	193,609	163,234	179,424	160,792
Average total assets	[c]	12,330,132	12,531,856	12,895,049	12,492,948	11,904,935
Reported: Pre-provision net revenue to average assets[1]	[a÷c]	1.49 %	1.47 %	1.04 %	1.35 %	1.16 %
Adjusted: Pre-provision net revenue to average assets[1]	[b÷c]	1.61 %	1.54 %	1.27 %	1.44 %	1.35 %

1. Annualized measure.

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

(dollars in thousands, except per share amounts)

		Three Months Ended			Years Ended	
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
NET INCOME ADJUSTED FOR NON-OPERATING ITEMS						
Net income	[a]	$ 34,387	$ 35,661	$ 29,926	$ 128,311	$ 123,449
Non-GAAP adjustments:						
Acquisition expenses:						
Salaries, wages, and employee benefits		—	—	1,760	587	7,347
Data processing		—	—	143	214	3,700
Professional fees, occupancy, and other		16	4	290	258	2,599
Other restructuring expenses:						
Salaries, wages, and employee benefits		2,409	—	215	2,409	472
Loss on leases or fixed asset impairment		10	877	3,227	986	3,227
Professional fees, occupancy, and other		7	76	6	83	6
Related tax benefit		(539)	(183)	(1,290)	(938)	(3,692)
Adjusted net income	[b]	$ 36,290	$ 36,435	$ 34,277	$ 131,910	$ 137,108
DILUTED EARNINGS PER SHARE						
Diluted average common shares outstanding	[c]	56,177,790	56,073,164	56,413,026	56,137,164	56,008,805
Reported: Diluted earnings per share	[a÷c]	$ 0.61	$ 0.64	$ 0.53	$ 2.29	$ 2.20
Adjusted: Diluted earnings per share	[b÷c]	$ 0.65	$ 0.65	$ 0.61	$ 2.35	$ 2.45
RETURN ON AVERAGE ASSETS						
Net income, annualized	[d]	$ 136,427	$ 141,481	$ 118,728	$ 128,311	$ 123,449
Adjusted net income, annualized	[e]	143,977	144,552	135,990	131,910	137,108
Average total assets	[f]	12,330,132	12,531,856	12,895,049	12,492,948	11,904,935
Reported: Return on average assets[1]	[d÷f]	1.11 %	1.13 %	0.92 %	1.03 %	1.04 %
Adjusted: Return on average assets[1]	[e÷f]	1.17 %	1.15 %	1.05 %	1.06 %	1.15 %
RETURN ON AVERAGE TANGIBLE COMMON EQUITY						
Average common equity		$ 1,122,547	$ 1,181,448	$ 1,328,692	$ 1,195,171	$ 1,324,862
Average goodwill and other intangible assets, net		(366,127)	(368,981)	(377,825)	(370,424)	(372,593)
Average tangible common equity	[g]	$ 756,420	$ 812,467	$ 950,867	$ 824,747	$ 952,269
Reported: Return on average tangible common equity[1]	[d÷g]	18.04 %	17.41 %	12.49 %	15.56 %	12.96 %
Adjusted: Return on average tangible common equity[1]	[e÷g]	19.03 %	17.79 %	14.30 %	15.99 %	14.40 %

1. Annualized measure.

Adjusted Net Interest Income and Adjusted Net Interest Margin

(dollars in thousands)

		Three Months Ended			Years Ended	
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net interest income		$ 91,149	$ 86,305	$ 70,508	$ 323,438	$ 270,698
Non-GAAP adjustments:						
Tax-equivalent adjustment		564	543	577	2,199	2,355
Tax-equivalent net interest income		91,713	86,848	71,085	325,637	273,053
Purchase accounting accretion related to business combinations		(546)	(830)	(1,469)	(3,134)	(7,151)
Adjusted net interest income		$ 91,167	$ 86,018	$ 69,616	$ 322,503	$ 265,902
Tax-equivalent net interest income, annualized	[a]	$ 363,861	$ 344,560	$ 282,022	$ 325,637	$ 273,053
Adjusted net interest income, annualized	[b]	361,695	341,267	276,194	322,503	265,902
Average interest-earning assets	[c]	11,242,126	11,497,783	11,947,653	11,473,063	10,978,116
Reported: Net interest margin[1]	[a÷c]	3.24 %	3.00 %	2.36 %	2.84 %	2.49 %
Adjusted: Net interest margin[1]	[b÷c]	3.22 %	2.97 %	2.31 %	2.81 %	2.42 %

1. Annualized measure.

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

Adjusted Noninterest Expense, Adjusted Core Expense,
Efficiency Ratio, Adjusted Efficiency Ratio, and Adjusted Core Efficiency Ratio

(dollars in thousands)

		Three Months Ended			Years Ended	
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net interest income		$ 91,149	$ 86,305	$ 70,508	$ 323,438	$ 270,698
Non-GAAP adjustments:						
Tax-equivalent adjustment		564	543	577	2,199	2,355
Tax-equivalent net interest income		91,713	86,848	71,085	325,637	273,053
Total noninterest income		29,079	30,933	35,089	126,803	132,804
Non-GAAP adjustments:						
Net security (gains) losses		(191)	(4)	(474)	2,133	(3,070)
Noninterest income excluding net securities gains and losses		28,888	30,929	34,615	128,936	129,734
Tax-equivalent revenue	[a]	$ 120,601	$ 117,777	$ 105,700	$ 454,573	$ 402,787
Total noninterest expense		$ 73,677	$ 70,736	$ 71,169	$ 283,881	$ 261,780
Non-GAAP adjustments:						
Amortization of intangible assets	[b]	(2,795)	(2,871)	(3,074)	(11,628)	(11,274)
Non-interest expense excluding amortization of intangible assets	[c]	70,882	67,865	68,095	272,253	250,506
Non-operating adjustments:						
Salaries, wages, and employee benefits		(2,409)	—	(1,975)	(2,996)	(7,819)
Data processing		—	—	(143)	(214)	(3,700)
Impairment, professional fees, occupancy, and other		(33)	(957)	(3,523)	(1,327)	(5,832)
Adjusted noninterest expense	[f]	68,440	66,908	62,454	267,716	233,155
Provision for unfunded commitments		464	320	(294)	(61)	774
Amortization of New Markets Tax Credits		(1,665)	(1,665)	(1,255)	(6,333)	(5,563)
Adjusted core expense	[g]	$ 67,239	$ 65,563	$ 60,905	$ 261,322	$ 228,366
Noninterest expense, excluding non-operating adjustments	[f-b]	$ 71,235	$ 69,779	$ 65,528	$ 279,344	$ 244,429
Reported: Efficiency ratio	[c÷a]	58.77 %	57.62 %	64.42 %	59.89 %	62.19 %
Adjusted: Efficiency ratio	[f÷a]	56.75 %	56.81 %	59.09 %	58.89 %	57.89 %
Adjusted: Core efficiency ratio	[g÷a]	55.75 %	55.67 %	57.62 %	57.49 %	56.70 %

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

Tangible Book Value Per Common Share
(dollars in thousands, except per share amounts)

		As of				
		December 31, 2022	**September 30, 2022**	**June 30, 2022**	**March 31, 2022**	**December 31, 2021**
Total stockholders' equity		$ 1,145,977	$ 1,106,588	$ 1,161,957	$ 1,218,025	$ 1,319,112
Goodwill and other intangible assets, net		(364,296)	(367,091)	(369,962)	(372,913)	(375,924)
Tangible book value	[a]	$ 781,681	$ 739,497	$ 791,995	$ 845,112	$ 943,188
Ending number of common shares outstanding	[b]	55,279,124	55,232,434	55,335,703	55,278,785	55,434,910
Tangible book value per common share	[a÷b]	$ 14.14	$ 13.39	$ 14.31	$ 15.29	$ 17.01

Tangible Common Equity and Tangible Common Equity to Tangible Assets
(dollars in thousands)

		As of				
		December 31, 2022	**September 30, 2022**	**June 30, 2022**	**March 31, 2022**	**December 31, 2021**
Total assets		$ 12,336,677	$ 12,497,388	$ 12,356,433	$ 12,567,509	$ 12,859,689
Non-GAAP adjustments:						
Goodwill and other intangible assets, net		(364,296)	(367,091)	(369,962)	(372,913)	(375,924)
Tax effect of other intangible assets[1]		8,847	9,369	9,905	10,456	16,254
Tangible assets	[a]	$ 11,981,228	$ 12,139,666	$ 11,996,376	$ 12,205,052	$ 12,500,019
Total stockholders' equity		$ 1,145,977	$ 1,106,588	$ 1,161,957	$ 1,218,025	$ 1,319,112
Non-GAAP adjustments:						
Goodwill and other intangible assets, net		(364,296)	(367,091)	(369,962)	(372,913)	(375,924)
Tax effect of other intangible assets[1]		8,847	9,369	9,905	10,456	16,254
Tangible common equity	[b]	$ 790,528	$ 748,866	$ 801,900	$ 855,568	$ 959,442
Tangible common equity to tangible assets[2]	[b÷a]	6.60 %	6.17 %	6.68 %	7.01 %	7.68 %

1. Net of estimated deferred tax liability.
2. Tax-effected measure.

Core Loans, Core Loans to Portfolio Loans,
Core Deposits, Core Deposits to Total Deposits, and Core Loans to Core Deposits
(dollars in thousands)

		As of				
		December 31, 2022	**September 30, 2022**	**June 30, 2022**	**March 31, 2022**	**December 31, 2021**
Portfolio loans	[a]	$ 7,725,702	$ 7,670,114	$ 7,497,778	$ 7,272,873	$ 7,188,998
Non-GAAP adjustments:						
PPP loans amortized cost		(845)	(1,426)	(7,616)	(31,769)	(74,958)
Core loans	[b]	$ 7,724,857	$ 7,668,688	$ 7,490,162	$ 7,241,104	$ 7,114,040
Total deposits	[c]	$ 10,071,280	$ 10,601,397	$ 10,397,228	$ 10,591,836	$ 10,768,577
Non-GAAP adjustments:						
Brokered transaction accounts		(1,303)	(2,006)	(2,002)	(2,002)	(2,248)
Time deposits of $250,000 or more		(120,377)	(103,534)	(117,957)	(139,245)	(137,449)
Core deposits	[d]	$ 9,949,600	$ 10,495,857	$ 10,277,269	$ 10,450,589	$ 10,628,880
RATIOS						
Core loans to portfolio loans	[b÷a]	99.99 %	99.98 %	99.90 %	99.56 %	98.96 %
Core deposits to total deposits	[d÷c]	98.79 %	99.00 %	98.85 %	98.67 %	98.70 %
Core loans to core deposits	[b÷d]	77.64 %	73.06 %	72.88 %	69.29 %	66.93 %

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 effects of inflationary pressures and supply chain constraints); (ii) the economic impact of any future terrorist threats or attacks, widespread disease or pandemics (including the Coronavirus Disease 2019 pandemic), or other adverse external events that could cause economic deterioration or instability in credit markets (including Russia’s invasion of Ukraine); (iii) changes in state and federal laws, regulations, and governmental policies concerning the Company’s general business; (iv) changes in accounting policies and practices; (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 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.

4Q22 QUARTERLY EARNINGS SUPPLEMENT

January 24, 2023

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 effects of inflationary pressures and supply chain constraints); (ii) the economic impact of any future terrorist threats or attacks, widespread disease or pandemics (including the Coronavirus Disease 2019 pandemic), or other adverse external events that could cause economic deterioration or instability in credit markets (including Russia's invasion of Ukraine); (iii) changes in state and federal laws, regulations, and governmental policies concerning the Company's general business; (iv) changes in accounting policies and practices; (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 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.

Non-GAAP Financial Information

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

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

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

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Overview of First Busey Corporation (BUSE)

Company Overview

150 YEARS +

150+ year old financial institution headquartered in CHAMPAIGN, IL

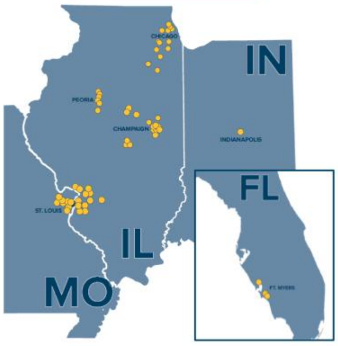
Busey BANK
Commercial Banking

Busey WEALTH MANAGEMENT
Wealth Management

firstech
Payment Tech Solutions

Unwavering Focus on 4 Pillars: ASSOCIATES, CUSTOMERS, COMMUNITIES AND SHAREHOLDERS

Regional operating model serving 4 regions: NORTHERN, CENTRAL, GATEWAY, FLORIDA



AMONG THE BEST

Forbes 2022 AMERICA'S BEST BANKS

AMERICAN BANKER 2022 Best Banks to Work For

Best Places to Work in IL 2022

NOD 2022 LEADING DISABILITY EMPLOYER

Pensions&Investments BEST PLACES TO WORK IN MONEY MANAGEMENT 2022

Trend Best Companies to Work For in Florida 2022 Winner

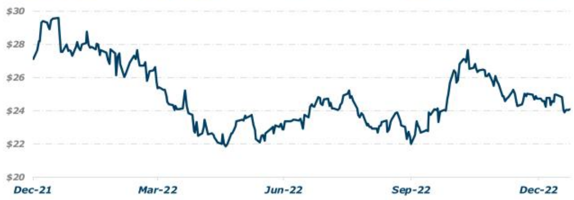
ST. LOUIS BUSINESS JOURNAL NAMED AMONG THE LARGEST TRUST COMPANIES COMMERCIAL LENDERS

Financial Highlights

$ in millions	YE 2020	YE 2021	YE 2022
Total Assets	$10,544	$12,860	$12,337
Total Loans (Ex-HFS)	$6,814	$7,189	$7,726
Total Deposits	$8,678	$10,769	$10,071
Total Equity	$1,270	$1,319	$1,146
NPA/Assets	0.27%	0.17%	0.13%
Net Interest Margin (1)	3.03%	2.49%	2.84%
Adj. PPNR ROAA (1)	1.75%	1.35%	1.44%
Adj. ROAA (1)	1.06%	1.15%	1.06%
Adj. ROATCE (1)	12.47%	14.40%	15.99%

BUSE Stock Price (2)

Market Cap	Price Per Share	Dividend Yield	Price/TBV	Price/NTM (3)
$1.33B	$24.10	4.0%	1.7x	8.6x



(1) Non-GAAP calculation, see Appendix (2) Market Data for BUSE updated to close on 1/23/23, per Nasdaq (3) Based on consensus median net income of covering analysts as of 1/23/23

Sizable Business Lines Provide for Innovative Solutions

Diversified financial holding company with comprehensive and innovative financial solutions for individuals and businesses

Busey BANK	Busey WEALTH MANAGEMENT	firstech
Full suite of diversified financial products for individuals and businesses	*Wealth & asset management services for individuals and businesses*	*Payment platform that enables the collection of payments across a variety of modules*
$12.3 Billion *Assets (1)*	**$11.1 Billion** *Assets Under Care*	**$11 Billion** *Payments Processed (5)*
$394.2 Million *LTM Revenue (2)*	**$55.4 Million** *LTM Revenue (4)*	**$21.8 Million** *LTM Revenue (6)*
19.0% *Adj. ROATCE (MRQ) (3)*	**38.2%** *PT Margin (MRQ)*	**10.5%** *Revenue Growth (YoY)*

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

Investment Highlights

Attractive Franchise that Provides Innovative Financial Solutions	▪ 58 branches across four states: Illinois, Missouri, Indiana, and Florida ▪ Premier commercial bank, wealth management, and payment technology solutions for individuals and businesses ▪ Attractive core deposit to total deposit ratio (98.8%)(1) and low cost of non-time deposits (28 bps) in 4Q22 ▪ Substantial investments in technology enterprise-wide and next generation leadership talent
Sound Growth Strategy Driven by Regional Operating Model	▪ Organic growth across key business lines driven by regional operating model that aligns commercial, wealth and FirsTech operations ▪ Quarter-over-quarter core loan(2) growth of $56 million (0.7% QoQ growth) and year-over-year core loan(2) growth of $611 million (8.6% YoY growth) ▪ Efficient and right-sized branch network (average deposits per branch of $174 million) ▪ Leverage track record as proven successful acquirer to expand through disciplined M&A
Powerful Combination of Three Business Lines Drives Strong Noninterest Income	▪ Significant revenue derived from diverse and complementary fee income sources ▪ Noninterest income / revenue (ex-securities gains/losses)(3) of 24.1% for 4Q22 ▪ Wealth management and payment technology solutions account for 62.2% of noninterest income (ex-securities gains/losses) in 4Q22 ▪ Sizable business lines provide for a full suite of solutions for our clients across their lifecycle
Attractive Profitability and Returns	▪ Adjusted ROAA of 1.17%(1) & Adjusted ROATCE of 19.03%(1) for 4Q22 ▪ 4Q22 NIM of 3.24%(1), up from 2.36%(1) in 4Q21 ▪ Adjusted Core Efficiency Ratio 55.8%(1) for 4Q22 ▪ Adjusted diluted EPS $0.65(1) for 4Q22 ▪ Quarterly dividend raised to $0.24(4) (3.98% yield)(5)

BUILT ON A FORTRESS BALANCE SHEET

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

(1) Non-GAAP calculation, see Appendix (2) Ex-PPP; Non-GAAP calculation, see Appendix (3) Revenue consists of net interest income plus noninterest income, excluding security gains and losses
(4) Dividend increase announced after quarter-end (5) Based on BUSE closing stock price on 1/23/23

Experienced Management Team

Van A. Dukeman
Chairman, President & CEO, First Busey Corp.

Has served as President & CEO of First Busey since 2007 and became Chairman of the Board effective July 2020. Mr. Dukeman was President & CEO of Main Street Trust from 1998 until its merger with First Busey in 2007. His 40 years of diverse financial services experience and extensive board involvement brings a conservative operating philosophy and a management style that focuses on Busey's associates, customers, communities and shareholders.

Robin N. Elliott
President & CEO, Busey Bank
President & CEO, FirsTech

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 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.

Monica L. Bowe
EVP & Chief Risk Officer

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

John J. Powers
EVP & General Counsel

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

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

Joined Busey in 2008 and now leads many areas, including: corporate strategy, marketing & communications, community relations, human resources, as well as M&A integration and other key projects and strategic initiatives. Prior to joining Busey, Mrs. Randolph worked for 10+ years with CliftonLarsonAllen LLP.

Jeff D. Burgess
EVP & President of Busey Wealth Management

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

Willie B. Mayberry
EVP & President of Regional Banking

Joined Busey in 2021 where he focuses on developing strategic growth opportunities and product development with an emphasis on well-capitalized banking. Prior to Busey, Mr. Mayberry was with PNC, serving as EVP & Director of Strategy and Planning for the Commercial Bank. With over 30 years of financial and commercial banking experience, he previously served as the Midwest Business Banking Regional Executive and National Sales Leader of Treasury Services for JPMorgan Chase.

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

Joined Busey in June 2022 to lead the Consumer, Community, Mortgage and Digital Banking teams. Mr. Sheils' nearly 25 years of banking experience includes serving as the Head of Retail Banking at MB Financial. Prior to his shift to retail, he led teams in Commercial Banking at MB Financial and at LaSalle Bank. Mr. Sheils brings seasoned expertise in consumer and small business strategy, call center management, retail operations, deposit and income growth, product development and enhancing digital options.

Chip Jorstad
EVP & President of Credit and Bank Administration

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

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

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

Strong Regional Operating Model

Our go-to-market strategy utilizes a regional operating model where we combine the power of commercial & wealth to provide a broad set of solutions for our customers

Northern

Banking Centers: 10

Deposits: $1.9 billion

Avg. Deposits Per Branch: $186.9 million

Median HHI: $83,335

Gateway

Banking Centers: 20

Deposits: $2.8 billion

Avg. Deposits Per Branch: $141.3 million

2022 Pop: 2.8 Million

Central

Banking Centers: 25

Deposits: $5.4 billion

Avg. Deposits Per Branch: $215.2 million

DMS Rank: Top 4 in four MSAs

Florida

Banking Centers: 3

Deposits: $458.1 million

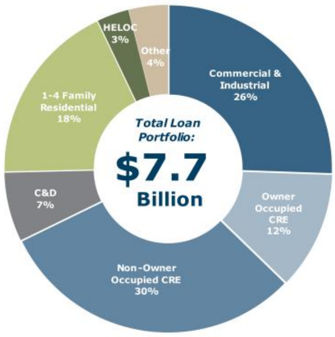
Avg. Deposits Per Branch: $152.7 million

2022-27 Pop. Growth: 6.0% versus U.S. avg. 3.2%

Source: US Census Claritas data as of most recent date available & 2022 FDIC Summary of Deposits

High Quality Loan Portfolio

Loan Portfolio Composition – Q4 2022



MRQ Yield on Loans

4.44%

Yield on MRQ New & Renewed Production

6.18%

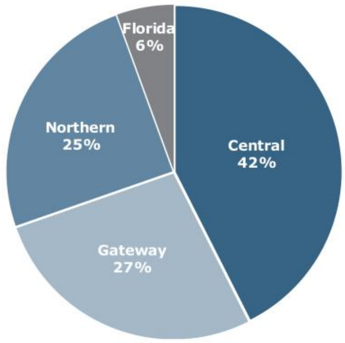
Classified Lns / Capital(1)

7.7%

New Originations in 2022

- Approx. 70% of new production was due to growth within existing bank relationships
- New CRE-I originations had a weighted-avg LTV of 62%

Loan Portfolio Regional Segmentation (2)



Ex-PPP Loans Trends

LTM Core Growth(3)

8.6%

LTM Commercial Growth(3)

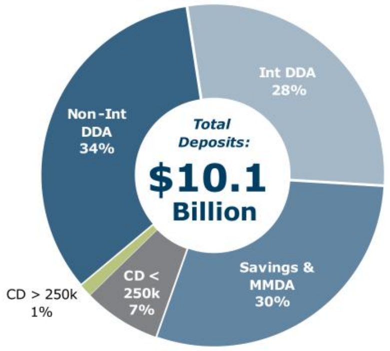
7.3%

Funded Draws & Line Utilization Rate (4)

(1) Capital is Bank Tier 1 Capital + Allowance for credit losses (2) Based on loan origination (3) Busey loans ex-PPP (4) Excludes credit card & overdraft protection & includes tranche loan commitments/associated sub notes

Top Tier Core Deposit Franchise

Deposit Portfolio Composition – Q4 2022

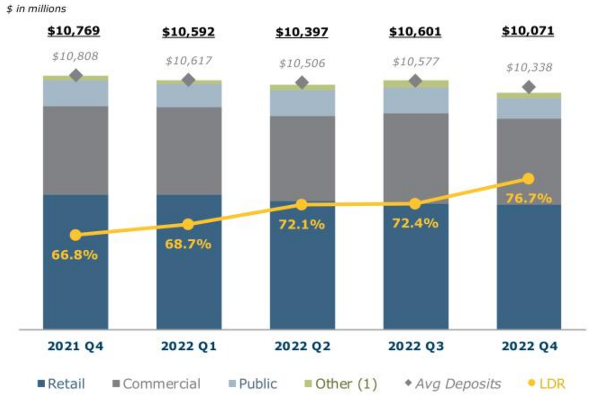


MRQ Avg Cost of Deposits
0.32%

MRQ Avg Cost of Non-Time Deposits
0.28%

Avg Deposits per Branch
$174 million

Total Deposits & Loan-to-Deposit Ratio



Core Deposits (2) / Total Deposits

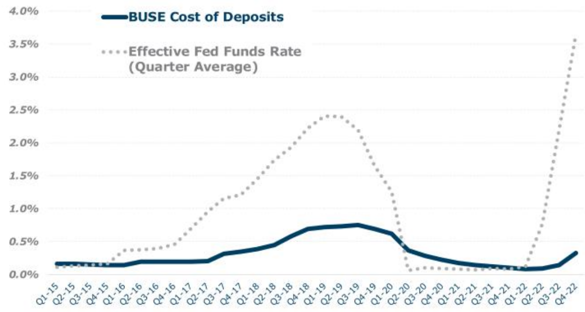
4Q22 Deposit Flows

- Seasonal outflows in public funds
- Experienced net deposit outflows into Busey Wealth Management accounts
- Fluctuations related to normal business operations for certain core commercial customers
- Macro pressures due to rate environment, inflation, and competition for deposits
- Slowing retail decline QoQ

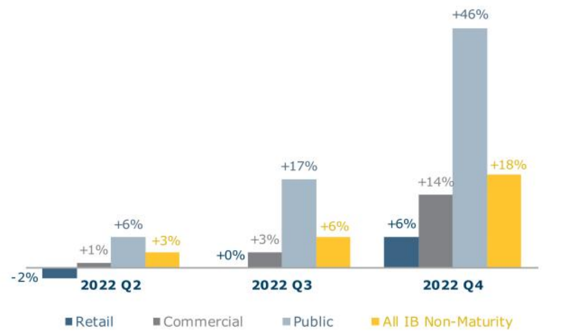
(1) Other deposits include brokered MMA, brokered CDs, ICS Demand & Savings, CDAR CDs (2) Non-GAAP calculation, see Appendix

Deposit Trends

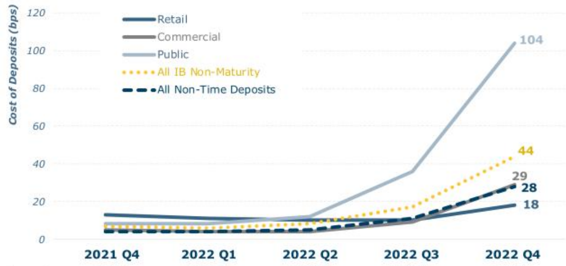
Historical Cost of Deposits, 2015 – Q4 2022 (1)



Incremental Quarterly Deposit Betas



Quarterly Average Cost of Deposits



	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4
Total Deposits	0.09%	0.08%	0.08%	0.13%	0.32%
IB Non-Maturity	0.07%	0.06%	0.08%	0.17%	0.44%
Non-Time Dep.	0.04%	0.04%	0.05%	0.11%	0.28%

Cumulative Deposit Betas for Tightening Cycle-to-Date

	2022 Q2	2022 Q3	2022 Q4
Retail	-5%	-1%	+1%
Commercial	-1%	+2%	+7%
Public	+6%	+14%	+27%
All IB Non-Maturity	+2%	+5%	+10%
Total Deposits	-1%	+2%	+6%

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

Diversified and Significant Sources of Fee Income

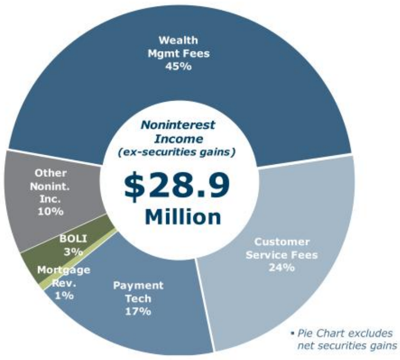
- Noninterest income represented 24.1% of revenue (ex-securities gains/losses) in 4Q22
- Key businesses of wealth management and payment technology solutions contributed 62.2% of noninterest income (ex-securities gains/losses) in 4Q22
- YoY decline in noninterest income primarily attributable to market impact on wealth management fees, lower customer swap revenue, and lower customer services fees due to Durbin Amendment impact that began 7/1/22
  - Excluding Durbin Amendment impact, 4Q22 fees for customer services is down only 3% YoY

Noninterest Income / Total Revenue [1]

Sources of Noninterest Income

$ in thousands

Noninterest Income Detail	2021 Q4	2022 Q4	*YoY Change*
Wealth Management Fees	$13,751	$12,956	***-6%***
Fees for Customer Services	$9,668	$6,989	***-28%***
Payment Technology Solutions	$4,576	$5,022	***+10%***
Mortgage Revenue	$1,086	$198	***-82%***
Income on Bank Owned Life Insurance	$1,727	$947	***-45%***
Net Securities Gains (Losses)	$474	$191	***-60%***
Other Noninterest Income	$3,807	$2,776	***-27%***
Total Noninterest Income	**$35,089**	**$29,079**	***-17%***



(1) Includes net security gains and losses

Fully Integrated Wealth Management Platform

Six Distinct Teams

Private Wealth Advisor
- Risk-return optimization
- Specialized strategies for tax efficiency

Portfolio Management
- Institutional approach
- Corporate retirement plan advisory
- Consistent track record of outperformance

Legacy Planning
- Philanthropic advisory
- Tax-efficient wealth transfer & asset protection

Tax Planning & Preparation
- Deduction maximization & tax-advantaged savings strategies
- 1040 & 1041 preparation by in-house team

Wealth Planning
- Tax-advantaged retirement savings maximization
- Goal tracking, projections & stress testing

Private Client
- Concierge banking with one point of contact
- Complete and simplified coordination of all banking needs

Our wealth management business provides effective and high-touch solutions for high-net-worth individuals. Our clients work with a dedicated team of financial professionals, with each team member bringing their specialized focus to add value to each client's personal situation. With financial planning at the core of our client experience, we leverage the collective expertise of the team to streamline the delivery of our investment strategy and holistic wealth services, in a cohesive, consolidated manner.

PERSONAL CFO
Trusted, dedicated team of financial professionals that understand your situation and ambitions, creating a strategic vision and implements the plan to achieve your goals.

TAX PLANNING & MANAGEMENT
Minimize tax impacts due to income shifts and capital events and ensure overall tax-efficience, while also leaving the burden of tax preparation to us.

WEALTH PRESERVATION
Protect and retain your assets through multi-generational estate planning strategies and trust administration services.

HOUSEHOLD MANAGEMENT
Have your bills paid and your monthly expenses budgeted so you can focus on enjoying your everyday lifestyle.

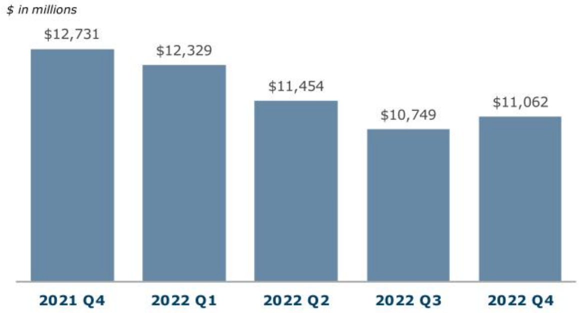
LEGACY PLANNING
Preserve your values, traditions and wishes across generations, and support education, efficient wealth transfer to heirs and philanthropic giving.

INVESTMENT MANAGEMENT
Global oversight and management of your investment portfolio through a unified, tax-efficient approach while also controlling risk and enhancing diversification.

Wealth Management

- Assets Under Care (AUC) of $11.1 billion, a QoQ increase of $313 million
- AUC YoY decrease of $1.7 billion was predominantly due to reduction in market valuations and pressured by outsized one-time, nonrecurring outflows (e.g., consolidation of large state pension funds into a single manager)
- Wealth revenue of $13.0 million, a YoY decrease of 5.8% and pre-tax net income of $5.0 million, a YoY decrease of 10.1%
- Pre-tax profit margin of 38.2% in 4Q22 and 43.1% over the last twelve months
- The investment team continues to produce excellent returns, outperforming benchmarks over multiple measurement periods
  - The team's blended portfolio outperformed the blended benchmark(1) by 294 bps during 2022
- Rate environment attracting more fixed income assets – our fixed income management capabilities are very deep and a real differentiator
  - Bank + Wealth partnership allows us to better keep customer funds inside our overall ecosystem depending on client needs
- Continued overall rotation from low-fee customer exits to acquiring new higher-fee customers
- Ongoing account fee structure initiatives expected to generate incremental revenue growth

Wealth - Assets Under Care



Wealth – Revenue & Pre-tax Income (2)

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

Scalable Payment Technology Solutions Platform

Renew & Expand Core Business

- Money movement that allows our customers to accelerate revenue realization
- Frictionless payments across FirsTech's omnichannel, single vendor solution, online and offline
- Securely protects customers – FirsTech subject to Bank Regulatory Compliance and Audits
- Use the bank as a lab to build & perfect products for our customers

Primary Core Verticals – Highly Regulated Industries

- Utilities
- Telecom
- Insurance
- Municipalities

Primary BaaS Vertical

- Community Banks & Credit Unions

Innovating for Growth

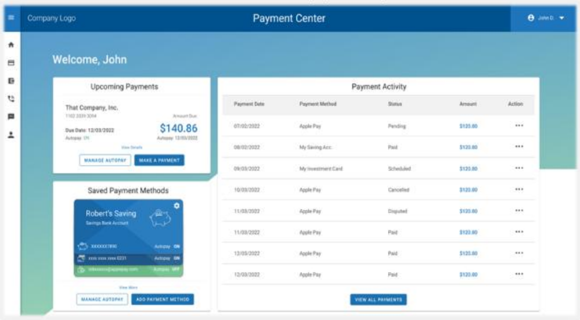
BaaS Solution

- Out-of-the-box customized payment solution with attractive & adaptive UX
- Customers can offer white-labeled web & mobile platforms to their clients
- API connection to customer's existing core for seamless integration
- Revenue generated from one-time setup fee, recurring SaaS fee, and revenue share per transaction above certain processing thresholds

SMB Vertical

- Turnkey application that enables customers to move to an ecommerce platform & accept payments
- Strategy of leading with Merchant Processing equipment sales, then demonstrate value of upgrading to ecommerce platform to existing customers

FirsTech's customized payments platform



FirsTech

- LTM revenue of $21.8 million, an increase of 11% over the prior twelve-month period
- Continue to invest and build-out the BaaS offering initiative; hired and trained four new associates focused on BaaS and conducted more than 250 meetings with potential customers during 2022
- Pipeline continues to build – regularly track progress to adapt go-to-market sales strategies
- The value of customized payments-enabled software platforms from an ODFI-sponsored company resonates with potential customers
- Average revenue per processing day increased to $88.3 thousand in 4Q22, a YoY increase of 13%
- Strong revenue growth metrics in key business lines that have been targeted for investment to-date

$11 billion *Payments processed in 2022*

35 million *Transactions processed in 2022*

Revenue Growth (1)

$19.7 million *YE 2021* → ***+10.5%*** → **$21.8 million** *YE 2022*

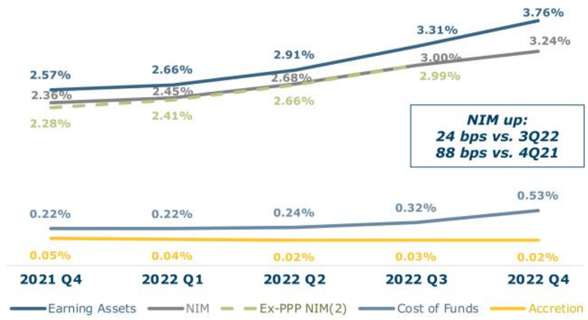
Total Revenue Per Day (2) Trend

(1) Non-GAAP, revenue equates to all revenue sources tied to FirsTech and excludes intracompany eliminations (2) Revenue per processing day

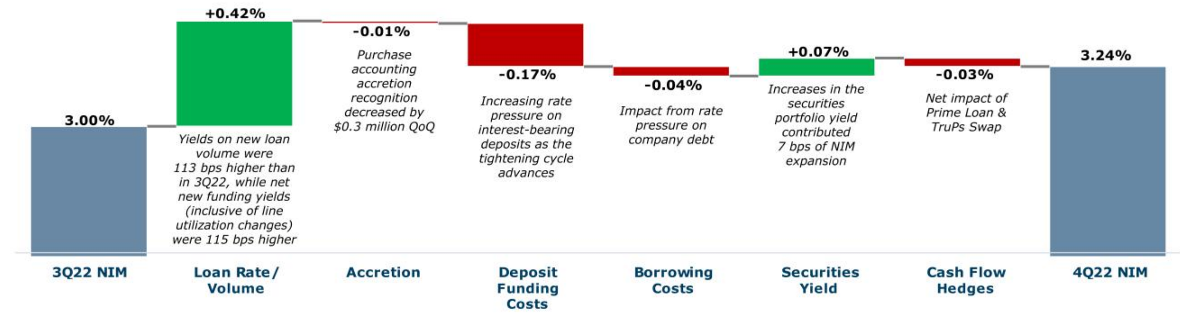
Net Interest Margin

Net Interest Income (1)

Net Interest Margin (1)



Net Interest Margin Bridge – *Factors contributing to **24 bps** NIM expansion during quarter*



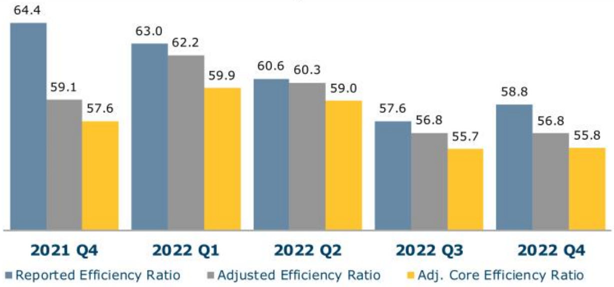
(1) Tax-equivalent adjusted amounts; Non-GAAP, see Appendix (2) Non-GAAP; Ex-PPP NIM removes the balance of PPP loans and associated income as well as the equivalent amount of self-funding noninterest-bearing deposits

Focused Control on Expenses

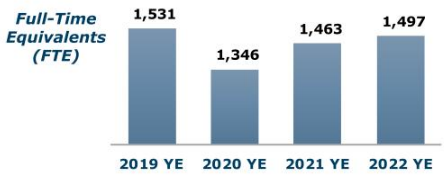
Noninterest Expense

	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4
Noninterest Exp.	$71.2	$70.4	$69.1	$70.7	$73.7
Unfunded Provision	$0.3	$1.1	($0.3)	($0.3)	($0.5)
Acq./Restructuring Exp.	$5.6	$0.8	$0.3	$1.0	$2.4
Intangible Amort.	$3.1	$3.0	$3.0	$2.9	$2.8
NMTC Amort.	$1.3	$1.3	$1.7	$1.7	$1.7
Adj. Core Exp. (1)	$60.9	$64.1	$64.4	$65.6	$67.2

Efficiency Ratio (1)



- Adjusted core expenses(1) of $67.2 million in 4Q22
- Continue to be mindful and diligent on expenses, dialing back new hires and targeting critical replacements only; focusing on harvesting investments made over the last several quarters
- During 4Q22, implemented a targeted restructuring & efficiency optimization plan
  - Projected to generate annual salary & benefits savings of $4.0 to $4.1 million
  - Approximately 33% of the quarterly run-rate for savings was reflected in our 4Q22 results and anticipate 100% will be in the run-rate by 1Q23
- $2.4 million of one-time severance-related costs in 4Q22; primarily tied to the efficiency optimization plan and FirsTech leadership change
- Hurricane Ian recovery initiatives had $0.4 million of associated one-time expenses during 4Q22
- Over prior two years, reduced branch count from 87 (proforma for Glenview State Bank) to 58, while increasing average deposits per branch from $113 million at 9/30/20 to $174 million at 12/31/22
- $7.7 million of average earning assets per employee at YE 2022, which compares to $7.5 million at YE 2021



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

Continued Investment in Technology Enterprise-Wide

2022 Tech Investment Highlights

Investment Legend

- **Enhanced Customer Experience** (yellow)
- **Scale & Efficiency Upgrades** (blue)

Q1

- FirsTech launched new one-time payments platform for Busey Bank customers

Q2

- Launched integrated payables platform, offering commercial clients a portal to manage their payables process
- Mortgage eClosing option integrated into retail platforms; has reduced the loan closing process time by 75%
- Launched dedicated Busey Wealth Management mobile app

Q3

- Upgraded treasury management solution for more robust customer functionality & more detailed internal reporting
- Launched new IT security operations partnership that enhanced 24x7x365 support for monitoring of security alerts & events, incident response & remediation
- Launched new robust & integrated intranet to support growing communication and education needs

Q4

- Debuted an incentivized program that allows associates to "pitch" their ideas for efficiency improvements to Busey leaders, who will select winning applicants each quarter → CONCEPT CO-OP
- Implemented software & hardware management databases, enhancing monitoring of assets & licenses and automating ongoing maintenance & ordering
- Completed first phase of disaster recovery environment migration to the cloud

Rising Digital Banking Adoption

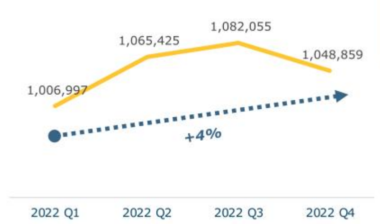
Mobile engagement of customers continues growth trajectory as online banking reaches maturity stage

Consumer Monthly Active Users (1)

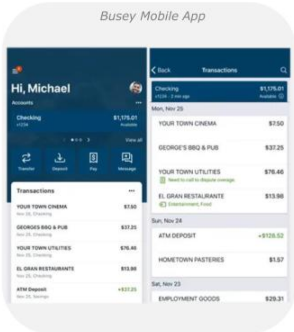
Commercial Quarterly Active Users (2)

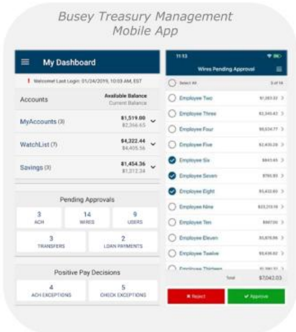
Customer base increasingly relying on self-service features

Consumer Mobile & Online Transaction Activity (Counts, actual)



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





(1) Customer has logged in at least once in the 30 days preceding period-end (2) Customer has logged in at least once in the 90 days preceding period-end

Fortress Balance Sheet

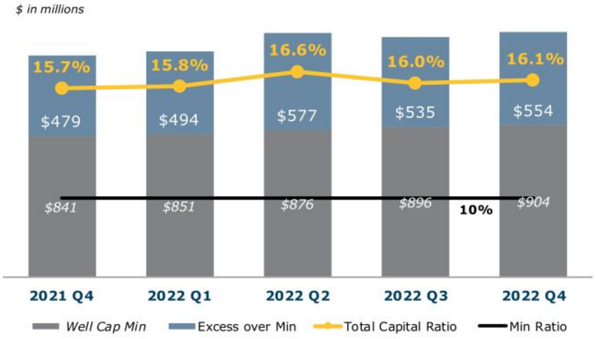
Robust Capital Foundation	▪ Capital ratios significantly in excess of well-capitalized minimums ▪ Total RBC of 16.1% and CET1 ratio of 12.0% at 12/31/22 (1) ▪ TCE/TA ratio of 6.60% at 12/31/22 (2) ▪ TBV per share of $14.14 at 12/31/22 (2) ▪ Raised quarterly dividend by 4.3% ($0.01 per share) to $0.24 per share (3)
High Quality, Resilient Loan Portfolio	▪ Diversified portfolio, conservatively underwritten with low levels of concentration ▪ Non-performing (0.13% of total assets) and classified assets (7.7% of capital (4)) both remain near historically low levels ▪ Reserves remain above initial Day 1 CECL coverage of 1.06%: ACL/Loans: 1.19% | ACL/NPLs: 582.01% ▪ 100 / 300 Test: 39% C&D | 214% CRE
Strong Core Deposit Franchise & Ample Liquidity	▪ Robust holding company and bank-level liquidity ▪ Strong core deposit franchise ▪ 76.7% loan-to-deposit ratio, 98.8% core deposits (2) ▪ 33.7% of total deposits are noninterest-bearing ▪ Borrowings accounted for approximately 6.3% of total funding at 12/31/22 ▪ Substantial sources of off-balance sheet contingent funding ($3.9 billion)

(1) Capital ratios are preliminary estimates (2) Non-GAAP calculation, see Appendix (3) Dividend increase announced after quarter-end (4) Capital calculated as Bank Tier 1 Capital + Allowance for credit losses

Robust Capital Foundation

Tangible Common Equity (1) & CET1 Ratios (2)

Total Capital Ratio (2)



Leverage Ratio (2)

Consolidated Capital as of 12/31/22 (2)

$ in millions

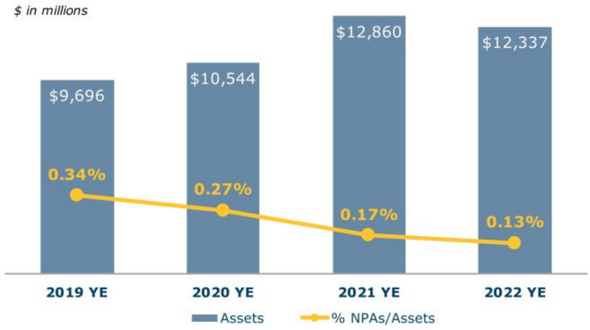
	Common Equity Tier 1 Ratio	Tier 1 Capital Ratio	Total Capital Ratio
Capital Ratio	12.0%	12.8%	16.1%
Minimum Well Capitalized Ratio	*6.5%*	*8.0%*	*10.0%*
Amount of Capital	$1,082	$1,156	$1,458
Well Capitalized Minimum	*$588*	*$724*	*$904*
Excess Amount over Minimum	$494	$432	$554

(1) Non-GAAP calculation, see Appendix (2) 4Q22 capital ratios are preliminary estimates

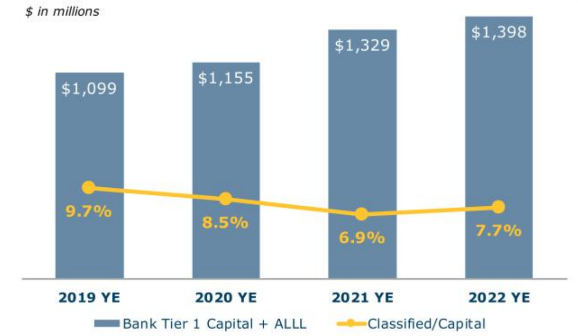
Pristine Credit Quality

- Conservative underwriting leads to pristine credit quality
  - CRE factors of DSCR, Debt Yield, & LTV stressed for effective gross income decline and interest & cap rate stress
  - C&I factors including core, operating, traditional cash flows, working capital, and leverage ratios that each are stressed for rate hikes, historical revenue volatility, and a rigorous breakeven analysis
- Strong portfolio management that identifies early warning indicators and proactively engages the special assets group early in the credit review process (special assets group has remained intact since the Global Financial Crisis)
- Non-performing asset, classified asset, and net charge-off ratios remain near historically low levels
- Company-wide attention to changing economic environment and potential impact on credit
- 2022 net charge-offs totaled $0.9 million, which equates to 0.01% of YE 2022 average loans

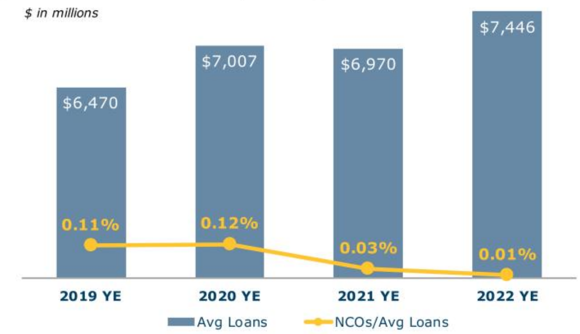
NPAs / Assets



Classifieds / Capital (1)



NCOs / Average Loans

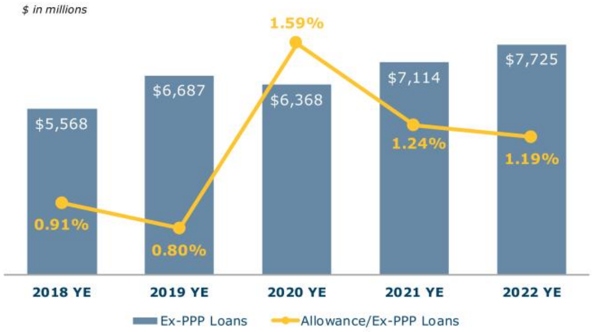


(1) Capital calculated as Busey Bank Tier 1 Capital + Allowance for credit losses

Reserve Supports Credit & Growth Profile

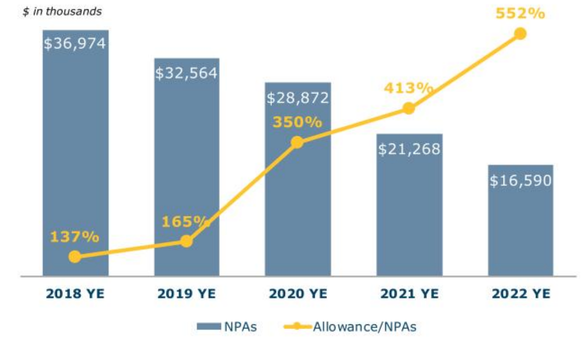
- Reserve to loans of 1.19% (ex-PPP)
  - Day 1 CECL coverage was 1.06%
- Non-performing loan balances remain near historically low levels and decreased by $0.9 million QoQ
- Reserves to NPLs now equal to 582%

Allowance / Loans (ex-PPP)



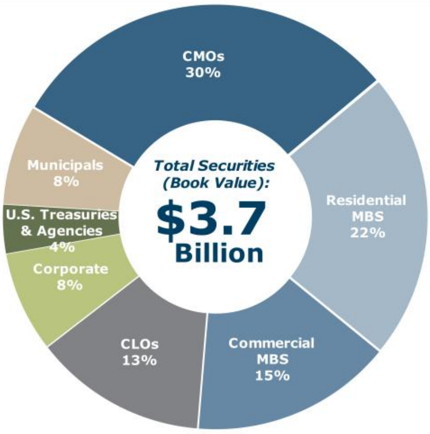
Allowance / NPLs

Allowance / NPAs



Balanced, Low-Risk, Short-Duration Investment Portfolio

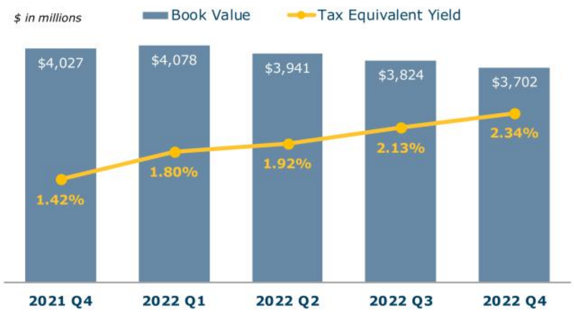
Investment Portfolio Composition – Q4 2022



- All Mortgage-Backed Securities & Collateralized Mortgage Obligations are Agency
- 90% of Municipal holdings rated AA or better and 8% rated A
- 100% of Corporate holdings are investment grade
- Collateralized Loan Obligation portfolio consists of 86% rated AAA and 14% rated AA

- BUSE carried $918 million in held-to-maturity (HTM) securities as of 12/31/22
    - Transferred a portion of the portfolio comprised of Agency RMBS & CMBS from available-for-sale (AFS) to HTM during 1Q22
- The duration of the securities portfolio including HTM is 4.1 years and our fair value duration, which excludes the HTM portfolio, is 3.7 years
- After-tax net AFS unrealized loss position of $311 million
- Carrying value of investment portfolio is 27% of total assets
- Projected 2023 roll off cash flow (based on static rates) of $440 million at ~1.70% yield
- Over the last three quarters the investment portfolio's book value has reduced by $376 million as balance sheet rotation into loans continues

Securities Portfolio – Book Value vs. TE Yield



Actively Managing Asset-Sensitive Balance Sheet

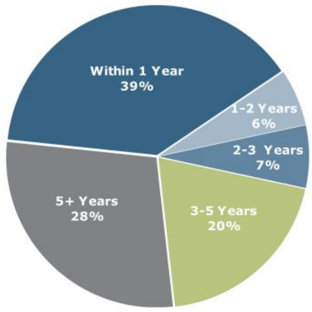
- Balance sheet remains asset-sensitive, working towards becoming more rate neutral
  - A +100 bps rate shock for Year 1 is down to +3.0% from +4.6% in 3Q22
  - A -100 bps rate shock for Year 1 is -3.9%; up from -5.8% in 3Q22
- Continue to evaluate off-balance sheet hedging strategies as well as embedding rate protection in our asset originations to provide stabilization to net interest income in lower rate environments
- Vigilant focus on pricing discipline for both loans and deposits
- 39% of loan portfolio reprices in less than one year
- 7% of deposits are indexed/floating rate
- Tightening cycle-to-date IB non-maturity deposit beta of 10% vs. conservative ALCO model assumption of 30%
- Cycle-to-date total deposit beta has been 6% through YE 2022

Annual % Change in Net Interest Income under Shock Scenarios

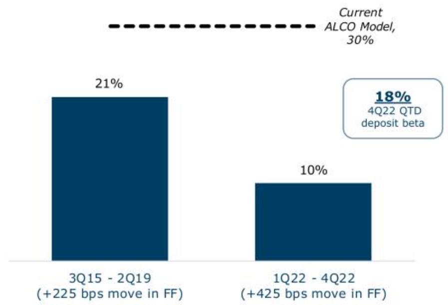
Rate Shock	Year 1	Year 2
+200 bps	+6.1%	+7.9%
+100 bps	+3.0%	+3.9%
-100 bps	-3.9%	-5.3%
-200 bps	-8.1%	-10.8%

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

Repricing / Maturity Structures of Portfolio Loans



IB Non-Maturity Deposit Betas [1] in Last Tightening Cycle vs. Current ALCO Model



(1) Deposit betas are calculated based on an average fed funds target rate of 3.82% during 4Q22

Quarterly Earnings Review

Net Interest Income	▪ Net interest income was $91.1 million in 4Q22 vs. $86.3 million in 3Q22 and $70.5 million in 4Q21 ▪ Net interest margin (1) was 3.24% in 4Q22, an increase of 24 bps vs. 3.00% in 3Q22 ▪ Adjusted net interest margin (1) (ex-PAA) was 3.22% in 4Q22, an increase of 25 bps vs. 2.97% in 3Q22 ▪ Primary factors contributing to the quarter's NIM expansion was the growth of the loan portfolio combined with higher new volume rates & repricing rates (42 bps increase) and securities portfolio yield (7 bps increase), offset partially by increased funding costs
Noninterest Income	▪ Noninterest income (ex-securities gains/losses) of $28.9 million in 4Q22, representing 24% of revenue ▪ Wealth management fees of $13.0 million in 4Q22, up from $12.5 million in 3Q22 and down 6% YoY driven primarily by reduction in market valuations ▪ Payment tech solutions revenue of $5.0 million in 4Q22, down from $5.1 million in 3Q22 and up 10% YoY ▪ Fees for customer services of $7.0 million in 4Q22, down 8% QoQ and down 28% YoY, attributable to impact from Durbin Amendment ($2.4 million impact in 4Q22)
Noninterest Expense	▪ Adjusted noninterest expense (1) (ex-amortization of intangibles, one-time acquisition and restructuring related items) of $68.4 million in 4Q22, resulting in a 56.8% adjusted efficiency ratio (1) ▪ Adjusted core noninterest expense (1) of $67.2 million (ex-amortization of intangible assets, unfunded commitment provision, NMTC amortization, and one-time items) in 4Q22, equating to 55.8% adjusted core efficiency ratio (1)
Provision	▪ $0.9 million loan loss provision expense ▪ $0.5 million negative provision for unfunded commitments (captured in other noninterest expense) ▪ Net recovery of $0.03 million in 4Q22
Taxes	▪ 4Q22 earnings were negatively impacted by an increase to income tax expense as a result of adjusting our estimated annual effective tax rate primarily due to our rapidly expanding NIM ▪ This adjustment resulted in the 4Q22 effective tax rate increasing to 24.7% compared to 19.2% in 3Q22 (20.7% for YE 2022 vs. combined federal and state statutory rate of approximately 28.0%)
Earnings	▪ Adjusted net income of $36.3 million or $0.65 per diluted share (1) ▪ Adjusted pre-provision net revenue of $50.0 million (1.61% PPNR ROAA) in 4Q22 (1) ▪ 1.17% Adjusted ROAA and 19.03% Adjusted ROATCE in 4Q22 (1)

(1) Non-GAAP, see Appendix

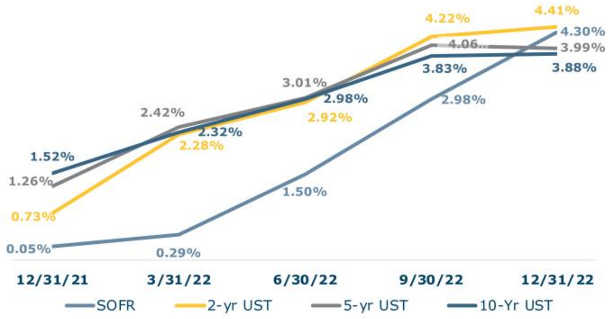
Earnings Performance

Adjusted Net Income & Earnings Per Share [1]

Adjusted ROAA & Adjusted ROATCE [1]

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

Historical Key Rates [2]



(1) Non-GAAP calculation, see Appendix (2) Per FRED, Federal Reserve Bank of St. Louis

Environmental, Social and Governance Responsibility

Building on 150 Years of Excellence | Advancing a Comprehensive ESG Strategy

*Reduced energy usage by over **1.5 million kWh** since 2020 across 20 buildings, avoiding over **1,000 metric tons of carbon dioxide***

*Launched the **Busey Green Team**, a voluntary associate resource group for continuing to improve Busey's **sustainability efforts** across the footprint*

Commitment to Environment

- Helping our clients reduce their footprint from sustainable agriculture to green construction, financing for solar arrays, energy efficiency improvements, and more.
- Recycling nearly 500 tons of paper in 2021 alone, avoiding nearly 2 million kWh of energy in new paper usage.
- Providing all associates training on how to reduce their environmental impact at home and in the office.

First bank to be Illinois Green Business Association certified in 2012

Over $16 million in commitments to new green construction (1)

Commitment to People

- Donating more than $1.6 million and volunteering over 14,000 hours in 2022.
- Attracting and retaining talent across a diverse set of backgrounds and experiences and investing in associate wellness and training and development.
- Building upon a legacy of corporate responsibility through an Enterprise Community Banking program.

2022 Associate Engagement Score is the **highest in Busey's history** at 4.28/5.00 (2)

8.5 years average tenure (3)

95% engagement in wellness program (3)

Commitment to Strong Governance

- Leading at the Board and Executive level with a team of diverse backgrounds and experiences.
- Adhering to a stringent code of ethics set forth standards that all Executives, Directors and Officers are expected to follow.
- Prioritizing strong corporate governance – employing sustainable and scalable processes, policies, and customs – exceeding industry metrics.

Strong **7% insider ownership** (1)

40% of Board have underrepresented backgrounds, with diverse lengths of tenure (1)

ISS Score (4) (1-10 Range, lower is better)	Environmental Disclosures	Social Disclosures	Governance Risk
	3	4	2

Sustainalytics Score (5) (Lower is better – Proxy Peers average 29.5)	BUSE Score
	28.8

To view the full Corporate Social Responsibility Report, visit busey.com/CSR

(1) Definitive Proxy filed 4/14/22 (2) Gallup-conducted survey completed Apr. 2022; first conducted in 2014 (3) Annual Report filed 4/26/22 (4) Last ISS Governance data profile update: 3/28/22; Last ISS E&S data profile update: 9/10/21 (5) Sustainalytics Scores updated through 1/9/2023. Reporting peer group is: ABCB, BANF, CUBI, EFSC, FFBC, FIBK, FRME, GBCI, HOMB, HTLF, ONB, PRK, RNST, SFBS, SFNC, STBA, TRMK, WSBC

APPENDIX

High Quality Loan Portfolio: C&I

- 25.5% of total loan portfolio (ex-PPP loans)
- All C&I loans are underwritten to 1.20x FCCR requirement and RLOCs greater than $1 million require a monthly borrowing base
- Diversified portfolio results in low levels of concentrated exposure
  - Top concentration in one industry (manufacturing) is 14% of C&I loans, or 4% of total loans
- Only 2.9% of C&I loans are classified
  - Majority of manufacturing classified balances are comprised of two credits ($28 million outstanding) that were downgraded from special mention to classified during 2Q22 & 4Q22
- Due to the impact of Hurricane Ian, three Florida customers with $0.6 million of C&I balances are under 90-day payment deferrals

Total C&I Loans [1]

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

C&I Loans by Sector (ex-PPP)

$ in thousands

NAICS Sector	12/31/22 Balances (ex-PPP)	% of Total Loans	12/31/22 Classified Balances
Manufacturing	$281,380	3.6%	$34,901
Finance and Insurance	$256,611	3.3%	$0
Real Estate Rental & Leasing	$231,926	3.0%	$962
Wholesale Trade	$207,235	2.7%	$435
Educational Services	$168,824	2.2%	$97
Construction	$164,141	2.1%	$2,398
Health Care and Social Assistance	$111,417	1.4%	$6,044
Agriculture, Forestry, Fishing	$111,192	1.4%	$1,150
Transportation	$73,642	1.0%	$0
Food Services and Drinking Places	$71,747	0.9%	$764
Public Administration	$64,007	0.8%	$0
Other Services (except Public Admin)	$50,523	0.7%	$46
Arts, Entertainment, and Recreation	$49,587	0.6%	$2,120
Retail Trade	$47,616	0.6%	$3,288
Professional, Scientific, & Tech Svcs	$45,111	0.6%	$4,400
Administrative and Support Services	$16,373	0.2%	$755
Waste Management Services	$8,443	0.1%	$0
Mining, Quarrying, Oil & Gas Extr.	$7,210	0.1%	$0
Information	$3,082	0.0%	$0
Management of Cos. & Enterprises	$1,125	0.0%	$0
Utilities	$769	0.0%	$0
Grand Total	**$1,971,960**	**25.5%**	**$57,361**

High Quality Loan Portfolio: CRE

Owner Occupied CRE Loans by Property Type

Property Type ($ in thousands)	12/31/22 Balances	% of Total Loans	12/31/22 Classified Balances
Industrial/Warehouse	$343,431	4.4%	$5,416
Specialty	$222,304	2.9%	$1,077
Traditional Office	$111,534	1.4%	$471
Medical Office	$109,038	1.4%	$0
Retail	$64,465	0.8%	$2,175
Restaurant	$50,348	0.7%	$2,902
Nursing Homes	$1,443	0.0%	$0
Health Care	$947	0.0%	$0
Hotel	$611	0.0%	$0
Apartments	$421	0.0%	$0
Other	$280	0.0%	$0
Student Housing	$104	0.0%	$0
Grand Total	**$904,924**	**11.7%**	**$12,041**

Total CRE: CRE-I and OOCRE Portfolio

- Only 1.1% of total CRE loans are classified
- CRE-I permanent financing guidance requires 1.15x-1.35x pre-distr. DSCR & 65%-80% LTV depending on property type, with lower of LTC or LTV for construction projects
- Owner-occupied properties are underwritten to operating cash flow and guidance requires a 1.20x FCCR
- Low levels of concentrated exposure
  - Continue to actively monitor CRE-I concentrations vs. internally-defined appetite thresholds
  - Industrial/Warehouse top concentration at 18% of total CRE
  - Over 40% of total Office CRE portfolio is Medical Office, a segment minimally impacted by work-from-home trends; Urban business-district exposure is minimal

Investor Owned CRE Loans by Property Type [1]

Property Type ($ in thousands)	12/31/22 Balances	% of Total Loans	12/31/22 Classified Balances
Apartments	$614,417	8.0%	$719
Retail	$468,696	6.1%	$1,804
Industrial/Warehouse	$332,171	4.3%	$0
Traditional Office	$291,006	3.8%	$1,126
Student Housing	$231,744	3.0%	$0
Hotel	$207,915	2.7%	$0
Senior Housing	$187,819	2.4%	$0
Medical Office	$160,601	2.1%	$0
LAD	$146,626	1.9%	$2,400
Specialty	$100,754	1.3%	$33
Nursing Homes	$49,722	0.6%	$24,460
Restaurant	$23,241	0.3%	$0
Health Care	$20,000	0.3%	$0
Continuing Care Facilities	$14,162	0.2%	$0
1-4 Family	$12,512	0.2%	$0
Other	$830	0.0%	$0
Grand Total	**$2,862,216**	**37.0%**	**$30,542**

- Apartments & Student Housing represents 30% of CRE-I
  - 61.4% WAvg LTV & 59.5% long-term customers (4+ yrs)
- Nursing Home portfolio has been a primary focus of ongoing monitoring activities since the onset of the pandemic
  - Customers experienced significant occupancy declines at onset of pandemic and have been slow to recover
  - One $10 million classified nursing home credit paid off during 4Q22
- Due to the impact of Hurricane Ian, six Florida customers with $18.3 million of CRE balances are currently under 90-day payment deferrals

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

Non-GAAP Financial Information

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

(dollars in thousands)

		Three Months Ended			Years Ended	
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
PRE-PROVISION NET REVENUE						
Net interest income		$ 91,149	$ 86,305	$ 70,508	$ 323,438	$ 270,698
Total noninterest income		29,079	30,933	35,089	126,803	132,804
Net security (gains) losses		(191)	(4)	(474)	2,133	(3,070)
Total noninterest expense		(73,677)	(70,736)	(71,169)	(283,881)	(261,780)
Pre-provision net revenue		46,360	46,498	33,954	168,493	138,652
Non-GAAP adjustments:						
Acquisition and other restructuring expenses		2,442	957	5,641	4,537	17,351
Provision for unfunded commitments		(464)	(320)	294	61	(774)
Amortization of New Markets Tax Credits		1,665	1,665	1,255	6,333	5,563
Adjusted pre-provision net revenue		$ 50,003	$ 48,800	$ 41,144	$ 179,424	$ 160,792
Pre-provision net revenue, annualized	[a]	$ 183,928	$ 184,476	$ 134,709	$ 168,493	$ 138,652
Adjusted pre-provision net revenue, annualized	[b]	198,381	193,609	163,234	179,424	160,792
Average total assets	[c]	12,330,132	12,531,856	12,895,049	12,492,948	11,904,935
Reported: Pre-provision net revenue to average assets[1]	[a÷c]	1.49 %	1.47 %	1.04 %	1.35 %	1.16 %
Adjusted: Pre-provision net revenue to average assets[1]	[b÷c]	1.61 %	1.54 %	1.27 %	1.44 %	1.35 %

1. Annualized measure.

Non-GAAP Financial Information

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

(dollars in thousands, except per share amounts)

		Three Months Ended			Years Ended	
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
NET INCOME ADJUSTED FOR NON-OPERATING ITEMS						
Net income	[a]	$ 34,387	$ 35,661	$ 29,926	$ 128,311	$ 123,449
Non-GAAP adjustments:						
Acquisition expenses:						
Salaries, wages, and employee benefits		—	—	1,760	587	7,347
Data processing		—	—	143	214	3,700
Professional fees, occupancy, and other		16	4	290	258	2,599
Other restructuring expenses:						
Salaries, wages, and employee benefits		2,409	—	215	2,409	472
Loss on leases or fixed asset impairment		10	877	3,227	986	3,227
Professional fees, occupancy, and other		7	76	6	83	6
Related tax benefit		(539)	(183)	(1,290)	(938)	(3,692)
Adjusted net income	[b]	$ 36,290	$ 36,435	$ 34,277	$ 131,910	$ 137,108
DILUTED EARNINGS PER SHARE						
Diluted average common shares outstanding	[c]	56,177,790	56,073,164	56,413,026	56,137,164	56,008,805
Reported: Diluted earnings per share	[a÷c]	$ 0.61	$ 0.64	$ 0.53	$ 2.29	$ 2.20
Adjusted: Diluted earnings per share	[b÷c]	$ 0.65	$ 0.65	$ 0.61	$ 2.35	$ 2.45
RETURN ON AVERAGE ASSETS						
Net income, annualized	[d]	$ 136,427	$ 141,481	$ 118,728	$ 128,311	$ 123,449
Adjusted net income, annualized	[e]	143,977	144,552	135,990	131,910	137,108
Average total assets	[f]	12,330,132	12,531,856	12,895,049	12,492,948	11,904,935
Reported: Return on average assets[1]	[d÷f]	1.11 %	1.13 %	0.92 %	1.03 %	1.04 %
Adjusted: Return on average assets[1]	[e÷f]	1.17 %	1.15 %	1.05 %	1.06 %	1.15 %
RETURN ON AVERAGE TANGIBLE COMMON EQUITY						
Average common equity		$ 1,122,547	$ 1,181,448	$ 1,328,692	$ 1,195,171	$ 1,324,862
Average goodwill and other intangible assets, net		(366,127)	(368,981)	(377,825)	(370,424)	(372,593)
Average tangible common equity	[g]	$ 756,420	$ 812,467	$ 950,867	$ 824,747	$ 952,269
Reported: Return on average tangible common equity[1]	[d÷g]	18.04 %	17.41 %	12.49 %	15.56 %	12.96 %
Adjusted: Return on average tangible common equity[1]	[e÷g]	19.03 %	17.79 %	14.30 %	15.99 %	14.40 %

1. Annualized measure.

Adjusted Net Interest Income and Adjusted Net Interest Margin

(dollars in thousands)

		Three Months Ended			Years Ended	
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net interest income		$ 91,149	$ 86,305	$ 70,508	$ 323,438	$ 270,698
Non-GAAP adjustments:						
Tax-equivalent adjustment		564	543	577	2,199	2,355
Tax-equivalent net interest income		91,713	86,848	71,085	325,637	273,053
Purchase accounting accretion related to business combinations		(546)	(830)	(1,469)	(3,134)	(7,151)
Adjusted net interest income		$ 91,167	$ 86,018	$ 69,616	$ 322,503	$ 265,902
Tax-equivalent net interest income, annualized	[a]	$ 363,861	$ 344,560	$ 282,022	$ 325,637	$ 273,053
Adjusted net interest income, annualized	[b]	361,695	341,267	276,194	322,503	265,902
Average interest-earning assets	[c]	11,242,126	11,497,783	11,947,653	11,473,063	10,978,116
Reported: Net interest margin[1]	[a÷c]	3.24 %	3.00 %	2.36 %	2.84 %	2.49 %
Adjusted: Net interest margin[1]	[b÷c]	3.22 %	2.97 %	2.31 %	2.81 %	2.42 %

1. Annualized measure.

Non-GAAP Financial Information

Adjusted Noninterest Expense, Adjusted Core Expense,
Efficiency Ratio, Adjusted Efficiency Ratio, and Adjusted Core Efficiency Ratio
(dollars in thousands)

		Three Months Ended			Years Ended	
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net interest income		$ 91,149	$ 86,305	$ 70,508	$ 323,438	$ 270,698
Non-GAAP adjustments:						
Tax-equivalent adjustment		564	543	577	2,199	2,355
Tax-equivalent net interest income		91,713	86,848	71,085	325,637	273,053
Total noninterest income		29,079	30,933	35,089	126,803	132,804
Non-GAAP adjustments:						
Net security (gains) losses		(191)	(4)	(474)	2,133	(3,070)
Noninterest income excluding net securities gains and losses		28,888	30,929	34,615	128,936	129,734
Tax-equivalent revenue	[a]	$ 120,601	$ 117,777	$ 105,700	$ 454,573	$ 402,787
Total noninterest expense		$ 73,677	$ 70,736	$ 71,169	$ 283,881	$ 261,780
Non-GAAP adjustments:						
Amortization of intangible assets	[b]	(2,795)	(2,871)	(3,074)	(11,628)	(11,274)
Non-interest expense excluding amortization of intangible assets	[c]	70,882	67,865	68,095	272,253	250,506
Non-operating adjustments:						
Salaries, wages, and employee benefits		(2,409)	—	(1,975)	(2,996)	(7,819)
Data processing		—	—	(143)	(214)	(3,700)
Impairment, professional fees, occupancy, and other		(33)	(957)	(3,523)	(1,327)	(5,832)
Adjusted noninterest expense	[f]	68,440	66,908	62,454	267,716	233,155
Provision for unfunded commitments		464	320	(294)	(61)	774
Amortization of New Markets Tax Credits		(1,665)	(1,665)	(1,255)	(6,333)	(5,563)
Adjusted core expense	[g]	$ 67,239	$ 65,563	$ 60,905	$ 261,322	$ 228,366
Noninterest expense, excluding non-operating adjustments	[f-b]	$ 71,235	$ 69,779	$ 65,528	$ 279,344	$ 244,429
Reported: Efficiency ratio	[c÷a]	58.77 %	57.62 %	64.42 %	59.89 %	62.19 %
Adjusted: Efficiency ratio	[f÷a]	56.75 %	56.81 %	59.09 %	58.89 %	57.89 %
Adjusted: Core efficiency ratio	[g÷a]	55.75 %	55.67 %	57.62 %	57.49 %	56.70 %

Non-GAAP Financial Information

Tangible Book Value Per Common Share
(dollars in thousands, except per share amounts)

		As of				
		December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Total stockholders' equity		$ 1,145,977	$ 1,106,588	$ 1,161,957	$ 1,218,025	$ 1,319,112
Goodwill and other intangible assets, net		(364,296)	(367,091)	(369,962)	(372,913)	(375,924)
Tangible book value	[a]	$ 781,681	$ 739,497	$ 791,995	$ 845,112	$ 943,188
Ending number of common shares outstanding	[b]	55,279,124	55,232,434	55,335,703	55,278,785	55,434,910
Tangible book value per common share	[a÷b]	$ 14.14	$ 13.39	$ 14.31	$ 15.29	$ 17.01

Tangible Common Equity and Tangible Common Equity to Tangible Assets
(dollars in thousands)

		As of				
		December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Total assets		$ 12,336,677	$ 12,497,388	$ 12,356,433	$ 12,567,509	$ 12,859,689
Non-GAAP adjustments:						
Goodwill and other intangible assets, net		(364,296)	(367,091)	(369,962)	(372,913)	(375,924)
Tax effect of other intangible assets[1]		8,847	9,369	9,905	10,456	16,254
Tangible assets	[a]	$ 11,981,228	$ 12,139,666	$ 11,996,376	$ 12,205,052	$ 12,500,019
Total stockholders' equity		$ 1,145,977	$ 1,106,588	$ 1,161,957	$ 1,218,025	$ 1,319,112
Non-GAAP adjustments:						
Goodwill and other intangible assets, net		(364,296)	(367,091)	(369,962)	(372,913)	(375,924)
Tax effect of other intangible assets[1]		8,847	9,369	9,905	10,456	16,254
Tangible common equity	[b]	$ 790,528	$ 748,866	$ 801,900	$ 855,568	$ 959,442
Tangible common equity to tangible assets[2]	[b÷a]	6.60 %	6.17 %	6.68 %	7.01 %	7.68 %

1. Net of estimated deferred tax liability.
2. Tax-effected measure.

Non-GAAP Financial Information

Core Loans, Core Loans to Portfolio Loans,
Core Deposits, Core Deposits to Total Deposits, and Core Loans to Core Deposits
(dollars in thousands)

		As of				
		December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Portfolio loans	[a]	$ 7,725,702	$ 7,670,114	$ 7,497,778	$ 7,272,873	$ 7,188,998
Non-GAAP adjustments:						
PPP loans amortized cost		(845)	(1,426)	(7,616)	(31,769)	(74,958)
Core loans	[b]	$ 7,724,857	$ 7,668,688	$ 7,490,162	$ 7,241,104	$ 7,114,040
Total deposits	[c]	$ 10,071,280	$ 10,601,397	$ 10,397,228	$ 10,591,836	$ 10,768,577
Non-GAAP adjustments:						
Brokered transaction accounts		(1,303)	(2,006)	(2,002)	(2,002)	(2,248)
Time deposits of $250,000 or more		(120,377)	(103,534)	(117,957)	(139,245)	(137,449)
Core deposits	[d]	$ 9,949,600	$ 10,495,857	$ 10,277,269	$ 10,450,589	$ 10,628,880
RATIOS						
Core loans to portfolio loans	[b÷a]	99.99 %	99.98 %	99.90 %	99.56 %	98.96 %
Core deposits to total deposits	[d÷c]	98.79 %	99.00 %	98.85 %	98.67 %	98.70 %
Core loans to core deposits	[b÷d]	77.64 %	73.06 %	72.88 %	69.29 %	66.93 %