UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

☑ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Quarterly Period Ended June 30, 2025

or

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File No. 0-15950

FIRST BUSEY CORPORATION

(Exact name of registrant as specified in its charter)

Nevada	**37-1078406**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
11440 Tomahawk Creek Parkway Leawood, Kansas	**66211**
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code: **(217) 365-4544**

N/A

(Former name, former address, and former fiscal year, if changed since last report)

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

Title of each class	**Trading Symbol (s)**	**Name of each exchange on which registered**
Common Stock, $0.001 par value	BUSE	The Nasdaq Stock Market LLC
Depositary Shares, each representing a 1/40th interest in a share of 8.25% Fixed-Rate Series B Non-Cumulative Perpetual Preferred Stock, $0.001 par value	BUSEP	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑	Accelerated filer ☐	Non-accelerated filer ☐
Smaller reporting company ☐	Emerging growth company ☐	

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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	**Outstanding at August 5, 2025**
Common Stock, $0.001 par value	89,065,910

FIRST BUSEY CORPORATION
FORM 10-Q
JUNE 30, 2025

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GLOSSARY

Busey uses acronyms, abbreviations, and other terms throughout this Quarterly Report, as defined in the glossary below:

Term	Definition
2020 Equity Plan	First Busey Corporation Amended 2020 Equity Incentive Plan
ACL	Allowance for credit losses
Annual Report	Annual report filed with the SEC on Form 10-K pursuant to Section 13 or 15(d) of the Exchange Act
AOCI	Accumulated other comprehensive income (loss)
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
Basel III	2010 capital accord adopted by the international Basel Committee on Banking Supervision
Basel III Rule	Regulations promulgated by U.S. federal banking agencies—the OCC, the Federal Reserve, and the FDIC—to both enforce implementation of certain aspects of the Basel III capital reforms and effect certain changes required by the Dodd-Frank Wall Street Reform and Consumer Protection Act
bps	basis points
Busey	First Busey Corporation, together with its wholly-owned consolidated subsidiaries; also, "First Busey," and the "Company"
Busey Series A Preferred Stock	Series A Non-Cumulative Perpetual Preferred Stock, $0.001 par value
Busey Series B Preferred Stock	8.25% Fixed-Rate Series B Non-Cumulative Perpetual Preferred Stock, $0.001 par value
C&I	Commercial and industrial
CECL	ASC Topic 326 "Financial Instruments-Credit Losses," which established the Current Expected Credit Losses methodology for measuring credit losses on financial instruments
CrossFirst	CrossFirst Bankshares, Inc.
Current Report	Current report filed with the SEC on Form 8-K pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
DSU	Deferred stock unit
ESPP	First Busey Corporation Employee Stock Purchase Plan
Exchange Act	Securities Exchange Act of 1934, as amended
Fair value	The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date, as defined in ASC Topic 820 "Fair Value Measurement"
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit Insurance Corporation
Federal Reserve	Board of Governors of the Federal Reserve System
FHLB	Federal Home Loan Bank
FirsTech	FirsTech, Inc.
GAAP	U.S. Generally Accepted Accounting Principles
M&M	Merchants and Manufacturers Bank Corporation
M&M Bank	Merchants and Manufacturers Bank
MSA	Metropolitan Statistical Area

Term	Definition
Nasdaq	National Association of Securities Dealers Automated Quotations
N/A	Not applicable
NM	Not meaningful
OCI	Other comprehensive income (loss)
OREO	Other real estate owned
PCD	Purchased credit deteriorated
PSU	Performance stock unit
Quarterly Report	Quarterly report filed with the SEC on Form 10-Q pursuant to Section 13 or 15(d) of the Exchange Act
RSU	Restricted stock unit
SBA	U.S. Small Business Administration
SEC	U.S. Securities and Exchange Commission
SOFR	Secured Overnight Financing Rate published by the Federal Reserve
SSAR	Stock-settled stock appreciation right
U.S.	United States of America
U.S. Treasury	U.S. Department of the Treasury

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FIRST BUSEY CORPORATION

CONSOLIDATED BALANCE SHEETS (Unaudited)

(dollars in thousands)	As of June 30, 2025	As of December 31, 2024
Assets		
Cash and cash equivalents:		
Cash and due from banks	$ 216,106	$ 129,444
Interest-bearing deposits	536,246	568,215
Total cash and cash equivalents	752,352	697,659
Debt securities available for sale	2,217,788	1,810,221
Debt securities held to maturity	802,965	826,630
Equity securities	16,171	15,862
Loans held for sale	10,497	3,657
Portfolio loans (net of ACL of $183,334 at June 30, 2025, and $83,404 at December 31, 2024)	13,625,285	7,613,683
Restricted bank stock	77,112	49,930
Premises and equipment, net	181,394	118,820
Right of use assets	38,065	10,608
Goodwill	381,794	333,695
Other intangible assets, net	106,387	32,280
Cash surrender value of bank owned life insurance	257,148	185,087
Other assets	451,782	348,590
Total assets	$ 18,918,740	$ 12,046,722
Liabilities and stockholders' equity		
Liabilities		
Deposits:		
Noninterest-bearing	$ 3,590,363	$ 2,719,907
Interest-bearing	12,211,409	7,262,583
Total deposits	15,801,772	9,982,490
Securities sold under agreements to repurchase	158,030	155,610
Long-term debt	86,557	—
Subordinated notes, net of unamortized issuance costs	103,169	227,723
Junior subordinated debt owed to unconsolidated trusts	77,187	74,815
Lease liabilities	39,235	11,040
Other liabilities	240,244	211,775
Total liabilities	16,506,194	10,663,453
Outstanding commitments and contingent liabilities (see Notes 5 and 11)		
Stockholders' equity		
Preferred stock, $0.001 par value: Shares - 1,000,000 authorized; 222,750 issued and outstanding, liquidation preference $222,750, at June 30, 2025; and zero issued and outstanding at December 31, 2024.	—	—
Common stock, $0.001 par value: Shares - 200,000,000 authorized, 92,694,541 issued, and 89,104,678 outstanding at June 30, 2025; and 100,000,000 authorized, 59,546,273 issued, and 56,895,981 outstanding at December 31, 2024	93	60
Additional paid-in capital	2,377,560	1,360,530
Retained earnings	273,799	294,054
AOCI	(155,311)	(207,039)
Total stockholders' equity before treasury stock	2,496,141	1,447,605
Treasury stock at cost	(83,595)	(64,336)
Total stockholders' equity	2,412,546	1,383,269
Total liabilities and stockholders' equity	$ 18,918,740	$ 12,046,722

See accompanying Notes to Consolidated Financial Statements (Unaudited).

FIRST BUSEY CORPORATION

CONSOLIDATED STATEMENTS OF INCOME (LOSS) (Unaudited)

(dollars in thousands, except per share amounts)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Interest income				
Interest and fees on loans	$ 214,409	$ 109,641	$ 353,942	$ 208,966
Taxable interest income	23,393	18,878	41,690	38,475
Non-taxable interest income	1,640	295	2,282	635
Dividend income on bank stock	543	98	1,302	185
Other interest income	7,461	3,027	15,045	9,498
Total interest income	247,446	131,939	414,261	257,759
Interest expense				
Deposits	88,147	43,709	145,459	87,677
Federal funds purchased and securities sold under agreements to repurchase	886	1,040	1,762	2,412
Short-term borrowings	496	418	563	650
Long-term debt	743	4	1,030	300
Subordinated notes	2,599	3,177	5,786	6,286
Junior subordinated debt owed to unconsolidated trusts	1,392	1,059	2,747	2,048
Total interest expense	94,263	49,407	157,347	99,373
Net interest income	153,183	82,532	256,914	158,386
Provision for credit losses	5,700	1,908	51,293	6,268
Net interest income after provision for credit losses	147,483	80,624	205,621	152,118
Noninterest income				
Wealth management fees	16,777	15,917	34,141	31,466
Payment technology solutions	4,956	5,915	10,029	11,624
Treasury management services	4,981	2,145	7,998	4,046
Card services and ATM fees	4,880	3,430	8,589	6,390
Other service charges on deposit accounts	1,513	2,321	3,046	4,669
Mortgage revenue	776	478	1,105	1,224
Income on bank owned life insurance	1,745	1,442	3,191	2,861
Realized net gains (losses) on the sale of mortgage servicing rights	—	277	—	7,742
Realized net gains (losses) on securities	1	(4)	(15,536)	(6,806)
Unrealized net gains (losses) recognized on equity securities	5,996	(349)	5,765	78
Other noninterest income	3,238	2,131	7,758	5,322
Total noninterest income	44,863	33,703	66,086	68,616
Noninterest expense				
Salaries, wages, and employee benefits	78,360	43,478	145,923	85,568
Data processing	14,021	7,100	23,596	13,650
Net occupancy expense of premises	7,832	4,590	13,631	9,310
Furniture and equipment expenses	2,409	1,695	4,153	3,508
Professional fees	2,874	2,495	12,385	4,748
Amortization of intangible assets	4,592	2,629	7,675	5,038
Interchange expense	1,297	1,733	2,640	3,344
FDIC insurance	2,424	1,460	4,591	2,860
Other noninterest expense	14,024	10,726	25,269	19,327
Total noninterest expense	127,833	75,906	239,863	147,353
Income before income taxes	64,513	38,421	31,844	73,381
Income taxes	17,109	11,064	14,430	19,799
Net income	$ 47,404	$ 27,357	$ 17,414	$ 53,582
Dividends on preferred stock	$ 155	$ —	$ 155	$ —
Net income available to common stockholders	$ 47,249	$ 27,357	$ 17,259	$ 53,582
Weighted average number of common shares outstanding				
Basic	89,645,040	56,919,025	79,139,706	56,167,807
Diluted	90,883,711	57,853,231	80,251,577	57,129,865
Basic earnings per common share	$ 0.53	$ 0.48	$ 0.22	$ 0.95
Diluted earnings per common share	$ 0.52	$ 0.47	$ 0.22	$ 0.94

See accompanying Notes to Consolidated Financial Statements (Unaudited).

FIRST BUSEY CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

(dollars in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	$ 47,404	$ 27,357	$ 17,414	$ 53,582
OCI:				
Unrealized/Unrecognized gains (losses) on debt securities:				
Net unrealized holding gains (losses) on debt securities available for sale	13,492	1,685	37,319	(6,262)
Reclassification adjustment for realized (gains) losses on debt securities available for sale included in net income	(1)	4	15,536	6,806
Amortization of unrecognized losses on securities transferred to held to maturity	1,132	1,399	2,265	2,810
Tax effect	(1,415)	(880)	(13,829)	(955)
Net change in unrealized/unrecognized gains (losses) on debt securities	13,208	2,208	41,291	2,399
Unrealized gains (losses) on cash flow hedges:				
Net unrealized holding gains (losses) on cash flow hedges	3,463	(2,791)	9,561	(10,109)
Reclassification adjustment for realized (gains) losses on cash flow hedges included in net income	2,265	2,311	4,325	4,624
Tax effect	(1,437)	136	(3,449)	1,563
Net change in unrealized gains (losses) on cash flow hedges	4,291	(344)	10,437	(3,922)
OCI	17,499	1,864	51,728	(1,523)
Total comprehensive income	$ 64,903	$ 29,221	$ 69,142	$ 52,059

See accompanying Notes to Consolidated Financial Statements (Unaudited).

FIRST BUSEY CORPORATION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Unaudited)

	Three Months Ended June 30, 2025								
	Number of Shares		Stock		Additional Paid-in Capital	Retained Earnings	AOCI	Treasury Stock	Total Stockholders' Equity
(dollars in thousands)	Preferred	Common	Preferred	Common					
Balance, March 31, 2025	7,750	90,008,178	$ —	$ 93	$ 2,167,275	$ 249,484	$ (172,810)	$ (64,436)	$ 2,179,606
Net income	—	—	—	—	—	47,404	—	—	47,404
OCI, net of tax	—	—	—	—	—	—	17,499	—	17,499
Issuance of preferred stock, net of issuance costs	215,000	—	—	—	207,447	—	—	—	207,447
Repurchase of stock	—	(1,012,000)	—	—	—	—	—	(21,655)	(21,655)
Issuance of treasury stock for ESPP	—	22,373	—	—	(96)	—	—	506	410
Net issuance of treasury stock for RSU/PSU/DSU vesting and related tax	—	65,211	—	—	(2,173)	—	—	1,507	(666)
Net issuance of treasury stock for SSARs exercised and related tax		20,916			(818)			483	(335)
Dividends on preferred stock	—	—	—	—	—	(155)	—	—	(155)
Cash dividends on common stock at $0.25 per share	—	—	—	—	—	(22,442)	—	—	(22,442)
Dividend equivalents on RSUs/PSUs/DSUs	—	—	—	—	492	(492)	—	—	—
Stock-based compensation	—	—	—	—	5,433	—	—	—	5,433
Balance, June 30, 2025	222,750	89,104,678	$ —	$ 93	$ 2,377,560	$ 273,799	$ (155,311)	$ (83,595)	$ 2,412,546

	Three Months Ended June 30, 2024								
	Number of Shares		Stock		Additional Paid-in Capital	Retained Earnings	AOCI	Treasury Stock	Total Stockholders' Equity
(dollars in thousands)	Preferred	Common	Preferred	Common					
Balance, March 31, 2024	—	55,300,008	$ —	$ 58	$ 1,324,999	$ 248,412	$ (222,190)	$ (68,628)	$ 1,282,651
Net income	—	—	—	—	—	27,357	—	—	27,357
OCI, net of tax	—	—	—	—	—	—	1,864	—	1,864
Stock issued in acquisition, net of stock issuance costs	—	1,429,304	—	2	34,232	—	—	—	34,234
Issuance of treasury stock for ESPP	—	9,265	—	—	(53)	—	—	239	186
Net issuance of treasury stock for RSU/PSU/DSU vesting and related tax	—	8,360	—	—	(215)	—	—	215	—
Cash dividends on common stock at $0.24 per share	—	—	—	—	—	(13,616)	—	—	(13,616)
Dividend equivalents on RSUs/PSUs/DSUs	—	—	—	—	333	(333)	—	—	—
Stock-based compensation	—	—	—	—	1,134	—	—	—	1,134
Balance, June 30, 2024	—	56,746,937	$ —	$ 60	$ 1,360,430	$ 261,820	$ (220,326)	$ (68,174)	$ 1,333,810

(continued)

FIRST BUSEY CORPORATION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Unaudited) (Continued)

	Six Months Ended June 30, 2025								
	Number of Shares		Stock		Additional Paid-in Capital	Retained Earnings	AOCI	Treasury Stock	Total Stockholders' Equity
(dollars in thousands)	Preferred	Common	Preferred	Common					
Balance, December 31, 2024	—	56,895,981	$ —	$ 60	$ 1,360,530	$ 294,054	$ (207,039)	$ (64,336)	$ 1,383,269
Net income	—	—	—	—	—	17,414	—	—	17,414
OCI, net of tax	—	—	—	—	—	—	51,728	—	51,728
Stock issued in acquisition, net of stock issuance costs	7,750	33,148,268	—	33	808,022	—	—	—	808,055
Issuance of preferred stock, net of issuance costs	215,000	—	—	—	207,447	—	—	—	207,447
Repurchase of stock	—	(1,232,000)	—	—	—	—	—	(26,491)	(26,491)
Issuance of treasury stock for ESPP	—	56,101	—	—	(345)	—	—	1,374	1,029
Net issuance of treasury stock for RSU/PSU/DSU vesting and related tax	—	212,154	—	—	(6,838)	—	—	5,291	(1,547)
Net issuance of treasury stock for SSARs exercised and related tax	—	24,174	—	—	(931)	—	—	567	(364)
Dividends on preferred stock	—	—	—	—	—	(155)	—	—	(155)
Cash dividends on common stock at $0.50 per share	—	—	—	—	—	(36,666)	—	—	(36,666)
Dividend equivalents on RSUs/PSUs/DSUs	—	—	—	—	848	(848)	—	—	—
Stock-based compensation	—	—	—	—	8,827	—	—	—	8,827
Balance, June 30, 2025	222,750	89,104,678	$ —	$ 93	$ 2,377,560	$ 273,799	$ (155,311)	$ (83,595)	$ 2,412,546

	Six Months Ended June 30, 2024								
	Number of Shares		Stock		Additional Paid-in Capital	Retained Earnings	AOCI	Treasury Stock	Total Stockholders' Equity
(dollars in thousands)	Preferred	Common	Preferred	Common					
Balance, December 31, 2023	—	55,244,119	$ —	$ 58	$ 1,323,595	$ 237,197	$ (218,803)	$ (70,066)	$ 1,271,981
Cumulative effect of change in accounting principal (ASU 2023-02)	—	—	—	—	—	(1,391)	—	—	(1,391)
Net income	—	—	—	—	—	53,582	—	—	53,582
OCI, net of tax	—	—	—	—	—	—	(1,523)	—	(1,523)
Stock issued in acquisition, net of stock issuance costs	—	1,429,304	—	2	34,232	—	—	—	34,234
Issuance of treasury stock for ESPP	—	32,570	—	—	(177)	—	—	838	661
Net issuance of treasury stock for RSU/DSU vesting and related tax	—	40,944	—	—	(1,450)	—	—	1,054	(396)
Cash dividends on common stock at $0.48 per share	—	—	—	—	—	(26,875)	—	—	(26,875)
Dividend equivalents on RSUs/PSUs/DSUs	—	—	—	—	693	(693)	—	—	—
Stock-based compensation	—	—	—	—	3,537	—	—	—	3,537
Balance, June 30, 2024	—	56,746,937	$ —	$ 60	$ 1,360,430	$ 261,820	$ (220,326)	$ (68,174)	$ 1,333,810

See accompanying Notes to Consolidated Financial Statements (Unaudited).

FIRST BUSEY CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(dollars in thousands)	Six Months Ended June 30, 2025	2024
Cash flows provided by (used in) operating activities		
Net income	$ 17,414	$ 53,582
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Provision for credit losses	51,293	6,268
Amortization of intangible assets	7,675	5,038
Amortization of mortgage servicing rights	327	648
Depreciation and amortization of premises and equipment	6,082	4,852
Net amortization (accretion) on portfolio loans	(7,325)	2,605
Net amortization (accretion) of premium (discount) on investment securities	1,451	4,682
Net amortization (accretion) of premium (discount) on time deposits	(1,580)	50
Net amortization (accretion) of premium (discount) on FHLB advances and other borrowings	1,000	558
Impairment of OREO and other repossessed assets	270	—
Impairment of fixed assets held for sale	188	369
Impairment of mortgage servicing rights	(2)	1
Unrealized (gains) losses recognized on equity securities, net	(5,765)	(78)
(Gain) loss on sales of debt securities, net	15,536	6,806
(Gain) loss on sales of mortgage servicing rights	—	(7,742)
(Gain) loss on sales of loans, net	(655)	(723)
(Gain) loss on sales of OREO and other repossessed assets	85	(540)
(Gain) loss on sales of premises and equipment	49	(54)
(Gain) loss on life insurance proceeds	(357)	(781)
(Increase) decrease in cash surrender value of bank owned life insurance	(2,834)	(2,080)
Provision for deferred income taxes	2,217	1,480
Stock-based compensation	8,827	3,537
Proceeds from the sale of mortgage servicing rights	—	9,796
Mortgage loans originated for sale	(45,736)	(51,722)
Proceeds from sales of mortgage loans	39,639	43,629
(Increase) decrease in other assets	(3,754)	3,851
Increase (decrease) in other liabilities	(26,151)	(18,207)
Net cash provided by (used in) operating activities	57,894	65,825
Cash flows provided by (used in) investing activities		
Purchases of equity securities	(869)	(622)
Purchases of debt securities available for sale	(376,552)	(28,149)
Proceeds from sales of equity securities	6,430	894
Proceeds from sales of debt securities available for sale	528,940	101,360
Proceeds from paydowns and maturities of debt securities held to maturity	24,719	22,835
Proceeds from paydowns and maturities of debt securities available for sale	202,613	182,948
Purchases of restricted bank stock	(35,265)	(24)
Proceeds from the redemption of restricted bank stock	11,786	—
Net (increase) decrease in loans	(39,614)	53,156
Net cash received in (paid for) acquisitions (see Note 2)	385,804	18,377
Cash paid for premiums on bank-owned life insurance	(46)	(70)
Proceeds from life insurance	4,334	1,799
Purchases of premises and equipment	(5,173)	(3,516)
Proceeds from disposition of premises and equipment	2	1,341
Capitalized expenditures on foreclosed real estate	(316)	—
Proceeds from sales of OREO and other repossessed assets, including cash payments collected	15,611	601
Net cash provided by (used in) investing activities	722,404	350,930

(continued)

FIRST BUSEY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited) (Continued)

(dollars in thousands)	Six Months Ended June 30, 2025	2024
Cash flows provided by (used in) financing activities		
Net increase (decrease) in deposits	$ (750,837)	$ (707,909)
Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase	2,420	(48,296)
Net increase (decrease) in short-term borrowings	(11,158)	(36,000)
Proceeds from other borrowings, net of debt issuance costs	16,667	—
Repayment of other borrowings	(125,030)	(31,450)
Cash dividends paid	(36,821)	(26,875)
Purchase of treasury stock	(26,491)	—
Cash paid for withholding taxes on stock-based payments	(1,547)	(396)
Proceeds from the exercise of stock options, warrants, and SSARs	(364)	—
Issuance of treasury stock for the ESPP	1,029	—
Issuance of preferred stock, net of stock issuance costs	207,447	—
Common stock issuance costs	(920)	(141)
Net cash provided by (used in) financing activities	(725,605)	(851,067)
Net increase (decrease) in cash and cash equivalents	54,693	(434,312)
Cash and cash equivalents, beginning of period	697,659	719,581
Cash and cash equivalents, ending of period	$ 752,352	$ 285,269
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash payments for:		
Interest	$ 148,580	$ 108,581
Income taxes	13,990	12,388
Non-cash investing and financing activities:		
OREO and other repossessed assets acquired in settlement of loans	14,869	26

See accompanying Notes to Consolidated Financial Statements (Unaudited).

FIRST BUSEY CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

First Busey Corporation, a Nevada corporation organized in 1980, is an $18.92 billion financial holding company headquartered in Leawood, Kansas. Busey's common stock is traded on The Nasdaq Global Select Market under the symbol "BUSE" and Busey's Depositary shares, each representing a 1/40th interest in a share of Busey Series B Preferred Stock is traded under the symbol "BUSEP."

Busey operates and reports its business in three segments: Banking, Wealth Management, and FirsTech.

- The *Banking* operating segment provides a full range of banking services to individual and corporate customers through its banking center network in Arizona, Colorado, Florida, Illinois, Indiana, Kansas, Missouri, New Mexico, Oklahoma, and Texas.
- The *Wealth Management* operating segment provides a full range of asset management, investment, brokerage, fiduciary, philanthropic advisory, tax preparation, and farm management services to individuals, businesses, and foundations.
- The *FirsTech* operating segment provides comprehensive and innovative payment technology solutions including online, mobile, and voice-recognition bill payments; money management and credit card networks; direct debit services; lockbox remittance processing for payments made by mail; and walk-in payments. FirsTech also provides additional tools to help clients with billing, reconciliation, bill reminders, and treasury services.

For additional information about Busey's operating segments, see *"Note 16. Operating Segments and Related Information."*

Busey conducts its Banking and Wealth Management services through Busey Bank, and provides payment technology solutions through Busey Bank's wholly owned subsidiary, FirsTech. Busey also has various other subsidiaries that are not significant to the consolidated entity.

Basis of Financial Statement Presentation

These unaudited consolidated financial statements and related notes should be read together with the audited consolidated financial statements included in Busey's 2024 Annual Report. These interim unaudited consolidated financial statements serve to update Busey's 2024 Annual Report and may not include all information and notes necessary to constitute a complete set of financial statements.

Busey's unaudited consolidated financial statements are prepared in conformity with GAAP, and reflect the elimination of intercompany accounts and transactions. Certain prior year amounts have been reclassified to conform to the current period presentation. These reclassifications did not have a material impact on Busey's consolidated financial condition or results of operations.

In the opinion of Busey's management, the unaudited consolidated financial statements reflect all normal, recurring adjustments needed to present fairly Busey's results for the interim periods. The results of operations for interim periods are not necessarily indicative of the results that may be expected for the full year or any other interim period.

Use of Estimates

In preparing the accompanying unaudited consolidated financial statements in conformity with GAAP, Busey's management is required to make estimates and assumptions that affect the amounts reported in the financial statements and the disclosures provided. Actual results could differ from those estimates. Material estimates which are particularly susceptible to significant change in the near term relate to the fair value of assets acquired and liabilities assumed in business combinations, goodwill, income taxes, and the determination of the ACL.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash items in process of collection, amounts due from other banks, and interest-bearing deposits held with other financial institutions. The carrying amount of these instruments is considered a reasonable estimate of fair value. At June 30, 2025, cash and cash equivalents included $13.6 million contractually restricted by a third-party service provider, $24.8 million pledged to secure obligations under derivative contracts, and $68.0 million of reserved cash subject to call by the Federal Reserve Bank, as a member of the Federal Reserve System.

Income Taxes

Busey is subject to income taxes in U.S. federal and various state jurisdictions. First Busey Corporation and its subsidiaries file consolidated federal and state income tax returns with each subsidiary computing its taxes on a separate entity basis. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations, which requires significant judgment.

On July 4, 2025, the "One Big Beautiful Bill Act" was enacted, introducing several amendments to federal tax legislation. Key provisions of the act include the restoration of immediate expensing of domestic research and development expenditures, reinstatement of 100% bonus depreciation, and more favorable rules for determining the limitation on business interest expense. Busey is currently evaluating the impact of this legislation for future periods.

As of June 30, 2025, Busey Bank was under examination by the Florida Department of Revenue for its 2020 to 2022 corporate income tax filings. Busey Bank accrued $0.1 million related to potential assessment adjustments and interest. Busey had no accruals for payments of interest and penalties related to uncertain tax positions at June 30, 2025 or 2024.

As of June 30, 2025, Busey was also under examination by the Illinois Department of Revenue for M&M's tax filings for the tax years ended December 31, 2022 and 2023.

Preferred Stock

On March 1, 2025, in connection with the CrossFirst acquisition, Busey issued 7,750 shares of Busey Series A Preferred Stock, which were issued to holders of shares of CrossFirst Series A Non-Cumulative Perpetual Preferred Stock. The Busey Series A Preferred Stock bears a dividend rate of 8.00% per annum on the liquidation preference of $1,000 per share. Quarterly dividend payments commenced on June 13, 2025. The Busey Series A Preferred Stock is not subject to any mandatory redemption, sinking fund, or similar provision. Busey may redeem the Busey Series A Preferred Stock, in whole or in part, on or after March 1, 2030, subject to the approval of the appropriate federal banking agency, at a redemption price of $1,000 per share, plus any declared and unpaid dividends, without accumulation of any undeclared dividends, to, but excluding, the date of redemption. Additional information about the Busey Series A Preferred Stock can be found in Busey's Form 8-K filed with the SEC on August 27, 2024, and the Agreement and Plan of Merger, dated August 26, 2024, by and between First Busey Corporation and CrossFirst Bankshares, Inc. filed therewith.

On May 20, 2025, Busey issued 8,600,000 depositary shares (the "Depositary Shares,"), which are traded on The Nasdaq Global Select Market under the symbol "BUSEP." Each Depositary Share represents a 1/40th interest in a share of Busey Series B Preferred Stock. The Series B Preferred Stock has a liquidation preference of $1,000 per share (equivalent to $25 per Depositary Share). Quarterly dividend payments for the Series B Preferred Stock are expected to commence on September 1, 2025. The Series B Preferred Stock is not subject to any mandatory redemption, sinking fund, or similar provision. Busey may redeem the Series B Preferred Stock, in whole or in part, at its option, on any dividend payment date on or after June 1, 2030, subject to the approval of the appropriate federal banking agency, at a redemption price of $1,000 per share (equivalent to $25 per Depositary Share) plus any declared and unpaid dividends to, but excluding, the date of redemption. Additional information about the Depositary Shares and the Series B Preferred Stock can be found in Busey's Form 8-K filed with the SEC on May 20, 2025, and the exhibits filed therewith.

Impact of Recently Adopted Accounting Standards

In March 2024, the FASB issued ASU 2024-01 "*Compensation-Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards*" to clarify that certain "profits interests" are within the scope of Topic 718 by amending the language and providing illustrative examples on how the scope guidance in paragraph 718-10-15-3 should be applied. This update is intended to improve clarity of the accounting standards codification, not to change the guidance. This update was adopted on a prospective basis for annual and interim reporting periods beginning January 1, 2025. Busey does not currently have any Profit Interest and Similar Awards, so adoption of this ASU did not have any impact on its financial position and results of operations.

In November 2023, the FASB issued ASU 2023-07 *"Segment Reporting (Topic 820): Improvements to Reportable Segment Disclosures"* requiring enhanced disclosures related to significant segment expenses. This standard was adopted on a retrospective basis beginning with the annual reporting period ending December 31, 2024, and for interim reporting periods within fiscal years starting January 1, 2025. Adoption of this standard did not have a material impact on Busey's financial position or results of operations, but resulted in enhanced disclosures.

Recently Issued Accounting Standards Not Yet Adopted

In July 2025, the FASB issued ASU 2025-05 *"Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets,"* providing a practical expedient which, if elected, permits an entity to assume that current conditions as of the balance sheet date will remain static for the remaining life of the assets, removing the requirement to consider reasonable, supportable forecasts. The amendments in this update are to be applied prospectively, and will be effective for Busey for annual and interim reporting periods beginning January 1, 2026. Early adoption is permitted. Busey is currently evaluating the effect this ASU may have on its financial position and results of operations.

In November 2024, the FASB issued ASU 2024-04 "*Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments*" to clarify when certain settlements of convertible debt instruments should be accounted for as an induced conversion. The amendments in this update may be applied on either a prospective or retrospective basis and will be effective for Busey for annual and interim reporting periods beginning January 1, 2026. Because Busey does not currently have any convertible debt, the Company does not expect adoption of this ASU to have any impact on its financial position or results of operations.

In November 2024, the FASB issued ASU 2024-03 "*Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*" to require additional disclosures within the notes to the financial statements about certain expense items. Specifically, disaggregation of income statement captions that contain expenses within the following five categories is required: (1) purchases of inventory, (2) employee compensation, (3) depreciation, (4) intangible asset amortization, and (5) depreciation, depletion, and amortization ("DD&A") costs recognized as part of oil- and gas-producing activities or other amounts of depletion expense. Further, this update requires disclosure of the total amount of selling expenses and the entity's definition of selling expenses. This update provides a practical expedient for banks and bank holding companies to continue presenting salaries and employee benefits in conformity with SEC Rule 210.9-04 instead of requiring those entities to apply the employee compensation definition included in Subtopic 220-40. The amendments in this update may be applied on either a prospective or retrospective basis and will be effective for Busey beginning with the annual reporting period ending December 31, 2027, and interim reporting periods beginning January 1, 2028. Early adoption is permitted. Because this update relates only to disclosure, Busey does not expect adoption of this ASU to have any impact on its financial position or results of operations.

In December 2023, the FASB issued ASU 2023-09 "*Income Taxes (Topic 740): Improvements to Income Tax Disclosures*," which requires more detailed disclosures of income taxes paid net of refunds received, income from continuing operations before income tax expense or benefit, and income tax expense from continuing operations. This standard is to be applied on a prospective basis, with retrospective application permitted, and will be effective for Busey for annual reporting periods beginning with the fiscal year ending December 31, 2025. Busey does not expect adoption of this ASU to have a material impact on its financial position or results of operations.

In October 2023, the FASB issued ASU 2023-06 "*Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*" which aligns certain GAAP disclosure requirements with the SEC's disclosure requirements, in order to better facilitate comparisons between entities that are subject to the SEC's existing disclosures with entities that were not previously subject to the SEC's requirements. Amendments in this update should be applied prospectively, and the effective date for Busey for each amendment in this ASU will be the date on which the SEC removes the related disclosure from Regulation S-X or Regulation S-K. Early adoption is prohibited. If the SEC has not removed the related disclosures from Regulation S-X or Regulation S-K by June 30, 2027, the pending content of this update will be removed from the ASC and will not become effective for any entity. Busey does not expect adoption of this ASU to have a material impact on its financial position or results of operations.

Subsequent Events

Busey has evaluated subsequent events for potential recognition and/or disclosure through the date the unaudited consolidated financial statements included in this Quarterly Report were issued. On July 2, 2025, Busey received a notice of hearing from the Illinois Secretary of State indicating that an administrative hearing has been scheduled to "ascertain" an amount of franchise taxes, penalties, interest, fees, and charges purportedly due from Busey to the Illinois Secretary of State. On July 31, 2025, First Busey filed a special appearance with the Illinois Secretary of State's Department of Administrative Hearings solely for the limited purpose of contesting the jurisdiction of the Illinois Secretary of State to initiate and conduct the administrative hearing. Additional information is provided in "*Note 11. Outstanding Commitments and Contingent Liabilities*" under the heading "*Franchise Tax Matter*." Other than these events, there were no significant events subsequent to the quarter ended June 30, 2025, through the filing date of these unaudited consolidated financial statements.

NOTE 2. MERGERS AND ACQUISITIONS

CrossFirst Bankshares, Inc.

On March 1, 2025, Busey completed its acquisition of CrossFirst (NASDAQ: CFB), the holding company for CrossFirst Bank, pursuant to an Agreement and Plan of Merger, dated August 26, 2024, by and between Busey and CrossFirst (the "CrossFirst Merger Agreement"). This partnership creates a premier commercial bank in the Midwest, Southwest, and Florida, with 78 full-service locations across 10 states—Arizona, Colorado, Florida, Illinois, Indiana, Kansas, Missouri, New Mexico, Oklahoma, and Texas. The combined holding company continues to operate under the First Busey Corporation name. Busey's common stock continues to trade on the Nasdaq under the "BUSE" stock ticker symbol.

Merger of CrossFirst Bank into Busey Bank

CrossFirst Bank's results of operations were included in Busey's consolidated results of operations beginning March 1, 2025. Busey operated CrossFirst Bank as a separate banking subsidiary until it was merged with and into Busey Bank on June 20, 2025. At the time of the bank merger, CrossFirst Bank's banking centers became banking centers of Busey Bank.

CrossFirst Merger Consideration

Upon completion of the acquisition, each share of CrossFirst common stock converted into the right to receive 0.6675 of a share of Busey's common stock. Cash was paid in lieu of fractional shares. The fair value of common shares issued in consideration of the CrossFirst acquisition was based on the closing price of Busey's common stock on February 28, 2025.

Further, upon completion of the acquisition, each share of CrossFirst Series A Non-cumulative Perpetual Preferred Stock converted to the right to receive one share of Busey Series A Preferred Stock. The fair value of Busey Series A Preferred Stock was based on the redemption price of $1,000 per share.

The total consideration paid also included the fair value of replacement equity awards related to past service totaling $6.0 million. Busey used a Monte Carlo simulation to estimate the fair value of SSARs and market-based awards. Other awards were valued based on Busey's closing stock price on February 28, 2025.

Acquisition Accounting

The CrossFirst acquisition was accounted for using the acquisition method of accounting and, accordingly, assets acquired, liabilities assumed, and consideration exchanged were recorded at estimated fair values as of March 1, 2025, the date of acquisition. During the three months ended June 30, 2025, fair value adjustments of $3.3 million were recorded, as additional information and valuations became available. Estimated fair values are considered provisional until final fair values are determined or the measurement period has passed, but no later than one year from the acquisition date. Review of all valuations and taxes are still being performed by management. Therefore, amounts are subject to change from the provisional amounts disclosed below.

As the total consideration paid for CrossFirst exceeded the estimated fair value of net assets acquired, goodwill of $48.0 million was recorded as a result of the acquisition. Goodwill recorded for this transaction reflects synergies expected from the acquisition and the greater revenue opportunities from Busey's broader service capabilities in attractive new markets. Goodwill recorded for this transaction is not tax deductible and was assigned to the Banking operating segment.

Merchants and Manufacturers Bank Corporation

On April 1, 2024, Busey completed its acquisition of M&M and its wholly-owned subsidiary, M&M Bank, through a merger transaction. This partnership added M&M's Life Equity Loan® products to Busey's existing suite of services and expanded Busey's presence in the suburban Chicago market.

Merger of M&M Bank into Busey Bank

M&M Bank's results of operations were included in Busey's results of operation beginning April 1, 2024. Busey operated M&M Bank as a separate banking subsidiary of Busey until it was merged with Busey Bank on June 21, 2024. At the time of the bank merger, M&M Bank's banking centers became banking centers of Busey Bank, except for M&M's banking center located at 990 Essington Rd., Joliet, Illinois, which was closed in connection with the bank merger.

M&M Merger Consideration

At the effective time of the M&M acquisition, each share of M&M common stock converted to the right to receive, at the election of each stockholder and subject to proration and adjustment as provided in the M&M merger agreement, either (1) $117.74 in cash ("Cash Election"), (2) 5.7294 shares of Busey common stock ("Share Election"), or (3) mixed consideration of $34.55 in cash and 4.0481 shares of Busey common stock ("Mixed Election").

Most of the M&M common stockholders who submitted an election form by the election deadline made the Share Election to receive their merger consideration solely in the form of shares of Busey common stock. As a result of the elections of M&M common stockholders, and in accordance with the proration and adjustment provisions of the M&M merger agreement, the merger consideration paid to M&M common stockholders was comprised of an aggregate of 1,429,304 shares of Busey common stock and an aggregate of $12.2 million in cash, allocated as follows for each share of M&M stock: (1) $117.74 in cash for the Cash Election, (2) $5.3966 in cash and 5.4668 shares of Busey common stock for the Share Election, and (3) $34.55 in cash and 4.0481 shares of Busey common stock for the Mixed Election. Pursuant to the terms of the M&M merger agreement, M&M common stockholders that did not make an election or submit a properly completed election form by the election deadline of March 29, 2024, received cash consideration of $117.74 for each share of M&M common stock held. No fractional shares of Busey common stock were issued in the M&M acquisition. Fractional shares were paid in cash at the rate of $23.32 per share.

Additional merger consideration of $3.0 million was paid to redeem 300 shares of M&M preferred stock.

FIRST BUSEY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Acquisition Accounting

The M&M acquisition was accounted for using the acquisition method of accounting and, accordingly, assets acquired, liabilities assumed, and consideration exchanged were recorded at estimated fair values on April 1, 2024, the date of acquisition. A final fair value adjustment of $0.1 million for deferred taxes was recorded during the three months ended March 31, 2025, in connection with the M&M acquisition. Fair values, including initial accounting for deferred taxes, were subject to refinement for up to one year after the closing date as additional information regarding the closing date fair values became available, and were final as of March 31, 2025.

As the total consideration paid for M&M exceeded the estimated fair value of net assets acquired, goodwill of $15.9 million was recorded as a result of the acquisition. Goodwill recorded for this transaction reflects synergies expected from the acquisition and expansion within the Chicago metropolitan market. Goodwill recorded for this transaction is not tax deductible and was assigned to the Banking operating segment.

Acquisition Date Fair Values

Acquisition-date fair values of the assets acquired and liabilities assumed, as well as the fair value of consideration transferred, were estimated as follows:

(dollars in thousands)	As of March 1, 2025 CrossFirst *(provisional)*	As of April 1, 2024 M&M *(final)*
Assets acquired		
Cash and cash equivalents	$ 385,808	$ 33,577
Securities	725,622	8,086
Portfolio loans, net of ACL	6,023,063	417,230
Premises and equipment	64,249	2,045
Right of use assets	29,374	253
Other intangible assets	81,783	6,346
Other assets	190,411	10,208
Total assets acquired	7,500,310	477,745
Liabilities assumed		
Deposits	6,571,699	392,838
Short-term borrowings	11,148	35,932
Long-term debt	62,557	1,450
Subordinated notes, net of unamortized issuance costs	—	3,911
Junior subordinated debt owed to unconsolidated trusts	2,238	2,594
Lease liabilities	29,374	253
Other liabilities	62,338	7,089
Total liabilities assumed	6,739,354	444,067
Net assets acquired	$ 760,956	$ 33,678
Consideration paid		
Cash	$ 4	$ 15,200
Common stock	795,227	34,375
Preferred stock	7,750	—
Replacement awards[1]	5,999	—
Total consideration paid	$ 808,980	$ 49,575
Goodwill	$ 48,024	$ 15,897

1. Represents the fair value of replacement equity awards issued to CrossFirst associates attributable to pre-combination service.

Valuations of Loans

Estimated fair values for the loan portfolio acquired in the CrossFirst acquisition includes adjustments to certain receivables that were not considered PCD as of the acquisition date. These fair value adjustments were determined using a discounted cash flow model that applies various assumptions about coupon rates, remaining maturities, prepayment speeds, projected default probabilities, losses given defaults, and estimates of prevailing discount rates. These loans did not show signs of deterioration since origination, and therefore, at the acquisition date, were not subject to the guidance related to PCD loans. Receivables acquired in the CrossFirst acquisition that were not subject to these requirements include non-PCD loans with a fair value of $4.70 billion and gross contractual amounts receivable of $4.79 billion.

A portion of acquired loans were PCD. The following table provides a reconciliation between the purchase price and the fair value of these loans:

	As of	
(dollars in thousands)	March 1, 2025 CrossFirst	April 1, 2024 M&M
PCD Financial Assets		
Gross contractual receivable for PCD financial assets[1]	$ 1,428,978	$ 29,290
ACL recorded for estimated uncollectible contractual cash flows specific to PCD financial assets	(100,783)	(1,243)
Interest premium (discount) specific to PCD financial assets	(3,063)	(1,773)
Fair value of PCD financial assets	$ 1,325,132	$ 26,274

1. In connection with the CrossFirst acquisition, Busey also acquired $110.7 million of previously charged-off principal in addition to the PCD assets listed above.

Pro Forma Results

The following unaudited pro forma information has been prepared as if the CrossFirst acquisition had occurred on January 1, 2024, and as if the M&M acquisition had occurred January 1, 2023. The pro forma results combine the historical results of CrossFirst and M&M into Busey's Consolidated Statements of Income (Unaudited), including the impact of purchase accounting adjustments such as loan discount accretion, intangible assets amortization, and deposit accretion, net of taxes. The pro forma results have been prepared for comparative purposes only and are not necessarily indicative of the results that would have been obtained had the acquisitions actually occurred on January 1, 2024, or on January 1, 2023, as applicable. Further, pro forma information does not purport to be indicative of future financial operating results. No assumptions have been applied to the pro forma results of operations regarding possible revenue enhancements, expense efficiencies, or asset dispositions. Only the merger related expenses that have been recognized are included in net income in the table below:

	Three Months Ended June 30,		Six Months Ended June 30,	
(dollars in thousands)	2025	2024	2025	2024
Revenue (net interest income plus noninterest income)	$ 191,726	$ 180,688	$ 371,320	$ 377,900
Net income	47,297	45,381	68,702	65,239

Other Acquisition Costs

Busey incurred acquisition related expenses as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(dollars in thousands)	2025	2024	2025	2024
Pre-tax acquisition expenses				
M&M	$ —	$ 2,065	$ 108	$ 2,350
CrossFirst[1]	16,600	147	88,090	147
Pre-tax acquisition expenses[1]	$ 16,600	$ 2,212	$ 88,198	$ 2,497

1. In addition to the acquisition costs presented in the table above, during the three months ended June 30, 2025, Busey recorded a $4.0 million adjustment to the initial provision for unfunded commitments for CrossFirst acquisition-date balances based on revised estimates resulting from implementation of a new CECL model.

Acquisition related expenses for CrossFirst were comprised primarily of an initial provision to establish an ACL on non-PCD loans (recorded as provision expense), and multiple components of noninterest expense including an initial provision for unfunded commitments; salaries, wages and employee benefits (including equity compensation); data processing; and legal, professional, and consulting costs. Acquisition related expenses for M&M were comprised primarily of professional fees and data processing costs.

Of the total acquisition related expenses, the following legal, professional, and consulting costs were incurred to consummate the mergers:

	Three Months Ended June 30,		Six Months Ended June 30,	
(dollars in thousands)	2025	2024	2025	2024
Pre-tax costs to consummate the merger				
M&M	$ —	$ 19	$ —	$ 150
CrossFirst	86	—	7,230	—
Pre-tax costs to consummate the merger	$ 86	$ 19	$ 7,230	$ 150

NOTE 3. DEBT SECURITIES

Busey's portfolio of debt securities includes both available for sale and held to maturity securities. The tables below provide the amortized cost, unrealized or unrecognized gains and losses, and fair values of debt securities summarized by major category:

	As of June 30, 2025			
		Unrealized		
(dollars in thousands)	Amortized Cost	Gross Gains	Gross Losses	Fair Value
Debt securities available for sale[1]				
Obligations of U.S. government corporations and agencies	$ 115,902	$ 59	$ (404)	$ 115,557
Obligations of states and political subdivisions	260,997	131	(18,975)	242,153
Asset-backed securities	373,231	390	—	373,621
Commercial mortgage-backed securities	149,844	479	(12,297)	138,026
Residential mortgage-backed securities	1,433,077	3,870	(147,818)	1,289,129
Corporate debt securities	61,613	427	(2,738)	59,302
Total debt securities available for sale	$ 2,394,664	$ 5,356	$ (182,232)	$ 2,217,788

		Unrecognized		
	Amortized Cost	Gross Gains	Gross Losses	Fair Value
Debt securities held to maturity				
Commercial mortgage-backed securities	$ 407,401	$ —	$ (70,772)	$ 336,629
Residential mortgage-backed securities	395,564	—	(61,661)	333,903
Total debt securities held to maturity	$ 802,965	$ —	$ (132,433)	$ 670,532

1. This table includes debt securities marked at par, with no gain or loss.

	As of December 31, 2024			
	Amortized Cost	Unrealized Gross Gains	Unrealized Gross Losses	Fair Value
(dollars in thousands)				
Debt securities available for sale[1]				
Obligations of U.S. government corporations and agencies	$ 1,408	$ —	$ (8)	$ 1,400
Obligations of states and political subdivisions	156,534	31	(16,736)	139,829
Asset-backed securities	336,379	181	(3)	336,557
Commercial mortgage-backed securities	107,305	—	(15,131)	92,174
Residential mortgage-backed securities	1,279,090	19	(191,899)	1,087,210
Corporate debt securities	159,236	363	(6,548)	153,051
Total debt securities available for sale	$ 2,039,952	$ 594	$ (230,325)	$ 1,810,221

	Amortized Cost	Unrecognized Gross Gains	Unrecognized Gross Losses	Fair Value
Debt securities held to maturity				
Commercial mortgage-backed securities	$ 415,530	$ —	$ (77,242)	$ 338,288
Residential mortgage-backed securities	411,100	—	(74,335)	336,765
Total debt securities held to maturity	$ 826,630	$ —	$ (151,577)	$ 675,053

1. This table includes debt securities marked at par, with no gain or loss.

Maturities of Debt Securities

Amortized cost and fair value of debt securities, by contractual maturity or pre-refunded date, are shown below. Mortgages underlying mortgage-backed securities and asset-backed securities may be called or prepaid; therefore, actual maturities could differ from the contractual maturities. All mortgage-backed securities were issued by U.S. government corporations and agencies.

	As of June 30, 2025	
	Amortized Cost	Fair Value
(dollars in thousands)		
Debt securities available for sale		
Due in one year or less	$ 27,262	$ 27,134
Due after one year through five years	52,667	50,135
Due after five years through ten years	446,705	431,576
Due after ten years	1,868,030	1,708,943
Debt securities available for sale	$ 2,394,664	$ 2,217,788
Debt securities held to maturity		
Due in one year or less	$ 16,804	$ 16,708
Due after one year through five years	59,889	57,757
Due after five years through ten years	14,710	13,127
Due after ten years	711,562	582,940
Debt securities held to maturity	$ 802,965	$ 670,532

Gains and Losses on Debt Securities Available for Sale

Realized gains and losses related to sales and calls of debt securities available for sale are summarized as follows:

(dollars in thousands)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Realized gains and losses on debt securities				
Gross gains on debt securities	$ 1	$ —	$ 9	$ 1
Gross (losses) on debt securities[1]	0	(4)	(15,545)	(6,807)
Realized net gains (losses) on debt securities	$ 1	$ (4)	$ (15,536)	$ (6,806)

1. During the first quarter of 2025, Busey sold available for sale debt securities with a book value of approximately $205.6 million for a pre-tax loss of $15.5 million, as part of a balance sheet repositioning strategy. During the first quarter of 2024, Busey sold available for sale debt securities with a book value of approximately $108.2 million for a pre-tax loss of $6.8 million, as part of a balance sheet repositioning strategy.

Debt securities with carrying amounts of $762.5 million on June 30, 2025, and $871.4 million on December 31, 2024, were pledged as collateral for public deposits, securities sold under agreements to repurchase, and for other purposes as required.

Debt Securities in an Unrealized or Unrecognized Loss Position

The following information pertains to debt securities with gross unrealized or unrecognized losses, aggregated by investment category and the length of time that individual securities have been in a continuous loss position:

	As of June 30, 2025					
	Less than 12 months		12 months or more		Total	
(dollars in thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Debt securities available for sale						
Obligations of U.S. government corporations and agencies	$ 94,032	$ (403)	$ 152	$ (1)	$ 94,184	$ (404)
Obligations of states and political subdivisions	126,519	(7,390)	96,547	(11,585)	223,066	(18,975)
Commercial mortgage-backed securities	7,914	(62)	72,293	(12,235)	80,207	(12,297)
Residential mortgage-backed securities	125,548	(385)	796,367	(147,433)	921,915	(147,818)
Corporate debt securities	933	(6)	47,744	(2,732)	48,677	(2,738)
Debt securities available for sale with gross unrealized losses	$ 354,946	$ (8,246)	$ 1,013,103	$ (173,986)	$ 1,368,049	$ (182,232)

	Fair Value	Unrecognized Losses	Fair Value	Unrecognized Losses
Debt securities held to maturity				
Commercial mortgage-backed securities	$ 336,629	$ (70,772)	$ 336,629	$ (70,772)
Residential mortgage-backed securities	333,903	(61,661)	333,903	(61,661)
Debt securities held to maturity with gross unrecognized losses	$ 670,532	$ (132,433)	$ 670,532	$ (132,433)

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	As of December 31, 2024					
	Less than 12 months		12 months or more		Total	
(dollars in thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Debt securities available for sale						
Obligations of U.S. government corporations and agencies	$ —	$ —	$ 1,328	$ (8)	$ 1,328	$ (8)
Obligations of states and political subdivisions	11,234	(209)	119,723	(16,527)	130,957	(16,736)
Asset-backed securities	14,997	(3)	—	—	14,997	(3)
Commercial mortgage-backed securities	6,238	(42)	85,936	(15,089)	92,174	(15,131)
Residential mortgage-backed securities	152,081	(640)	930,642	(191,259)	1,082,723	(191,899)
Corporate debt securities	598	(1)	143,966	(6,547)	144,564	(6,548)
Debt securities available for sale with gross unrealized losses	$ 185,148	$ (895)	$ 1,281,595	$ (229,430)	$ 1,466,743	$ (230,325)

	Fair Value	Unrecognized Losses	Fair Value	Unrecognized Losses
Debt securities held to maturity				
Commercial mortgage-backed securities	$ 338,288	$ (77,242)	$ 338,288	$ (77,242)
Residential mortgage-backed securities	336,765	(74,335)	336,765	(74,335)
Debt securities held to maturity with gross unrecognized losses	$ 675,053	$ (151,577)	$ 675,053	$ (151,577)

Additional information about debt securities in an unrealized or unrecognized loss position is presented in the tables below:

	As of June 30, 2025		
(dollars in thousands)	Available for Sale	Held to Maturity	Total
Debt securities with gross unrealized or unrecognized losses, fair value	$ 1,368,049	$ 670,532	$ 2,038,581
Gross unrealized or unrecognized losses on debt securities	182,232	132,433	314,665
Ratio of gross unrealized or unrecognized losses to debt securities with gross unrealized or unrecognized losses	13.3 %	19.8 %	15.4 %
Count of debt securities	657	55	712
Count of debt securities in an unrealized or unrecognized loss position	502	55	557

	As of December 31, 2024		
(dollars in thousands)	Available for Sale	Held to Maturity	Total
Debt securities with gross unrealized or unrecognized losses, fair value	$ 1,466,743	$ 675,053	$ 2,141,796
Gross unrealized or unrecognized losses on debt securities	230,325	151,577	381,902
Ratio of gross unrealized or unrecognized losses to debt securities with gross unrealized or unrecognized losses	15.7 %	22.5 %	17.8 %
Count of debt securities	677	55	732
Count of debt securities in an unrealized or unrecognized loss position	586	55	641

Unrealized and unrecognized losses are related to changes in market interest rates and market conditions that do not represent credit-related impairments. Unless part of a corporate strategy or repositioning plan, Busey does not intend to sell securities that are in an unrealized or unrecognized loss position, and it is more likely than not that Busey will recover the amortized cost prior to being required to sell the debt securities. Full collection of the amounts due according to the contractual terms of the debt securities is expected; therefore, no ACL has been recorded in relation to debt securities, and the impairment related to noncredit factors on debt securities available for sale is recognized in AOCI, net of applicable taxes. As of June 30, 2025, Busey did not hold general obligation bonds of any single issuer that exceeded, in aggregate, 10% of Busey's stockholders' equity.

NOTE 4. PORTFOLIO LOANS

Loan Categories

Busey's lending can be summarized in two primary categories: commercial and retail. Loans within these categories are further classified by lending activity: C&I and other commercial, commercial real estate, real estate construction, retail real estate, and retail other. Distributions of the loan portfolio by loan category and lending activity is presented in the following table:

	As of	
(dollars in thousands)	June 30, 2025	December 31, 2024
Commercial loans		
C&I and other commercial	$ 4,476,869	$ 1,904,515
CRE	5,569,759	3,269,564
Real estate construction	1,041,803	378,209
Total commercial loans	11,088,431	5,552,288
Retail loans		
Retail real estate	2,228,959	1,696,457
Retail other	491,229	448,342
Total retail loans	2,720,188	2,144,799
Total portfolio loans	13,808,619	7,697,087
ACL	(183,334)	(83,404)
Portfolio loans, net	$ 13,625,285	$ 7,613,683

Net deferred loan origination costs included in the balances above were $10.8 million as of June 30, 2025, compared to $12.5 million as of December 31, 2024. Net accretable purchase accounting adjustments included in the balances above reduced loans by $98.1 million as of June 30, 2025, and $8.8 million as of December 31, 2024.

Busey did not purchase any retail real estate loans during the three and six months ended June 30, 2025. Busey elected to purchase $6.9 million of retail real estate loans during the three and six months ended June 30, 2024.

Pledged Loans

Busey has executed a blanket lien with the FHLB. The principal balance of loans Busey has pledged as collateral with the FHLB and Federal Reserve Bank for liquidity, which Busey is able to borrow against, is set forth in the table below:

	As of	
(dollars in thousands)	June 30, 2025	December 31, 2024
Pledged loans		
FHLB	$ 5,010,792	$ 4,813,600
Federal Reserve Bank	1,580,491	765,824
Total pledged loans	$ 6,591,283	$ 5,579,424

Risk Grading

Busey utilizes a loan grading scale to assign a risk grade to all of its loans. A description of the general characteristics of each grade is as follows:

- *Pass* – This category includes loans that are all considered acceptable credits, ranging from investment or near investment grade, to loans made to borrowers who exhibit credit fundamentals that meet or exceed industry standards.
- *Watch* – This category includes loans that warrant a higher-than-average level of monitoring to ensure that weaknesses do not cause the inability of the credit to perform as expected. These loans are not necessarily a problem due to other inherent strengths of the credit, such as guarantor strength, but have above average concern and monitoring.
- *Special mention* – This category is for "Other Assets Specially Mentioned" loans that have potential weaknesses, which may, if not checked or corrected, weaken the asset or inadequately protect Busey's credit position at some future date.
- *Substandard* – This category includes "Substandard" loans, determined in accordance with regulatory guidelines, for which the accrual of interest has not been stopped. Assets so classified must have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that Busey will sustain some loss if the deficiencies are not corrected.
- *Substandard non-accrual* – This category includes loans that have all the characteristics of a "Substandard" loan with additional factors that make collection in full highly questionable and improbable. Such loans are placed on non-accrual status and may be dependent on collateral with a value that is difficult to determine.

All loans are graded at their inception. Commercial lending relationships that are $2.0 million or less are usually processed through an expedited underwriting process. Most commercial loans greater than $2.0 million are included in a portfolio review at least annually. Commercial loans greater than $0.35 million that have a grading of special mention or worse are typically reviewed on a quarterly basis. Interim reviews may take place if circumstances of the borrower warrant a more frequent review.

The following table is a summary of Busey's portfolio loans by risk grade, segregated by loan category:

	As of June 30, 2025					
(dollars in thousands)	Pass	Watch	Special Mention	Substandard	Substandard Non-accrual	Total
Commercial loans						
C&I and other commercial	$ 3,790,854	$ 436,157	$ 127,315	$ 87,603	$ 34,940	$ 4,476,869
CRE	4,571,016	813,941	152,544	21,695	10,563	5,569,759
Real estate construction	964,183	45,940	25,981	5,677	22	1,041,803
Total commercial loans	9,326,053	1,296,038	305,840	114,975	45,525	11,088,431
Retail loans						
Retail real estate	2,205,127	6,331	6,848	2,806	7,847	2,228,959
Retail other	490,979	—	—	8	242	491,229
Total retail loans	2,696,106	6,331	6,848	2,814	8,089	2,720,188
Total portfolio loans	$ 12,022,159	$ 1,302,369	$ 312,688	$ 117,789	$ 53,614	$ 13,808,619

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	As of December 31, 2024					
(dollars in thousands)	Pass	Watch	Special Mention	Substandard	Substandard Non-accrual	Total
Commercial loans						
C&I and other commercial	$ 1,545,338	$ 281,424	$ 36,152	$ 37,749	$ 3,852	$ 1,904,515
CRE	2,744,018	438,945	55,041	16,507	15,053	3,269,564
Real estate construction	345,908	26,833	221	5,224	23	378,209
Total commercial loans	4,635,264	747,202	91,414	59,480	18,928	5,552,288
Retail loans						
Retail real estate	1,680,640	9,408	882	2,543	2,984	1,696,457
Retail other	448,166	—	—	—	176	448,342
Total retail loans	2,128,806	9,408	882	2,543	3,160	2,144,799
Total portfolio loans	$ 6,764,070	$ 756,610	$ 92,296	$ 62,023	$ 22,088	$ 7,697,087

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Risk grades of portfolio loans and gross charge-offs are presented in the tables below by lending activity, further sorted by origination year:

	As of and For The Six Months Ended June 30, 2025							
Risk Grade Ratings	Term Loans Amortized Cost Basis by Origination Year						Revolving	
(dollars in thousands)	**2025**	**2024**	**2023**	**2022**	**2021**	**Prior**	**Loans**	**Total**
C&I and other commercial								
Pass	$ 515,264	$ 829,795	$ 517,205	$ 279,602	$ 192,483	$ 166,112	$ 1,290,393	$ 3,790,854
Watch	40,197	60,053	70,716	51,774	74,582	19,821	119,014	436,157
Special Mention	2,579	22,737	18,440	42,789	3,376	2,784	34,610	127,315
Substandard	16,642	4,314	17,675	4,587	10,163	3,907	30,315	87,603
Substandard non-accrual	86	3,774	3,159	7,309	1,046	5,051	14,515	34,940
Total C&I and other commercial	574,768	920,673	627,195	386,061	281,650	197,675	1,488,847	4,476,869
Gross charge-offs	$ —	$ 908	$ 3,222	$ 285	$ 13,591	$ 11,174	$ 4,121	$ 33,301
CRE								
Pass	389,049	509,376	726,226	1,336,389	832,204	735,227	42,545	4,571,016
Watch	91,566	111,220	141,107	162,659	208,775	95,704	2,910	813,941
Special Mention	54,783	24,440	4,161	26,254	24,902	16,357	1,647	152,544
Substandard	1,447	1,959	916	8,611	—	8,717	45	21,695
Substandard non-accrual	10	2,769	4,551	73	2	3,158	—	10,563
Total CRE	536,855	649,764	876,961	1,533,986	1,065,883	859,163	47,147	5,569,759
Gross charge-offs	—	10,916	—	—	253	—	—	11,169
Real estate construction								
Pass	174,939	324,172	153,653	211,480	24,401	2,625	72,913	964,183
Watch	14,429	28,866	2,458	—	187	—	—	45,940
Special Mention	18,334	—	—	610	7,037	—	—	25,981
Substandard	5,187	428	—	—	62	—	—	5,677
Substandard non-accrual	—	—	—	—	22	—	—	22
Total real estate construction	212,889	353,466	156,111	212,090	31,709	2,625	72,913	1,041,803
Gross charge-offs	—	—	—	—	—	—	—	—
Retail real estate								
Pass	75,389	138,161	323,645	459,652	423,095	546,277	238,908	2,205,127
Watch	132	1,957	509	1,685	290	1,185	573	6,331
Special Mention	92	89	3,865	840	1,748	—	214	6,848
Substandard	—	—	114	1,460	494	735	3	2,806
Substandard non-accrual	160	153	39	322	317	2,944	3,912	7,847
Total retail real estate	75,773	140,360	328,172	463,959	425,944	551,141	243,610	2,228,959
Gross charge-offs	35	—	—	—	—	48	36	119
Retail other								
Pass	6,059	7,347	43,453	43,952	8,071	1,173	380,924	490,979
Watch	—	—	—	—	—	—	—	—
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	8	—	8
Substandard non-accrual	—	—	93	138	—	11	—	242
Total retail other	6,059	7,347	43,546	44,090	8,071	1,192	380,924	491,229
Gross charge-offs	120	147	253	35	—	74	—	629
Total portfolio loans	$ 1,406,344	$ 2,071,610	$ 2,031,985	$ 2,640,186	$ 1,813,257	$ 1,611,796	$ 2,233,441	$ 13,808,619
Total gross charge-offs	$ 155	$ 11,971	$ 3,475	$ 320	$ 13,844	$ 11,296	$ 4,157	$ 45,218

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	As of and For The Year Ended December 31, 2024							
Risk Grade Ratings	**Term Loans Amortized Cost Basis by Origination Year**						**Revolving Loans**	**Total**
(dollars in thousands)	**2024**	**2023**	**2022**	**2021**	**2020**	**Prior**		
C&I and other commercial								
Pass	$ 320,831	$ 147,909	$ 163,870	$ 125,053	$ 74,146	$ 117,234	$ 596,295	$ 1,545,338
Watch	38,734	49,394	44,709	16,393	2,175	20,964	109,055	281,424
Special Mention	1,718	2,293	5,658	2,634	106	2,540	21,203	36,152
Substandard	15,186	6,545	788	591	320	2,424	11,895	37,749
Substandard non-accrual	65	141	464	—	42	852	2,288	3,852
Total C&I and other commercial	376,534	206,282	215,489	144,671	76,789	144,014	740,736	1,904,515
Gross charge-offs	$ —	$ 14,980	$ 148	$ 22	$ —	$ 303	$ —	$ 15,453
CRE								
Pass	291,503	354,591	755,266	645,994	356,867	314,340	25,457	2,744,018
Watch	115,078	132,900	60,611	62,408	28,320	38,733	895	438,945
Special Mention	39,252	643	8,020	1,395	4,165	1,517	49	55,041
Substandard	6,983	355	4,628	50	95	4,346	50	16,507
Substandard non-accrual	15,000	39	—	—	14	—	—	15,053
Total CRE	467,816	488,528	828,525	709,847	389,461	358,936	26,451	3,269,564
Gross charge-offs	—	—	—	2,999	—	315	—	3,314
Real estate construction								
Pass	159,825	134,450	12,205	24,781	2,213	1,124	11,310	345,908
Watch	20,170	6,455	—	208	—	—	—	26,833
Special Mention	—	—	—	221	—	—	—	221
Substandard	5,224	—	—	—	—	—	—	5,224
Substandard non-accrual	—	—	—	23	—	—	—	23
Total real estate construction	185,219	140,905	12,205	25,233	2,213	1,124	11,310	378,209
Gross charge-offs	—	—	—	—	—	—	—	—
Retail real estate								
Pass	101,582	237,306	366,820	354,380	147,236	267,431	205,885	1,680,640
Watch	1,255	550	2,733	3,377	872	124	497	9,408
Special Mention	151	—	344	—	—	372	15	882
Substandard	—	243	1,018	503	—	776	3	2,543
Substandard non-accrual	—	—	344	91	152	1,526	871	2,984
Total retail real estate	102,988	238,099	371,259	358,351	148,260	270,229	207,271	1,696,457
Gross charge-offs	—	—	—	—	—	168	—	168
Retail other								
Pass	4,996	55,665	57,944	12,207	2,304	589	314,461	448,166
Substandard non-accrual	—	94	67	4	—	11	—	176
Total retail other	4,996	55,759	58,011	12,211	2,304	600	314,461	448,342
Gross charge-offs	9	31	106	78	4	403	—	631
Total portfolio loans	$ 1,137,553	$ 1,129,573	$ 1,485,489	$ 1,250,313	$ 619,027	$ 774,903	$ 1,300,229	$ 7,697,087
Total gross charge-offs	$ 9	$ 15,011	$ 254	$ 3,099	$ 4	$ 1,189	$ —	$ 19,566

Past Due and Non-accrual Loans

An analysis of portfolio loans that were past due and still accruing, or on a non-accrual status, is presented in the table below:

	As of June 30, 2025				
	Loans past due, still accruing				
(dollars in thousands)	30-59 Days	60-89 Days	90+Days	Non-accrual Loans	Non-accrual Loans with No Allowance for Credit Losses
Commercial loans					
C&I and other commercial	$ 4,972	$ 1,490	$ 796	$ 34,940	$ 3,311
CRE	524	5,744	—	10,563	4,300
Real estate construction	18,670	6,794	—	22	—
Past due and non-accrual commercial loans	24,166	14,028	796	45,525	7,611
Retail loans					
Retail real estate	1,894	331	145	7,847	194
Retail other	1,378	391	—	242	—
Past due and non-accrual retail loans	3,272	722	145	8,089	194
Total past due and non-accrual loans	$ 27,438	$ 14,750	$ 941	$ 53,614	$ 7,805

	As of December 31, 2024				
	Loans past due, still accruing				
(dollars in thousands)	30-59 Days	60-89 Days	90+Days	Non-accrual Loans	Non-accrual Loans with No Allowance for Credit Losses
Commercial loans					
C&I and other commercial	$ 95	$ —	$ —	$ 3,852	$ 1,224
CRE	42	2,759	—	15,053	15,000
Real estate construction	41	—	—	23	—
Past due and non-accrual commercial loans	178	2,759	—	18,928	16,224
Retail loans					
Retail real estate	3,280	683	1,115	2,984	194
Retail other	1,094	130	34	176	—
Past due and non-accrual retail loans	4,374	813	1,149	3,160	194
Total past due and non-accrual loans	$ 4,552	$ 3,572	$ 1,149	$ 22,088	$ 16,418

Gross interest income recorded on 90+ days past due loans, and that would have been recorded on non-accrual loans if they had been accruing interest in accordance with their original terms, was $1.0 million and $1.2 million for the three and six months ended June 30, 2025, respectively, and was $0.2 million and $0.5 million for the three and six months ended June 30, 2024, respectively. The amount of interest collected on those loans and recognized on a cash basis that was included in interest income was immaterial for the three and six months ended June 30, 2025 and 2024.

Loan Modifications for Borrowers Experiencing Financial Difficulty

The following tables present the amortized cost basis of loans that were modified—specifically in the form of (1) principal forgiveness, (2) an interest rate reduction, (3) an other-than-insignificant payment deferral, and/or (4) a term extension—for borrowers experiencing financial difficulty during the periods indicated, disaggregated by lending activity and the type of modification:

	Three Months Ended June 30, 2025					
(dollars in thousands)	Payment Deferral	% of Total Class of Financing Receivable[1]	Term Extension	% of Total Class of Financing Receivable[2]	Combination—Term Extension and Payment Deferral	% of Total Class of Financing Receivable[3]
Modified Loans						
C&I and other commercial	$ 490	— %	$ 21,913	0.5 %	$ 4,412	0.1 %
CRE	—	— %	1,297	— %	—	— %
Total of loans modified during the period[4]	$ 490	— %	$ 23,210	0.2 %	$ 4,412	— %

1. Modified loans represent an insignificant portion of C&I and other commercial loans, and an insignificant portion of total loans, in both cases rounding to zero percent.
2. Modified loans represent an insignificant portion of CRE loans, rounding to zero percent.
3. Modified loans represent an insignificant portion of total loans, rounding to zero percent.
4. All modifications were for loans classified as substandard.

	Three Months Ended June 30, 2024	
(dollars in thousands)	Term Extension[1]	% of Total Class of Financing Receivable[2]
Modified Loans		
C&I and other commercial	$ 8,545	0.4 %
CRE	466	— %
Total of loans modified during the period[3]	$ 9,011	0.1 %

1. Modifications to extend loan terms also included, in some cases, interest rate increases during the extension period.
2. Modified loans represent an insignificant portion of commercial real estate loans, rounding to zero percent.
3. All modifications were for loans classified as substandard.

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	Six Months Ended June 30, 2025					
(dollars in thousands)	Payment Deferral	% of Total Class of Financing Receivable	Term Extension	% of Total Class of Financing Receivable[1]	Combination—Term Extension and Payment Deferral	% of Total Class of Financing Receivable[2]
Modified Loans						
C&I and other commercial	$ 11,639	0.3 %	$ 26,985	0.6 %	$ 4,412	0.1 %
CRE	—	— %	1,848	— %	—	— %
Real estate construction	—	— %	5,187	0.5 %	—	— %
Total of loans modified during the period[3]	$ 11,639	0.1 %	$ 34,020	0.2 %	$ 4,412	— %

1. Modified loans represent an insignificant portion of CRE loans, rounding to zero percent.
2. Modified loans represent an insignificant portion of total loans, rounding to zero percent.
3. With the exception of one loan that was transferred to non-accrual status during the six months ended June 30, 2025, all modifications were for loans classified as substandard.

	Six Months Ended June 30, 2024	
(dollars in thousands)	Term Extension[1]	% of Total Class of Financing Receivable
Modified Loans		
C&I and other commercial	$ 24,067	1.2 %
CRE	1,814	0.1 %
Total of loans modified during the period[2]	$ 25,881	0.3 %

1. Modifications to extend loan terms also included, in some cases, interest rate increases during the extension period.
2. All modifications were for loans classified as substandard.

The following table provides the weighted average term extension for loan modifications made during the periods indicated for borrowers experiencing financial difficulty:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Weighted Average Loan Term Extensions				
C&I and other commercial	19.9 months	4.3 months	19.3 months	14.7 months
CRE	7.0 months	4.0 months	11.0 months	1.8 months
Real estate construction	—	—	15.0 months	—
Weighted average term extensions	19.3 months	4.3 months	18.3 months	13.8 months

Performance of Modified Loans

Busey closely monitors the performance of the loans that are modified for borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. The following table depicts the payment performance of loans modified during the last twelve months:

	As of June 30, 2025			
(dollars in thousands)	Current	30-89 Days	90+ Days	Non-accrual
Modified Loans				
C&I and other commercial	$ 43,420	$ —	$ —	$ 467
CRE	3,239	—	—	—
Real estate construction	5,187	—	—	—
Amortized cost of modified loans	$ 51,846	$ —	$ —	$ 467

A default occurs when a loan is 90 days or more past due or transferred to non-accrual status. During the three and six months ended June 30, 2025, one C&I and other commercial loan with a balance of $0.5 million experienced a default by being transferred to non-accrual status after having been modified (a payment deferral was provided to the borrower who was experiencing financial difficulty) during the 12 months before the default. No loans had a default during the three or six months ended June 30, 2024, after having been modified during the 12 months before that default for borrowers experiencing financial difficulty.

Collateral Dependent Loans

Management's evaluation as to the ultimate collectability of loans includes estimates regarding future cash flows from operations and the value of property, real and personal, pledged as collateral. These estimates are affected by changing economic conditions and the economic prospects of borrowers. Collateral dependent loans are loans in which repayment is expected to be provided solely by the operation or sale of the underlying collateral and there are no other available and reliable sources of repayment. Loans are written down to the lower of cost or fair value of the underlying collateral, less estimated costs to sell. Busey had $50.0 million and $19.3 million of collateral dependent loans secured by real estate or business assets as of June 30, 2025, and December 31, 2024, respectively.

Foreclosures

Busey's recorded investment in residential real estate loans that were in the process of foreclosure was $5.7 million as of June 30, 2025. Busey follows Federal Housing Finance Agency guidelines on single-family foreclosures and real estate owned evictions on portfolio loans.

Allowance for Credit Losses

The ACL is a valuation account that is deducted from the portfolio loans' amortized cost bases to present the net amount expected to be collected on the portfolio loans. The ACL is established through the provision for credit losses charged to income. Portfolio loans are charged off against the ACL when management believes the uncollectibility of a loan balance is confirmed. Recoveries are recognized up to the aggregate amount of previously charged-off balances.

Management estimates the ACL balance using relevant available information from internal and external sources relating to past events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. The ACL consists of three components: (i) specific allocations/individual reserves; (ii) quantitative reserves; and (iii) qualitative reserves.

- *Specific allocations/individual reserves* – When a loan no longer exhibits risk characteristics that are similar to other loans, that loan is individually evaluated. Individual reserves are calculated for loans that are on a non-accrual status that are greater than a defined dollar threshold or loans that have disparate risk characteristics. Reserves may be based on collateral, for collateral-dependent loans, or on quantitative and qualitative factors, including expected cash flow, market sentiment, and guarantor support.

- *Quantitative reserves* – Busey implemented a new non-discounted cash flow model in the second quarter of 2025 that used combined historical loan data from Busey Bank beginning in 2004 and CrossFirst Bank since its inception in 2007. The model incorporates various baseline forecast scenarios and national unemployment rates with either national gross domestic product, the national home price index, or the national commercial real estate price index. Further, prepayment and curtailment expectations are factored into the model. Due to the continued economic uncertainty in the markets in which the Company operates, Busey will continue to utilize a forecast period of 12 months with an immediate reversion to historical loss rates beyond this forecast period in its ACL estimate.

- *Qualitative reserves* – Busey uses qualitative factors to adjust the historical loss factors for current and forecasted conditions. Busey considers the ten qualitative factors identified in the Interagency Guidance and ASC Topic 326 at each reporting date.

The following tables summarize activity in the ACL attributable to each lending activity. Allocation of a portion of the ACL to one lending activity does not preclude its availability to absorb losses from other lending activities:

	Three Months Ended June 30, 2025					
(dollars in thousands)	C&I and Other Commercial	CRE	Real Estate Construction	Retail Real Estate	Retail Other	Total
ACL balance, March 31, 2025	$ 89,304	$ 68,478	$ 8,689	$ 26,399	$ 2,340	$ 195,210
Provision for loan losses	(18,863)	13,370	4,300	2,597	(399)	1,005
Charged-off	(2,080)	(10,916)	—	(119)	(268)	(13,383)
Recoveries	217	3	83	165	34	502
ACL balance, June 30, 2025	$ 68,578	$ 70,935	$ 13,072	$ 29,042	$ 1,707	$ 183,334

	Three Months Ended June 30, 2024					
(dollars in thousands)	C&I and Other Commercial	CRE	Real Estate Construction	Retail Real Estate	Retail Other	Total
ACL balance, March 31, 2024	$ 26,207	$ 33,505	$ 4,713	$ 24,281	$ 2,856	$ 91,562
Day 1 PCD[1]	824	322	—	96	1	1,243
Provision for loan losses	3,118	1,140	(997)	(651)	(333)	2,277
Charged-off	(10,013)	(4)	—	(75)	(184)	(10,276)
Recoveries	150	141	6	78	45	420
ACL balance, June 30, 2024	$ 20,286	$ 35,104	$ 3,722	$ 23,729	$ 2,385	$ 85,226

1. The Day 1 PCD is attributable to the M&M acquisition (see *"Note 2. Mergers and Acquisitions."*)

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	Six Months Ended June 30, 2025					
(dollars in thousands)	C&I and Other Commercial	CRE	Real Estate Construction	Retail Real Estate	Retail Other	Total
ACL balance, December 31, 2024	$ 21,589	$ 32,301	$ 3,345	$ 23,711	$ 2,458	$ 83,404
Day 1 PCD[1]	75,569	21,588	2,112	1,430	84	100,783
Day 2 Provision for loan losses[2]	22,648	15,104	2,911	1,628	142	42,433
Provision for loan losses	(18,240)	12,977	4,611	2,094	(418)	1,024
Charged-off	(33,301)	(11,169)	—	(119)	(629)	(45,218)
Recoveries	313	134	93	298	70	908
ACL balance, June 30, 2025	$ 68,578	$ 70,935	$ 13,072	$ 29,042	$ 1,707	$ 183,334

1. The Day 1 PCD is attributable to the CrossFirst acquisition (see *"Note 2. Mergers and Acquisitions"*), and represents the initial adjustment to the fair value of the PCD loans.
2. The Day 2 provision for loan losses is attributable to the CrossFirst acquisition (see *"Note 2. Mergers and Acquisitions"*), and represents the initial provision for non-PCD loans.

	Six Months Ended June 30, 2024					
(dollars in thousands)	C&I and Other Commercial	CRE	Real Estate Construction	Retail Real Estate	Retail Other	Total
ACL balance, December 31, 2023	$ 21,256	$ 35,465	$ 5,163	$ 26,298	$ 3,558	$ 91,740
Day 1 PCD[1]	824	322	—	96	1	1,243
Provision for loan losses	13,243	(724)	(1,488)	(2,744)	(972)	7,315
Charged-off	(15,231)	(100)	—	(127)	(278)	(15,736)
Recoveries	194	141	47	206	76	664
ACL balance, June 30, 2024	$ 20,286	$ 35,104	$ 3,722	$ 23,729	$ 2,385	$ 85,226

1. The Day 1 PCD is attributable to the M&M acquisition (see "*Note 2. Mergers and Acquisitions*.")

Net charge-offs during the six months ended June 30, 2025, included $31.1 million related to PCD loans acquired from CrossFirst Bank, which were fully reserved at acquisition and did not require recording additional provision expense.

NOTE 5. LEASES

Busey as the Lessee

Busey has operating leases consisting primarily of equipment leases and real estate leases for banking centers, ATM locations, and office space. The following table summarizes lease-related balances that Busey reported on its Consolidated Balance Sheets (Unaudited) and lease terms:

(dollars in thousands)	As of June 30, 2025	As of December 31, 2024
Lease balances		
Right of use assets	$ 38,065	$ 10,608
Lease liabilities	39,235	11,040
Lease terms		
Year through which lease terms extend	2042	2039
Weighted average remaining lease term	8.96 years	7.55 years
Weighted average discount rate	4.39 %	3.77 %

The following table presents lease costs, which are included in net occupancy and equipment expense in the Consolidated Statements of Income (Unaudited):

(dollars in thousands)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Lease costs				
Operating lease costs	$ 1,795	$ 559	$ 2,752	$ 1,094
Variable lease costs	15	14	30	28
Short-term lease costs	18	45	30	58
Total lease cost	$ 1,828	$ 618	$ 2,812	$ 1,180

Cash paid for amounts included in the measurement of lease liabilities was as follows:

(dollars in thousands)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Cash flows related to leases				
Operating lease cash flows – Fixed payments	$ 1,707	$ 530	$ 2,582	$ 1,037
Operating lease cash flows – Liability reduction	1,289	433	1,973	844
Right of use assets obtained during the period in exchange for operating lease liabilities[1]	(1,115)	1,009	29,618	1,009

1. The six months ended June 30, 2025, included $29.6 million right of use assets recognized in connection with the acquisition of CrossFirst (see "*Note 2. Mergers and Acquisitions*"). The three and six months ended June 30, 2024, included $0.3 million right of use assets recognized in connection with the acquisition of M&M (see "*Note 2. Mergers and Acquisitions*"), and an additional $0.7 million recognized in connection with a lease amendment that was executed subsequent to the M&M acquisition for a lease that was obtained in that acquisition.

Busey was obligated under noncancelable operating leases for office space and other commitments. Future undiscounted lease payments with initial terms of one year or more, were as follows:

(dollars in thousands)	As of June 30, 2025
Rent commitments	
Remainder of 2025	$ 3,446
2026	6,549
2027	6,161
2028	5,682
2029	4,684
2030	3,802
Thereafter	17,796
Total undiscounted cash flows	48,120
Less: Amounts representing interest	8,885
Present value of net future minimum lease payments	$ 39,235

As of June 30, 2025, Busey had commitments totaling $6.0 million for two lease contracts with future accounting commencement dates.

Busey as the Lessor

Busey leases office and parking spaces to outside parties. Revenues recorded in connection with these leases, reported in other income on Busey's Consolidated Statements of Income (Unaudited), are summarized as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(dollars in thousands)	2025	2024	2025	2024
Rental income	$ 217	$ 204	$ 433	$ 406

Noncancellable terms for these leases, all of which are operating leases, extend through 2030. Under the terms of these lease agreements, Busey is entitled to receive aggregate future minimum lease payments as shown in the table below:

(dollars in thousands)	As of June 30, 2025
Rents to be received	
Remainder of 2025	$ 410
2026	630
2027	430
2028	318
2029	136
2030	55
Total lease payments from operating leases	$ 1,979

NOTE 6. DEPOSITS

The composition of Busey's deposits is presented in the table below:

(dollars in thousands)	As of June 30, 2025	As of December 31, 2024
Deposits		
Noninterest-bearing demand deposits	$ 3,590,363	$ 2,719,907
Interest-bearing transaction deposits	3,216,601	2,423,237
Saving deposits and money market deposits	6,362,352	3,348,711
Time deposits	2,632,456	1,490,635
Total deposits	$ 15,801,772	$ 9,982,490

Additional information about Busey's deposits is presented in the table below:

(dollars in thousands)	As of June 30, 2025	As of December 31, 2024
Brokered savings deposits and money market deposits	$ 133,986	$ 6,002
Brokered time deposits	219,628	7,088
Aggregate amount of time deposits with a minimum denomination of $100,000	1,672,181	860,193
Aggregate amount of time deposits with a minimum denomination that meets or exceeds the FDIC insurance limit of $250,000	827,762	334,503

Scheduled maturities of time deposits are presented in the table below:

(dollars in thousands)	As of June 30, 2025
Time deposits by schedule of maturities	
Remainder of 2025	$ 2,065,405
2026	528,135
2027	20,599
2028	10,365
2029	5,385
2030	2,119
Thereafter	448
Time deposits	$ 2,632,456

NOTE 7. BORROWINGS

Securities Sold Under Agreements to Repurchase

Securities sold under agreements to repurchase, which are classified as secured borrowings, generally mature daily. Securities sold under agreements to repurchase are reflected at the amount of cash received in connection with the transaction. The underlying securities are held by Busey's safekeeping agent. Busey may be required to provide additional collateral based on fluctuations in the fair value of the underlying securities. Securities sold under agreements to repurchase were as follows:

	As of	
(dollars in thousands)	June 30, 2025	December 31, 2024
Securities sold under agreements to repurchase	$ 158,030	$ 155,610
Weighted average rate for securities sold under agreements to repurchase	2.61 %	2.63 %

Revolving Line of Credit

On May 28, 2021, Busey entered into a Second Amended and Restated Credit Agreement, pursuant to which Busey has access to a $40.0 million revolving line of credit bearing an interest rate of 1.80% plus the one-month forward-looking term rate based on SOFR. After executing subsequent amendments, the current termination date for the revolving line of credit is April 30, 2026. As of June 30, 2025, there was no balance outstanding on the revolving line of credit. The revolving line of credit incurs an insignificant non-usage fee based on any undrawn amounts.

Short-term Borrowings

Busey had no short term borrowings as of either June 30, 2025, or December 31, 2024. When applicable, Busey's short-term borrowings include loans maturing within one year of the loan origination date, the current portion of long-term debt that is due within 12 months, and federal funds purchased. Federal funds purchased are short-term borrowings that generally mature between one day and 90 days.

Long-term Debt

Busey's long-term debt consists of loans maturing more than one year from the loan origination date, excluding the current portion that is due within 12 months. Long-term debt is presented in the table below:

	As of	
(dollars in thousands)	June 30, 2025	December 31, 2024
Long-term debt		
FHLB borrowings	$ 78,888	$ —
Secured borrowings	7,669	—
Total long-term debt	$ 86,557	$ —

Funds borrowed from the FHLB, listed above, consisted of twelve notes with a weighted average interest rate of 2.22% and a weighted average maturity period of 2.55 years as of June 30, 2025. Maturity dates for the long-term FHLB borrowings range from August 2027 through October 2028.

Acquired SBA loans that did not qualify for sale accounting treatment are presented as secured borrowings. Secured borrowings consisted of nine notes with a weighted average maturity period of 17.71 years as of June 30, 2025. Maturity dates for the secured borrowings range from September 2030 to March 2046.

Subordinated Notes

On June 1, 2020, Busey issued $125.0 million of fixed-to-floating rate subordinated notes scheduled to mature on June 1, 2030. The subordinated notes, which qualified as Tier 2 capital for regulatory purposes, bore interest at an annual rate of 5.25% for the first five years after issuance. Thereafter, the notes were to bear interest at a floating rate equal to a three-month benchmark rate plus a spread of 5.11%, as calculated on each applicable determination date. The subordinated notes, which were unsecured obligations of the Company, had an optional redemption, in whole or in part, on any interest payment date on or after June 1, 2025. On June 1, 2025, Busey redeemed the entire $125.0 million outstanding principal amount of the subordinated notes.

On June 2, 2022, Busey issued $100.0 million aggregate principal amount of 5.000% fixed-to-floating rate subordinated notes maturing June 15, 2032, which qualify as Tier 2 capital for regulatory purposes. The price to the public for the subordinated notes was 100% of the principal amount of the subordinated notes. Interest on the subordinated notes accrues at a rate equal to (1) 5.000% per annum from the original issue date to, but excluding, June 15, 2027, payable semiannually in arrears, and (2) a floating rate per annum equal to a benchmark rate, which is the Three-Month Term SOFR (as defined in the subordinated notes), plus a spread of 252 bps from and including June 15, 2027, payable quarterly in arrears. The subordinated notes have an optional redemption, in whole or in part, on any interest payment date on or after June 15, 2027.

Associated with the M&M acquisition completed on April 1, 2024 (see *"Note 2. Mergers and Acquisitions"*), Busey acquired $4.0 million of 5.25% fixed-to-floating rate subordinated notes maturing December 4, 2030, which qualify as Tier 2 capital for regulatory purposes. Interest on the subordinated notes accrues at a rate equal to (1) 5.25% per annum from the original issue date to December 4, 2025, and (2) a floating rate per annum equal to a benchmark rate, which is the Three-Month Term SOFR (as defined in the subordinated notes), plus a spread of 497 bps from December 4, 2025. The subordinated notes have an optional redemption, in whole or in part, on or after December 4, 2025. At June 30, 2025, there was an immaterial amount of fair value discount outstanding, to be accreted through the earliest optional redemption date.

Unamortized debt issuance costs related to Busey's subordinated notes are presented in the following table:

(dollars in thousands)	As of June 30, 2025	As of December 31, 2024
Unamortized debt issuance costs		
Subordinated notes issued in 2020	$ —	$ 222
Subordinated notes issued in 2022	807	1,004
Total unamortized debt issuance costs	$ 807	$ 1,226

NOTE 8. REGULATORY CAPITAL

First Busey and its subsidiary bank are subject to various regulatory capital requirements administered by federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory—and possibly additional discretionary—actions by regulators that, if undertaken, could have a direct material effect on First Busey's consolidated financial statements. Capital amounts and classification also are subject to qualitative judgments by regulators about components, risk weightings, and other factors.

Banking regulations identify five capital categories for insured depository institutions: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized. As of June 30, 2025 and 2024, all capital ratios of First Busey and its subsidiary bank exceeded well capitalized levels under the applicable regulatory capital adequacy guidelines. Management believes that no events or changes have occurred subsequent to June 30, 2025, that would change this designation.

FIRST BUSEY CORPORATION
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Capital Amounts and Ratios

The following tables summarize regulatory capital requirements applicable to First Busey and its subsidiary bank:

	As of June 30, 2025					
	Actual		Minimum Capital Requirement		Minimum To Be Well Capitalized	
(dollars in thousands)	Amount	Ratio	Amount	Ratio	Amount	Ratio
Common equity Tier 1 capital to risk weighted assets						
First Busey	$ 1,888,100	12.22 %	$ 695,299	4.50 %	$ 1,004,321	6.50 %
Busey Bank	$ 2,098,016	13.62 %	$ 692,964	4.50 %	$ 1,000,949	6.50 %
Tier 1 capital to risk weighted assets						
First Busey	$ 2,110,850	13.66 %	$ 927,065	6.00 %	$ 1,236,087	8.00 %
Busey Bank	$ 2,098,016	13.62 %	$ 923,953	6.00 %	$ 1,231,937	8.00 %
Total capital to risk weighted assets						
First Busey	$ 2,434,172	15.75 %	$ 1,236,087	8.00 %	$ 1,545,109	10.00 %
Busey Bank	$ 2,237,760	14.53 %	$ 1,231,937	8.00 %	$ 1,539,921	10.00 %
Leverage ratio of Tier 1 capital to average assets						
First Busey	$ 2,110,850	11.26 %	$ 749,585	4.00 %	N/A	N/A
Busey Bank	$ 2,098,016	11.22 %	$ 747,971	4.00 %	$ 934,963	5.00 %

FIRST BUSEY CORPORATION
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	As of December 31, 2024					
	Actual		Minimum Capital Requirement		Minimum To Be Well Capitalized	
(dollars in thousands)	Amount	Ratio	Amount	Ratio	Amount	Ratio
Common equity Tier 1 capital to risk weighted assets						
First Busey	$ 1,237,301	14.10 %	$ 394,840	4.50 %	$ 570,325	6.50 %
Busey Bank	$ 1,438,296	16.46 %	$ 393,277	4.50 %	$ 568,067	6.50 %
Tier 1 capital to risk weighted assets						
First Busey	$ 1,314,301	14.98 %	$ 526,453	6.00 %	$ 701,938	8.00 %
Busey Bank	$ 1,438,296	16.46 %	$ 524,369	6.00 %	$ 699,159	8.00 %
Total capital to risk weighted assets						
First Busey	$ 1,625,943	18.53 %	$ 701,938	8.00 %	$ 877,422	10.00 %
Busey Bank	$ 1,520,938	17.40 %	$ 699,159	8.00 %	$ 873,949	10.00 %
Leverage ratio of Tier 1 capital to average assets						
First Busey	$ 1,314,301	11.06 %	$ 475,348	4.00 %	N/A	N/A
Busey Bank	$ 1,438,296	12.14 %	$ 473,878	4.00 %	$ 592,347	5.00 %

Capital Conservation Buffer

In July 2013, U.S. federal banking authorities approved the Basel III Rule for strengthening international capital standards. The Basel III Rule introduced a capital conservation buffer, composed entirely of common equity Tier 1 capital, which is added to the minimum risk-weighted asset ratios. The capital conservation buffer is not a minimum capital requirement; however, banking institutions with a ratio of common equity Tier 1 capital to risk-weighted assets below the capital conservation buffer will face constraints on dividends, equity repurchases, and discretionary bonus payments based on the amount of the shortfall. In order to refrain from restrictions on dividends, equity repurchases, and discretionary bonus payments, banking institutions must maintain minimum ratios of (1) common equity Tier 1 capital to risk-weighted assets of at least 7.0%, which First Busey exceeded by 522 bps as of June 30, 2025, (2) Tier 1 capital to risk-weighted assets of at least 8.5%, which First Busey exceeded by 516 bps as of June 30, 2025, and (3) total capital to risk-weighted assets of at least 10.5%, which First Busey exceeded by 525 bps as of June 30, 2025.

NOTE 9. TAX CREDIT INVESTMENTS AND OTHER INVESTMENTS IN UNCONSOLIDATED ENTITIES

Busey's investments in unconsolidated entities and related unfunded investment obligations are reflected in other assets and other liabilities on the Consolidated Balance Sheets (Unaudited), and are summarized in the table below for the periods indicated:

(dollars in thousands)	Location	As of June 30, 2025	As of December 31, 2024
Investments in unconsolidated entities			
Funded investments	Other assets	$ 88,846	$ 70,796
Unfunded investments	Other assets	54,701	61,210
Investments in unconsolidated entities		$ 143,547	$ 132,006
Unfunded investment obligations	Other liabilities	$ 54,701	$ 61,210

Upon adoption of ASU 2023-02 on January 1, 2024, Busey elected to apply the proportional amortization method in accounting for investments in tax-advantaged projects. Income tax credits and other tax benefits related to these investments, net of investment amortization, are included as a component of Busey's estimated annual effective tax rate used for the calculation of income taxes presented on the Consolidated Statements of Income (Unaudited). Actual amounts of income tax credits and other benefits, along with the investment amortization, are presented in the table below:

(dollars in thousands)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Income tax credits and other tax benefits	$ 4,319	$ 3,800	$ 8,908	$ 7,901
Amortization of investments in tax-advantaged projects	3,829	3,371	7,937	7,018

NOTE 10. STOCK-BASED COMPENSATION

CrossFirst Acquisition

The CrossFirst acquisition impacted Busey and CrossFirst equity awards:

Treatment of Busey's Equity Awards

Following the closing of the CrossFirst acquisition, except as otherwise provided in the CrossFirst Merger Agreement, Busey equity awards generally remain outstanding and subject to the same terms and conditions as applied immediately prior to the time at which the CrossFirst acquisition became effective (the "effective time"). Notable changes to Busey's equity awards are as follows:

- *ROATCE PSUs* — Each PSU issued by Busey that is earned based on Core Return on Average Tangible Common Equity (the "ROATCE PSUs") and was outstanding immediately prior to the effective time was deemed earned with the achievement of the applicable performance goals based on actual performance through December 31, 2024, the latest practicable date prior to the effective time, and otherwise remains subject to the same terms and conditions (including service-based vesting terms) as applied to such ROATCE PSUs immediately prior to the effective time. The ROATCE PSUs have been deemed earned (i) at 100% of the target level of performance, for the ROATCE PSUs granted in 2023 and (ii) at 75% of the target level of performance, for the ROATCE PSUs granted in 2024.

- *TSR PSUs* — Each Busey PSU previously granted that is tied to total stockholder return ("TSR", and such PSUs, the "TSR PSUs") with a performance period that ended December 31, 2024, (excluding TSR PSUs previously held by retirees) was replaced, and each TSR PSU outstanding immediately prior to the effective time with performance periods ending December 31, 2025, and December 31, 2026, (including existing TSR PSUs held by retirees) was modified, each effective March 1, 2025, such that the resulting new or modified PSUs (collectively, the "Merger PSUs") will be earned based on Busey's relative TSR rank as compared to the KBW Regional Banking Index, measured at the end of a performance period commencing January 1, 2025, and ending December 31, 2026. The Merger PSUs are subject to the terms and conditions of Busey's Amended 2020 Equity Incentive Plan and the applicable award agreements. The target number of PSUs subject to each such Merger PSU was determined based on the number of PSUs that would have been earned in respect of the corresponding TSR PSU had performance for such corresponding TSR PSU been determined based on actual performance as of August 26, 2024, the day immediately prior to the announcement of the Merger, which is (i) in the case of the 2022 TSR PSUs, 94.5% of the original target level of performance, (ii) in the case of the 2023 TSR PSUs, 96.2% of the original target level of performance, and (iii) in the case of the 2024 TSR PSUs, 76.9% of the original target level of performance. Such target number also reflects the number of dividend equivalents accrued in respect of the corresponding existing TSR PSU that would have been earned based on the same actual TSR performance.

- *Busey RSUs* — Each outstanding Busey time-based restricted stock unit award (the "Busey RSUs") will vest in equal annual installments over three (3) years following the effective time; provided that if any Busey RSU would otherwise vest by its terms on an earlier date, any then-unvested portion as of such date shall vest on such original vesting date.

Each Busey equity award will be subject to double-trigger vesting upon an involuntary termination within twelve (12) months following the effective time (at target performance, in the case of Merger PSUs).

Treatment of CrossFirst's Equity Awards

Equity awards based on CrossFirst Common Stock that were outstanding immediately prior to the effective time were converted, at the effective time, either to Busey Common Stock or to equity awards based on Busey Common Stock, as follows:

- *Director equity awards* — Each CrossFirst restricted stock award held by a CrossFirst non-employee director and each deferred share of CrossFirst Common Stock that was credited to a director participant's account under the CrossFirst 2018 Directors' Deferred Fee Plan was converted into the right to receive 0.6675 shares of Busey Common Stock (the "Exchange Ratio").

- *CrossFirst RSUs* — Each CrossFirst time-based restricted stock unit award ("CrossFirst RSU") was converted into a restricted stock unit in respect of Busey Common Stock (a "Busey RSU") based on the Exchange Ratio, rounded to the nearest whole share, subject to the same terms and conditions as were applicable to the CrossFirst RSUs prior to the effective time.

- *CrossFirst PSUs* — Each CrossFirst performance-based restricted stock unit award ("CrossFirst PSU") was converted into a time-based Busey RSU based on the Exchange Ratio, subject to the same terms and conditions as were applicable to the CrossFirst PSUs prior to the effective time, assuming the achievement of the applicable performance goals based on, for the CrossFirst PSUs granted in 2023, actual performance through December 31, 2024, and, for the CrossFirst PSUs granted in 2024, target performance, rounded to the nearest whole share.

- *CrossFirst SSARs* — Each CrossFirst SSAR was converted into a stock appreciation right in respect of Busey Common Stock based on the Exchange Ratio, rounded down to the nearest whole share (and exercise price rounded up to the nearest cent), generally subject to the same terms and conditions as were applicable to the CrossFirst SSAR prior to the effective time.

Stock Options

Busey has outstanding stock options assumed from a 2017 acquisition. A summary of the status of, and changes in, Busey's stock option awards for the six months ended June 30, 2025, follows:

Options	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Intrinsic Value ($000's)
Outstanding at December 31, 2024	15,106	$ 23.53	1.87 years	$ 1
Outstanding at June 30, 2025	15,106	23.53	1.38 years	(10)
Exercisable at June 30, 2025	15,106	23.53	1.38 years	(10)

Stock Settled Appreciation Rights

Busey issued replacement awards in the form of SSARs as part of the acquisition of CrossFirst. These awards were issued under the CrossFirst Bankshares 2018 Omnibus Equity Incentive Plan with exercise prices equal to the closing price of CrossFirst's common shares on the original date for each award adjusted by the Exchange Ratio of 0.6675, rounded up to the nearest cent. At grant, SSARs typically vested ratably over seven years of continuous service with a ten-year or fifteen-year contractual term. At grant, replacement SSARs had a weighted average remaining contractual term of 5.4 years, and unvested replacement SSARs had a weighted average remaining vesting period of 3.2 years. The fair value of each SSAR was estimated at acquisition date using a Monte Carlo simulation since the awards were all in-the-money. The fair value of SSARs that have vested during 2025 was $3.6 million.

A summary of SSAR activity during 2025 is presented below:

SSARs	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Intrinsic Value ($000's)
Outstanding at December 31, 2024	—	$ —	—	$ —
Replacement of CrossFirst SSARs	424,390	15.78		
Exercised[1]	(80,033)	10.93		
Forfeited	—	—		
Expired	—	—		
Outstanding at June 30, 2025	344,357	16.91	4.90 years	2,058
Exercisable at June 30, 2025	307,153	16.46	4.93 years	1,975

1. The aggregate intrinsic value of SSARs exercised during 2025 was $0.9 million.

The following table provides the range of assumptions used in the Monte Carlo simulations to value CrossFirst awards that were replaced at acquisition, the weighted average grant date fair value, and information related to SSARs exercised for the indicated periods, as well as the remaining compensation cost to be recognized and the period over which the amount will be recognized as of the dates indicated:

(dollars in thousands, except per share amounts)	Six Months Ended June 30, 2025
Assumptions	
Expected volatility[1]	29.10% – 36.70%
Expected dividends[2]	4.17%
Simulation term[3, 4, 5]	4.20 years – 5.69 years
Risk-free rate[6]	3.97% – 4.03%
Weighted average grant date fair value per share	$ 8.94

1. Expected volatility was calculated using a historical volatility of Busey's stock price over a period commensurate with the simulation term of the SSARs.
2. The dividend yield was calculated using Busey's annual dividend and closing stock price on the date of acquisition.
3. The simulation term was commensurate with the midpoint of the longest expected term across all SSARs and was impacted by expected exercise behavior and termination rate.
4. As a component of determining the simulation term, exercise was assumed to occur at the earlier of the midpoint of i) the greater of the weighted average time to vest or the time the options are in the money, and the time the SSARs expires, ii) 90 days following the occurrence of a termination or iii) the end of the contractual term.
5. As a component of determining the simulation term, termination rate was assumed to be between 25% and 50% in the first year following the acquisition and 5% for every year thereafter.
6. The risk-free rate for the simulation term of the SSARs was based on the continuously compounded semi-annual zero-coupon U.S. Treasury rates.

2020 Equity Plan

Busey has granted RSU, PSU, and DSU awards under the terms of its 2020 Equity Plan. Upon vesting and delivery, shares are expected, though not required, to be issued from treasury stock. There were 683,423 shares available for issuance under the 2020 Equity Plan as of June 30, 2025.

A description of RSU, PSU, and DSU awards granted in 2025 under the terms of the 2020 Equity Plan is provided below. Further information related to awards granted in prior years has been presented in the Annual Reports previously filed with the SEC corresponding to the year of each award grant.

RSU Awards

Busey grants RSU awards to members of management periodically throughout the year. RSU awards are stock-based awards for which vesting is conditional upon meeting established service criteria. Each RSU represents the future right to receive one share of Busey's common stock. Recipients earn quarterly dividend equivalents on their respective RSUs, which entitle the recipients to additional units. Therefore, dividends earned each quarter compound based upon the updated unit balances.

On March 26, 2025, under the terms of the 2020 Equity Plan, Busey granted 348,269 RSUs to members of management. The grant date fair value of the award was $7.7 million, which will be recognized as compensation expense over the requisite service period. These awards will vest in equal installments on each of the first three anniversaries of the grant date. The terms of these awards included an accelerated vesting provision upon eligible retirement from Busey, after a one-year minimum requisite service period.

On May 29, 2025, under the terms of the 2020 Equity Plan, Busey granted 4,494 RSUs to members of management. The grant date fair value of the award was $0.1 million, which will be recognized as compensation expense over the requisite service period. These awards will vest in equal installments on each of the first three anniversaries of the grant date.

A summary of changes in Busey's RSU awards for the six months ended June 30, 2025, is as follows:

RSU Awards	Shares	Weighted-Average Grant Date Fair Value
Nonvested at December 31, 2024	1,066,772	$ 21.80
Conversion of Busey ROATCE PSUs to RSUs	157,094	23.99
Replacement of CrossFirst RSUs and PSUs	341,048	23.99
Granted	352,763	22.16
Dividend equivalents earned	32,855	21.88
Vested	(98,014)	23.76
Forfeited	(107,568)	21.99
Nonvested at June 30, 2025	1,744,950	22.38

PSU Awards

Busey grants PSU awards to members of management periodically throughout the year. PSU awards are stock-based awards for which vesting is conditional upon meeting established performance criteria for the applicable performance period and providing continuous service through the end of such performance period. Each PSU represents the future right to receive one share of Busey's common stock. The number of PSUs that ultimately vest will be determined based on the extent to which the established performance criteria are achieved. Busey's PSUs are subject to accelerated service-based vesting conditions upon eligible retirement from Busey. After performance determination, dividend equivalents are compounded based upon the updated PSU balances at each dividend date during the performance period.

On March 1, 2025, under the terms of the 2020 Equity Plan, in connection with the CrossFirst acquisition, Busey granted a target of 59,471 Merger PSUs to replace the 2022 TSR PSUs with a maximum award of 95,154 units. The actual number of units issued at the vesting date could range from 0% to 160% of the initial grant, depending on attaining a relative total stockholder return performance goal. The grant date fair value of the award, calculated using the Geometric Brownian Motion Model, is $1.3 million, which will be recognized in compensation expense over the performance period ending December 31, 2026.

On March 26, 2025, under the terms of the 2020 Equity Plan, Busey granted a target of 174,126 PSUs with a maximum award of 278,602 units. The actual number of units issued at the vesting date could range from 0% to 160% of the initial grant, depending on attaining a relative total stockholder return performance goal. The grant date fair value of the award, calculated using the Geometric Brownian Motion Model, is $3.4 million, which will be recognized in compensation expense over the performance period ending December 31, 2027.

On March 26, 2025, under the terms of the 2020 Equity Plan, Busey granted a target of 174,126 PSUs with a maximum award of 278,602 units. The actual number of units issued at the vesting date could range from 0% to 160% of the initial grant, depending on attaining an adjusted return on average tangible common equity performance goal. The grant date fair value of the award was $3.9 million, which will be recognized in compensation expense over the performance period ending December 31, 2027. The actual amount of compensation expense recognized for these awards is subject to adjustment based on the extent to which performance goals are expected to be achieved.

A summary of changes in Busey's PSU awards for the six months ended June 30, 2025, is as follows:

PSU Awards	Shares[1]	Weighted-Average Grant Date Fair Value
Nonvested at December 31, 2024	372,042	$ 21.15
Modifications based on CrossFirst acquisition[2]	(181,828)	20.43
Granted	407,723	20.99
Vested	(155)	22.06
Forfeited	(32,620)	21.01
Nonvested at June 30, 2025	565,162	21.28

1. Shares for PSU awards represent target shares at the grant date.
2. Modifications include PSUs that were converted to RSUs as well as balance adjustments related to the 2023 TSR PSUs and the 2024 TSR PSUs.

DSU Awards

Busey grants DSU awards to its non-employee directors. DSU awards are stock-based awards with a deferred settlement date. Each DSU represents the future right to receive one share of Busey's common stock. DSUs vest over a one-year period following the grant date. Under the 2020 Equity Plan, DSUs are generally subject to the same terms as RSUs, except that following vesting of DSUs, settlement occurs within 30 days following the earlier of separation from the board or a change in control of the Company. After vesting and prior to delivery, DSUs will continue to earn dividend equivalents.

On March 26, 2025, under the terms of the 2020 Equity Plan, Busey granted 39,846 DSUs to non-employee directors. The grant date fair value of the award totaled $0.9 million and will be recognized as compensation expense over the requisite service period of one year. Subsequent to the requisite service period, the awards will become 100% vested.

A summary of changes in Busey's DSU awards for the six months ended June 30, 2025, is as follows:

DSU Awards	Shares	Weighted-Average Grant Date Fair Value
Nonvested at December 31, 2024	36,893	$ 23.40
Granted	39,846	22.16
Dividend equivalents earned	4,474	22.51
Vested	(40,885)	23.33
Nonvested at June 30, 2025	40,328	22.14
Vested and outstanding at June 30, 2025	142,922	23.01

Employee Stock Purchase Plan

The ESPP initially reserved for issuance and purchase an aggregate of 600,000 shares of Busey's common stock. The first offering under the ESPP began on July 1, 2021. There were 337,435 shares available for issuance under the ESPP as of June 30, 2025.

Stock-based Compensation Expense

Busey recognized compensation expense related to non-vested equity awards as summarized in the table below:

(dollars in thousands)	Location	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Stock-based compensation expense					
SSARs	Salaries, wages, and employee benefits	$ 78	$ —	$ 107	$ —
RSU awards	Salaries, wages, and employee benefits	3,707	1,061	5,696	1,955
PSU awards[1]	Salaries, wages, and employee benefits	1,355	(149)	2,445	1,061
DSU awards	Other expense	220	189	397	404
ESPP	Salaries, wages, and employee benefits	73	33	182	117
Total stock-based compensation expense		$ 5,433	$ 1,134	$ 8,827	$ 3,537

1. Expense for PSU awards with a relative total stockholder return performance goal represents amounts based on target shares at the grant date. Expense for PSU awards with return on average tangible common equity and compounded annual revenue growth rate performance goals represents amounts based on target shares at the grant date, adjusted for performance expectations as of the date indicated.

As all outstanding stock options were fully vested, no compensation expense was recorded for stock options for the three or six months ended June 30, 2025, or 2024, and no unrecognized compensation expense remains for Busey's stock option awards as of June 30, 2025.

Unamortized compensation expense related to non-vested equity awards is summarized in the table below:

(dollars in thousands)	As of June 30, 2025	As of December 31, 2024
Unamortized stock-based compensation		
SSARs	$ 164	$ —
RSU awards	14,092	7,093
PSU awards[1]	8,710	3,043
DSU awards	651	181
Total unamortized stock-based compensation	$ 23,617	$ 10,317
Weighted average period over which expense is to be recognized on awards issued under Busey's 2020 Equity Plan	2.0 years	2.5 years
Weighted average period over which expense is to be recognized on CrossFirst replacement awards	1.5 years	—

1. Unamortized expense for PSU awards with a market-based total stockholder return performance goal represents amounts based on target shares at grant date. Unamortized expense for PSU awards with return on average tangible common equity and compounded annual revenue growth rate performance goals represents amounts based on target shares at grant date, adjusted for performance expectations as of the date indicated.

NOTE 11. OUTSTANDING COMMITMENTS AND CONTINGENT LIABILITIES

Commitments and Credit Risk

A summary of the contractual amount of Busey's exposure to off-balance sheet risk relating to the Company's commitments follows:

(dollars in thousands)	As of June 30, 2025	As of December 31, 2024
Off-Balance Sheet Commitments		
Commitments to extend credit	$ 4,280,944	$ 2,512,714
Standby letters of credit	125,255	35,464
Total commitments	$ 4,406,199	$ 2,548,178

Legal Matters

Busey is a party to legal actions which arise in the normal course of its business activities. Legal and administrative proceedings are subject to inherent uncertainties, and while unfavorable outcomes could occur, Busey does not believe at this time that any potential liabilities relating to pending or potential legal matters are likely to have a material impact on Busey's results of operations or financial position.

Franchise Tax Matter

In 2021, Busey received an inquiry from the Illinois Secretary of State, pursuant to which the Illinois Secretary of State asked for additional information regarding certain of Busey's franchise tax filings and the calculation of amounts due thereunder. The franchise tax is established by the Illinois Business Corporation Act ("BCA") 805 ILCS 5/1 et seq., and is a tax imposed on foreign and domestic corporations for the privilege of conducting business in Illinois. Busey has been cooperating with the inquiry and has delivered additional BCA forms requested by the Illinois Secretary of State, with a full reservation of rights by Busey, including seeking judicial relief, if necessary, with respect to any potential dispute regarding Busey's preparation of the BCA forms and the calculation of the franchise taxes due.

On March 20, 2025, the Illinois Secretary of State requested that Busey resubmit the requested forms using a proposed methodology for paid-in capital that Busey views as inconsistent with the Illinois Secretary of State's past practice, and existing statutory and case law. Accordingly, on May 14, 2025, within the Illinois Secretary of State's requested timeframe, Busey informed the Illinois Secretary of State that it would not resubmit the requested forms with the methodology that Busey disputes and requested that the parties instead continue good faith discussions. On July 2, 2025, Busey received a notice of hearing from the Illinois Secretary of State indicating that an administrative hearing has been scheduled to "ascertain" the required amount of franchise taxes, penalties, interest, fees, and charges purportedly due from Busey to the Illinois Secretary of State. In the notice, the Illinois Secretary of State requested a determination of an amount due that the Illinois Secretary of State preliminarily estimated to be in excess of $28 million, including in excess of $17.4 million in interest and in excess of $0.3 million in penalties. Busey disagrees with the Illinois Secretary of State's preliminary estimate and believes that the Illinois Secretary of State's request is contrary not only to the Illinois Secretary of State's past practice, but also existing statutory and case law. Busey intends to vigorously defend itself against the Illinois Secretary of State's notice, including through appropriate judicial relief, if necessary. On July 31, 2025, First Busey filed a special appearance with the Illinois Secretary of State's Department of Administrative Hearings solely for the limited purpose of contesting the jurisdiction of the Illinois Secretary of State to initiate and conduct the administrative hearing.

Where a loss is believed to be reasonably possible, but not probable, or the loss cannot be reasonably estimated, no accrual is required. Given the underlying disagreement between Busey and the Illinois Secretary of State on the proper methodology for calculating any franchise tax owed, the loss cannot be reasonably estimated. It is reasonably possible that this matter could require Busey to pay additional taxes, including potential penalties and interest, or make other expenditures or accrue liabilities in amounts that could not be reasonably estimated as of June 30, 2025. If the likelihood of potential liabilities elevates and Busey becomes able to reasonably estimate the loss, requiring an accrual, the potential future liabilities could be material in the period(s) in which they are recorded.

NOTE 12. DERIVATIVE FINANCIAL INSTRUMENTS

Busey utilizes interest rate swap agreements as part of its asset liability management strategy to help manage its interest rate risk position. Additionally, Busey enters into derivative financial instruments, including interest rate lock commitments issued to residential loan customers for loans that will be held for sale; forward sales commitments to sell residential mortgage loans to investors; and interest rate swaps and risk participation agreements with customers and other third parties. See "*Note 13: Fair Value Measurements*" for further discussion of the fair value measurement of such derivatives.

To secure its obligations under derivative contracts, Busey pledged cash and held collateral as follows:

	As of	
(dollars in thousands)	June 30, 2025	December 31, 2024
Cash pledged to secure obligations under derivative contracts	$ 24,810	$ 21,900
Collateral held to secure obligations under derivative contracts	14,270	20,260

Derivative Instruments Designated as Hedges

Busey entered into derivative instruments designated as cash flow hedges. For a derivative instrument that is designated and qualifies as a cash flow hedge, the change in fair value of the derivative instrument is reported as a component of OCI and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Changes in fair value of components excluded from the assessment of effectiveness are recognized in current earnings.

Interest Rate Swaps Designated as Cash Flow Hedges

Interest rate swaps with notional amounts totaling $500.0 million as of both June 30, 2025, and December 31, 2024, were designated as cash flow hedges. Busey entered into a $300.0 million receive-fixed, pay-floating interest rate swap to reduce Busey's asset sensitivity (Prime Loan Swap). Duration was added to Busey's loan portfolio by fixing a portion of floating prime-based loans. Interest rates had risen above their historical lows allowing Busey to lock in a portion of its loan portfolio to reduce asset sensitivity while creating a more stable margin in a volatile rate market. These hedges were determined to be highly effective during the period, and Busey expects its hedges to remain highly effective during the remaining terms of the swaps. Further, Busey entered into forward-starting SOFR-based receive-fixed pay-floating interest rate swaps totaling $200.0 million to reduce Busey's asset sensitivity (SOFR Loan Swaps). These hedges were determined to be highly effective during the period, and Busey expects its hedges to remain highly effective during the remaining terms of the swaps. Changes in the fair value of these interest rate swaps were recorded net of tax in OCI.

A summary of the interest-rate swaps designated as cash flow hedges is presented below:

(dollars in thousands)	Location	As of June 30, 2025	As of December 31, 2024
Prime Loan Swap			
Notional amount		$ 300,000	$ 300,000
Weighted average rate: receive-fixed		4.81 %	4.81 %
Weighted average variable Prime pay rates		7.50 %	7.62 %
Weighted average maturity		3.60 years	4.10 years
SOFR Loan Swaps			
Notional amount		$ 200,000	$ 200,000
Weighted average rate: receive-fixed		3.78 %	3.78 %
Weighted average variable 1-month CME Term SOFR pay rates		4.32 %	—
Weighted average maturity		4.26 years	4.76 years
Gross aggregate fair value of the swaps			
Gross aggregate fair value of swap assets	Other assets	$ 3,374	$ —
Gross aggregate fair value of swap liabilities	Other liabilities	17,281	27,770
Balances carried in AOCI			
Unrealized gains (losses) on cash flow hedges, net of tax	AOCI	$ (9,368)	$ (19,805)

During the next 12 months, Busey expects to reclassify unrealized gains and losses from OCI to interest income as shown in the following table. Amounts actually recognized could differ from these expectations due to changes in interest rates, hedge de-designations, and the addition of other hedges subsequent to June 30, 2025.

(dollars in thousands)	As of June 30, 2025
Unrealized losses expected to be reclassified from OCI to interest income	$ (761)

Interest income and interest expense recorded on these swap transactions is presented in the following table:

(dollars in thousands)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Interest on swap transactions				
Increase (decrease) in interest income on swap transactions	$ (2,265)	$ (2,795)	$ (4,325)	$ (5,591)
(Increase) decrease in interest expense on swap transactions	—	484	—	967
Net increase (decrease) in net interest income on swap transactions	$ (2,265)	$ (2,311)	$ (4,325)	$ (4,624)

Net gains (losses) relating to cash flow derivative instruments that were recorded in OCI on the Consolidated Statements of Income (Unaudited) are presented in the table below:

(dollars in thousands)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Unrealized gains (losses) on cash flow hedges				
Net gain (loss) recognized in OCI, net of tax	$ 2,598	$ (1,996)	$ 7,239	$ (7,228)
(Gain) loss reclassified from OCI to interest income, net of tax	1,693	1,998	3,198	3,997
(Gain) loss reclassified from OCI to interest expense, net of tax	—	(346)	—	(691)
Net change in unrealized gains (losses) on cash flow hedges, net of tax	$ 4,291	$ (344)	$ 10,437	$ (3,922)

Derivative Instruments Not Designated as Hedges

Interest Rate Swaps Not Designated as Hedges

Busey may offer derivative contracts to its customers in connection with their risk management needs. Busey manages the risk associated with these contracts by entering into equal and offsetting derivative agreements with third-party dealers. These contracts supported variable rate, commercial loan relationships totaling $924.7 million as of June 30, 2025, and $719.2 million as of December 31, 2024. These derivatives generally worked together as an economic interest rate hedge, but Busey did not designate them for hedge accounting treatment. Consequently, changes in fair value of the corresponding derivative financial asset or liability were recorded as either a charge or credit to current earnings during the period in which the changes occurred.

Amounts and fair values of derivative assets and derivative liabilities related to customer interest rate swaps recorded on the Consolidated Balance Sheets (Unaudited) are summarized as follows:

(dollars in thousands)	Location	As of June 30, 2025 Notional Amount	As of June 30, 2025 Fair Value	As of December 31, 2024 Notional Amount	As of December 31, 2024 Fair Value
Derivative assets not designated as hedging instruments					
Interest rate swaps: receive-fixed, pay-floating	Other assets	$ 428,446	$ 9,665	$ 156,539	$ 1,465
Interest rate swaps: receive-floating, pay-fixed	Other assets	496,218	21,635	562,697	28,854
Derivative assets not designated as hedging instruments		$ 924,664	$ 31,300	$ 719,236	$ 30,319
Derivative liabilities not designated as hedging instruments					
Interest rate swaps: receive-fixed, pay-floating	Other liabilities	$ 496,218	$ 21,635	$ 562,697	$ 28,854
Interest rate swaps: receive-floating, pay-fixed	Other liabilities	428,446	9,665	156,539	1,465
Derivative liabilities not designated as hedging instruments		$ 924,664	$ 31,300	$ 719,236	$ 30,319

Changes in fair value of these derivative assets and liabilities are included in the Consolidated Statements of Income (Unaudited) and are summarized as follows:

(dollars in thousands)	Location	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Interest rate swaps					
Receive-fixed, pay-floating	Noninterest expense	$ (1,972)	$ 694	$ 1,062	$ 6,174
Receive-floating, pay-fixed	Noninterest expense	1,972	(694)	(1,062)	(6,174)
Net change in fair value of interest rate swaps		$ —	$ —	$ —	$ —

Risk Participation Agreements

To manage the credit risk exposure related to customer-facing swaps, Busey entered into risk participation agreements in conjunction with loan participation arrangements with other financial institutions. Under these risk participation agreements, Busey purchased credit risk participation, paying an up-front fee to a counterparty to accept a portion of its credit exposure, and will receive a payment from the counterparty if the swap customer defaults on its obligations. Busey also assumed additional risk participation agreements entered into by CrossFirst, in which CrossFirst purchased credit risk participation, and Busey will receive a payment from the counterparty if the swap customer defaults on its obligations.

In connection with the CrossFirst acquisition, Busey assumed risk participation agreements entered into by CrossFirst, under which CrossFirst sold credit risk participation, receiving an up-front fee from a counterparty in exchange for accepting a portion of the counterparty's credit exposure. Under these agreements, Busey will be required to make a payment to the counterparty if the swap customer defaults on its obligations.

Notional amounts of the risk participation agreements reflect the participating banks' pro-rata shares of the derivative instruments, consistent with their shares of the related participated loans. The risk participation agreements mature between October 2025 and October 2029, and are summarized as follows:

(dollars in thousands)	As of June 30, 2025	As of December 31, 2024
Risk participation agreements purchased		
Number of risk participation agreements	11	5
Notional amount	$ 59,045	$ 40,092
Fair value	34	5
Risk participation agreements sold		
Number of risk participation agreements	13	—
Notional amount	$ 109,540	$ —
Fair value	79	—

Mortgage Banking Derivatives

Interest Rate Lock Commitments

Interest rate lock commitments that meet the definition of derivative financial instruments under ASC Topic 815 *"Derivatives and Hedging"* are carried at their fair values in other assets or other liabilities on the Consolidated Balance Sheets (Unaudited), with changes in the fair values of the corresponding derivative financial assets or liabilities recorded as either a charge or credit to current earnings during the period in which the changes occurred.

Forward Sales Commitments

Busey economically hedges mortgage loans held for sale and interest rate lock commitments issued to its residential loan customers related to loans that will be held for sale by obtaining corresponding forward sales commitments with an investor to sell the loans at an agreed-upon price at the time the interest rate locks are issued to the customers. Forward sales commitments that meet the definition of derivative financial instruments under ASC Topic 815 *"Derivatives and Hedging"* are carried at their fair values in other assets or other liabilities on the Consolidated Balance Sheets (Unaudited). While such forward sales commitments generally served as an economic hedge to mortgage loans held for sale and interest rate lock commitments, Busey did not designate them for hedge accounting treatment. Changes in fair value of the corresponding derivative financial asset or liability were recorded as either a charge or credit to current earnings during the period in which the changes occurred.

Amounts and fair values of mortgage banking derivatives included on the Consolidated Balance Sheets (Unaudited) are summarized as follows:

		As of June 30, 2025		As of December 31, 2024	
(dollars in thousands)	**Location**	**Notional Amount**	**Fair Value**	**Notional Amount**	**Fair Value**
Mortgage banking derivative assets					
Interest rate lock commitments	Other assets	$ 7,701	$ 163	$ 2,430	$ 28
Forward sales commitments	Other assets	1,811	6	3,457	21
Mortgage banking derivative assets		$ 9,512	$ 169	$ 5,887	$ 49
Mortgage banking derivative liabilities					
Interest rate lock commitments	Other liabilities	$ —	$ —	$ 436	$ 4
Forward sales commitments	Other liabilities	15,065	52	1,955	6
Mortgage banking derivative liabilities		$ 15,065	$ 52	$ 2,391	$ 10

Gains and losses relating to these derivative instruments are reported in noninterest income, and are summarized as follows for the periods presented:

(dollars in thousands)	Location	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Net gains (losses) on mortgage banking derivatives					
Gains (losses) on interest rate lock commitments	Mortgage revenue	$ 239	$ 186	$ 481	$ 448
Gains (losses) on forward sales commitments	Mortgage revenue	26	(32)	(61)	(74)
Net gains (losses) on mortgage banking derivatives		$ 265	$ 154	$ 420	$ 374

NOTE 13. FAIR VALUE MEASUREMENTS

The fair value of an asset or liability is the price that would be received by selling that asset or paid in transferring that liability (exit price) in an orderly transaction occurring in the principal market (or most advantageous market in the absence of a principal market) for such asset or liability. ASC Topic 820 *"Fair Value Measurement"* establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

- *Level 1 Inputs*—Unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- *Level 2 Inputs*—Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates, volatility, prepayment speeds, credit risks, etc.) or inputs that are derived principally from or corroborated by market data by correlation or other means.
- *Level 3 Inputs*—Unobservable inputs for estimating the fair values of assets or liabilities that reflect the Company's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

A description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below. These valuation methodologies were applied to Busey's assets and liabilities that are carried at fair value.

In general, fair value estimates are based upon quoted market prices, when available. If such quoted market prices are not available, fair values are estimated utilizing independent valuation techniques that consider identical or similar securities for which significant assumptions are derived primarily from or corroborated by observable data. Valuation adjustments may be made to ensure that financial instruments are recorded at their estimated fair values. These adjustments may include amounts to reflect, among other things, counterparty credit quality and the company's creditworthiness as well as unobservable parameters. Any such valuation adjustments are applied consistently over time. While management believes Busey's valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to estimate the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Financial Assets and Financial Liabilities Measured at Fair Value on a Recurring Basis

Debt Securities Available for Sale

Debt securities classified as available for sale are reported at fair value, which is estimated using Level 2 inputs. Busey obtains fair value measurements from an independent pricing service. The independent pricing service utilizes evaluated pricing models that vary by asset class and incorporate available trade, bid, and other market information. Because many fixed income securities do not trade on a daily basis, the independent pricing service applies available information to prepare evaluations, with a focus on observable market data such as benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing.

The independent pricing service uses model processes, such as the Option Adjusted Spread model, to assess interest rate impact and develop prepayment scenarios. Models and processes take into account market conventions. For each asset class, a team of evaluators gathers information from market sources and integrates relevant credit information, perceived market movements, and sector news into the evaluated pricing applications and models.

Market inputs that the independent pricing service normally seeks for evaluations of securities, listed in approximate order of priority, include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. The independent pricing service also monitors market indicators, industry, and economic events. For certain security types, additional inputs may be used or some of the market inputs may not be applicable. Evaluators may prioritize inputs differently on any given day for any security based on market conditions, and not all inputs listed are available for use in the evaluation process for each security evaluation on a given day. Because the data utilized was observable, the securities have been classified as Level 2.

Equity Securities

Equity securities are reported at fair value, which is estimated using Level 1 or Level 2 inputs. Fair value measurements of mutual funds or stock in active markets are estimated using unadjusted quoted prices for identical assets at the measurement date and are classified as Level 1. Fair value measurements of stock that are not active use quoted prices for identical or similar assets in markets and are classified as Level 2.

Derivative Assets and Derivative Liabilities

Busey's derivative assets and derivative liabilities are reported at fair value, which is measured using Level 2 or Level 3 inputs. Fair values of derivative assets and liabilities are estimated based on prices that are obtained from a third-party which uses observable market inputs and, with the exception of risk participation agreements, are classified as Level 2. Due to the significance of unobservable inputs, derivative assets and liabilities related to risk participation agreements are classified as Level 3.

The following tables summarize financial assets and financial liabilities measured at estimated fair value on a recurring basis:

	As of June 30, 2025			
(dollars in thousands)	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
Debt securities available for sale:				
Obligations of U.S. government corporations and agencies	$ —	$ 115,557	$ —	$ 115,557
Obligations of states and political subdivisions	—	242,153	—	242,153
Asset-backed securities	—	373,621	—	373,621
Commercial mortgage-backed securities	—	138,026	—	138,026
Residential mortgage-backed securities	—	1,289,129	—	1,289,129
Corporate debt securities	—	59,302	—	59,302
Equity securities	177	15,994	—	16,171
Derivative assets	—	34,843	34	34,877
Derivative liabilities	—	48,633	79	48,712

	As of December 31, 2024			
(dollars in thousands)	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
Debt securities available for sale:				
Obligations of U.S. government corporations and agencies	$ —	$ 1,400	$ —	$ 1,400
Obligations of states and political subdivisions	—	139,829	—	139,829
Asset-backed securities	—	336,557	—	336,557
Commercial mortgage-backed securities	—	92,174	—	92,174
Residential mortgage-backed securities	—	1,087,210	—	1,087,210
Corporate debt securities	—	153,051	—	153,051
Equity securities	5,567	10,295	—	15,862
Derivative assets	—	30,368	5	30,373
Derivative liabilities	—	58,099	—	58,099

Activity for risk participation agreements, which are financial assets measured at estimated fair value on a recurring basis using Level 3, is summarized in the table below:

(dollars in thousands)	Location	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Beginning Balance		$ (39)	$ 9	$ 5	$ 15
Gains (losses) recognized in earnings	Other expense	2	(1)	(7)	(10)
Purchases		(26)	—	(26)	3
Sales		18	—	24	—
Assumed in acquisition		—	—	(41)	—
Ending Balance		$ (45)	$ 8	$ (45)	$ 8

1. Amounts reported for the six months ended June 30, 2025 include the following correction for first quarter activity, which Busey deems to be immaterial: in March 2025, CrossFirst Bank amended one risk participation agreement sold, resulting in $6.0 thousand in new sales which was previously reported as a reduction to the losses recognized in earnings.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain financial assets and financial liabilities are measured at estimated fair value on a non-recurring basis; that is, the instruments are not measured at estimated fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment).

Loans Evaluated Individually

Busey does not record portfolio loans at estimated fair value on a recurring basis. However, periodically, a loan is evaluated individually and is reported at the estimated fair value of the underlying collateral, less estimated costs to sell, if repayment is expected solely from the collateral. If the estimated collateral value is not sufficient, a specific reserve is recorded. Collateral values are estimated using a combination of observable inputs, including recent appraisals, and unobservable inputs based on customized discounting criteria. Due to the significance of unobservable inputs, fair values of individually evaluated collateral dependent loans have been classified as Level 3.

OREO and Other Repossessed Assets

Non-financial assets measured at fair value, upon initial recognition or subsequent impairment, include OREO and other repossessed assets. OREO properties and other repossessed assets are measured using a combination of observable inputs, including recent appraisals, and unobservable inputs. Due to the significance of unobservable inputs, the estimated fair values of all OREO and other repossessed assets have been classified as Level 3.

Bank Property Held for Sale

Bank property held for sale represents certain banking center office buildings which Busey has closed and consolidated with other existing banking centers. Bank property held for sale is measured at the lower of amortized cost or estimated fair value less estimated costs to sell. Fair value estimates were based upon discounted appraisals or real estate listing prices. Due to the significance of unobservable inputs, estimated fair values of all bank property held for sale have been classified as Level 3. Bank property held for sale is included in premises and equipment, net on Busey's Consolidated Balance Sheets (Unaudited).

The following tables summarize financial assets and financial liabilities measured at estimated fair value on a non-recurring basis:

	As of June 30, 2025			
(dollars in thousands)	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
Loans evaluated individually, net of related allowance	$ —	$ —	$ 32,734	$ 32,734
OREO and other repossessed assets with subsequent impairment	—	—	3,431	3,431
Bank property held for sale with impairment	—	—	2,653	2,653

	As of December 31, 2024			
(dollars in thousands)	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
Loans evaluated individually, net of related allowance	$ —	$ —	$ 616	$ 616
Bank property held for sale with impairment	—	—	2,841	2,841

The following table presents additional quantitative information about assets measured at estimated fair value on a non-recurring basis using Level 3 inputs:

	As of June 30, 2025			
(dollars in thousands)	Fair Value	Valuation Techniques	Unobservable Input	Range (Weighted Average)
Loans evaluated individually, net of related allowance	$ 32,734	Appraisal of collateral	Appraisal adjustments	-1.6% to -100.0% (-33.7)%
OREO and other repossessed assets with subsequent impairment	3,431	Appraisal of collateral	Appraisal adjustments	-7.4% to -24.1% (-7.7)%
Bank property held for sale with impairment	2,653	Appraisal of collateral or real estate listing price	Appraisal adjustments	-9.0% to -86.8% (-55.0)%

	As of December 31, 2024			
(dollars in thousands)	Fair Value	Valuation Techniques	Unobservable Input	Range (Weighted Average)
Loans evaluated individually, net of related allowance	$ 616	Appraisal of collateral	Appraisal adjustments	-25.0% to -100.0% (-74.9)%
Bank property held for sale with impairment	2,841	Appraisal of collateral or real estate listing price	Appraisal adjustments	-9.0% to -76.7% (-51.8)%

Financial Assets and Financial Liabilities That Are Not Carried at Fair Value

Fair values of financial instruments that are not carried at fair value on Busey's Consolidated Balance Sheets (Unaudited) were estimated as follows:

(dollars in thousands)	As of June 30, 2025		As of December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Level 1 inputs:				
Cash and cash equivalents	$ 752,352	$ 752,352	$ 697,659	$ 697,659
Level 2 inputs:				
Debt securities held to maturity	802,965	670,532	826,630	675,053
Loans held for sale	10,497	10,594	3,657	3,726
Restricted bank stock	77,112	77,112	49,930	49,930
Accrued interest receivable	79,169	79,169	45,141	45,141
Level 3 inputs:				
Portfolio loans, net	13,625,285	13,687,223	7,613,683	7,426,158
Mortgage servicing rights	1,314	5,455	1,304	5,627
Other servicing rights	2,472	2,701	1,482	1,591
Financial liabilities				
Level 2 inputs:				
Time deposits	$ 2,632,456	$ 2,623,126	$ 1,490,635	$ 1,481,591
Securities sold under agreements to repurchase	158,030	158,030	155,610	155,610
Long-term debt	86,557	86,425	—	—
Junior subordinated debt owed to unconsolidated trusts	77,187	71,089	74,815	67,314
Accrued interest payable	29,896	29,896	21,129	21,129
Level 3 inputs:				
Subordinated notes, net of unamortized issuance costs	103,169	96,480	227,723	219,043

NOTE 14. EARNINGS PER COMMON SHARE

Basic earnings per common share is computed by dividing net income available to common stockholders by the weighted average number of common shares outstanding, which include DSUs that are vested but not delivered. Net income available to common stockholders is net income less dividends that have been declared on Busey's preferred stock (all of which is non-cumulative). Diluted earnings per common share is computed using the treasury stock method and reflects the potential dilution that could occur if Busey's outstanding stock options and SSARs were exercised, stock units were vested, and ESPP shares were issued.

Earnings per common share have been computed as follows:

(dollars in thousands, except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	$ 47,404	$ 27,357	$ 17,414	$ 53,582
Dividends on preferred stock	155	—	155	—
Net income available to common stockholders	$ 47,249	$ 27,357	$ 17,259	$ 53,582
Weighted average number of common shares outstanding, basic	89,645,040	56,919,025	79,139,706	56,167,807
Dilutive effect of common stock equivalents:				
SSARs	278,568	—	185,138	—
RSU awards	896,697	679,167	817,859	666,302
PSU awards	47,360	245,599	81,970	269,494
DSU awards	4,709	4,923	14,882	19,202
ESPP	11,337	4,517	12,022	7,060
Weighted average number of common shares outstanding, diluted	90,883,711	57,853,231	80,251,577	57,129,865
Basic earnings per common share	$ 0.53	$ 0.48	$ 0.22	$ 0.95
Diluted earnings per common share	$ 0.52	$ 0.47	$ 0.22	$ 0.94

Shares that were excluded from the computation of diluted earnings per common share because their effect would have been anti-dilutive are summarized in the table below for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Anti-dilutive common stock equivalents				
Options	15,106	17,966	15,106	19,176
RSU awards	—	12,864	—	6,432
PSU awards	13,455	93,266	208,043	100,969
Total anti-dilutive common stock equivalents	28,561	124,096	223,149	126,577

NOTE 15. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following tables present changes in AOCI by component, net of tax, for the periods indicated:

	Three Months Ended June 30, 2025			
(dollars in thousands)	Unrealized Gains (Losses) on Debt Securities Available For Sale	Unrecognized Gains (Losses) on Debt Securities Held to Maturity	Unrealized Gains (Losses) on Cash Flow Hedges	Total
Balance, March 31, 2025	$ (137,725)	$ (21,426)	$ (13,659)	$ (172,810)
Unrealized holding gains (losses), net	11,988	—	2,598	14,586
Amounts reclassified from AOCI, net	(8)	—	1,693	1,685
Amortization of unrecognized losses on securities transferred to held to maturity	—	1,228	—	1,228
Balance, June 30, 2025	$ (125,745)	$ (20,198)	$ (9,368)	$ (155,311)

	Three Months Ended June 30, 2024			
(dollars in thousands)	Unrealized Gains (Losses) on Debt Securities Available For Sale	Unrecognized Gains (Losses) on Debt Securities Held to Maturity	Unrealized Gains (Losses) on Cash Flow Hedges	Total
Balance, March 31, 2024	$ (177,454)	$ (24,464)	$ (20,272)	$ (222,190)
Unrealized holding gains (losses), net	1,205	—	(1,996)	(791)
Amounts reclassified from AOCI, net	3	—	1,652	1,655
Amortization of unrecognized losses on securities transferred to held to maturity	—	1,000	—	1,000
Balance, June 30, 2024	$ (176,246)	$ (23,464)	$ (20,616)	$ (220,326)

	Six Months Ended June 30, 2025			
(dollars in thousands)	Unrealized Gains (Losses) on Debt Securities Available For Sale	Unrecognized Gains (Losses) on Debt Securities Held to Maturity	Unrealized Gains (Losses) on Cash Flow Hedges	Total
Balance, December 31, 2024	$ (165,680)	$ (21,554)	$ (19,805)	$ (207,039)
Unrealized holding gains (losses), net	28,569	—	7,239	35,808
Amounts reclassified from AOCI, net	11,366	—	3,198	14,564
Amortization of unrecognized losses on securities transferred to held to maturity	—	1,356	—	1,356
Balance, June 30, 2025	$ (125,745)	$ (20,198)	$ (9,368)	$ (155,311)

	Six Months Ended June 30, 2024			
(dollars in thousands)	Unrealized Gains (Losses) on Debt Securities Available For Sale	Unrecognized Gains (Losses) on Debt Securities Held to Maturity	Unrealized Gains (Losses) on Cash Flow Hedges	Total
Balance, December 31, 2023	$ (176,636)	$ (25,473)	$ (16,694)	$ (218,803)
Unrealized holding gains (losses), net	(4,476)	—	(7,228)	(11,704)
Amounts reclassified from AOCI, net	4,866	—	3,306	8,172
Amortization of unrecognized losses on securities transferred to held to maturity	—	2,009	—	2,009
Balance, June 30, 2024	$ (176,246)	$ (23,464)	$ (20,616)	$ (220,326)

NOTE 16. OPERATING SEGMENTS AND RELATED INFORMATION

Busey's reportable segments are determined by its chief executive officer, who is the designated chief operating decision maker. Busey is organized into three reportable operating segments: Banking, Wealth Management, and FirsTech. These operating segments are strategic business units that are separately managed, as they offer different products and services and have different marketing strategies.

Banking

The Banking operating segment provides a full range of banking services to individual and corporate customers through First Busey Corporation's wholly-owned bank subsidiary, Busey Bank.

Busey Bank has 78 banking centers located throughout Illinois; the St. Louis, Missouri MSA; southwest Florida; Indianapolis, Indiana; the Dallas-Fort MSA; the Kansas City MSA; Wichita Kansas; Oklahoma City and Tulsa Oklahoma; Phoenix and Tucson, Arizona; Denver and Colorado Springs, Colorado; and Clayton, New Mexico.

Banking services offered to individual customers include customary types of demand and savings deposits, money transfers, safe deposit services, individual retirement accounts and other fiduciary services, automated teller machines, and technology-based networks, as well as a variety of loan products including residential real estate, home equity lines of credit, and consumer loans. Banking services offered to corporate customers include commercial, CRE, real estate construction, and agricultural loans, as well as commercial depository services such as cash management.

Wealth Management

The Wealth Management operating segment provides a full range of asset management, investment, brokerage, fiduciary, philanthropic advisory, tax preparation, and farm management services to individuals, businesses, and foundations. Services are provided through Busey Capital Management, Inc., a wholly-owned subsidiary of Busey Bank, and Busey Wealth Management, a division of Busey Bank.

Wealth management services tailored to individuals include trust and estate advisory services and financial planning. Business services include business succession planning and employee retirement plan services. Services for foundations include investment strategy consulting and fiduciary services.

FirsTech

The FirsTech operating segment provides comprehensive and innovative payment technology solutions through Busey Bank's wholly-owned subsidiary, FirsTech. FirsTech's multi-channel payment platform allows businesses to collect payments from their customers in a variety of ways to enable fast, frictionless payments. Payment method vehicles include, but are not limited to, text-based mobile bill pay; interactive voice response; electronic payment concentration delivered to Automated Clearing House networks, money management, and credit card networks; walk-in payment processing for customers at retail pay agents; customer service payments made over a telephone; direct debit services; merchant services referral solutions serving partner Financial Institutions and their business customers; and lockbox remittance processing for customers to make payments by mail. FirsTech also provides additional tools to help clients with billing, reconciliation, bill reminders, and treasury services.

FirsTech's client base represents a diverse set of industries, with a higher concentration in highly regulated industries, such as financial institutions, utility, insurance, and telecommunications industries.

Segment Financial Information

The segment financial information provided below has been derived from information used by management to monitor and manage Busey's financial performance. The accounting policies of Busey's operating segments are the same as those described in the summary of significant accounting policies in "*Note 1. Significant Accounting Policies*" of Busey's 2024 Annual Report. Busey accounts for intersegment revenue and transfers at current market prices.

Goodwill and total assets are summarized below by operating segment. The "other" category included in the tables below consists of the parent company and the elimination of intercompany transactions:

	As of June 30, 2025				
(dollars in thousands)	Banking	Wealth Management	FirsTech	Other	Total
Goodwill	$ 358,694	$ 14,108	$ 8,992	$ —	$ 381,794
Total assets	18,708,690	137,756	46,681	25,613	18,918,740

	As of December 31, 2024				
(dollars in thousands)	Banking	Wealth Management	FirsTech	Other	Total
Goodwill	$ 310,595	$ 14,108	$ 8,992	$ —	$ 333,695
Total assets	11,856,651	126,180	57,737	6,154	12,046,722

Financial results by operating segment, including significant expense categories provided to the chief operating decision maker, are summarized below:

FIRST BUSEY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

	Three Months Ended June 30, 2025				
(dollars in thousands)	Banking	Wealth Management	FirsTech	Other	Total
Interest income	$ 247,444	$ —	$ —	$ 2	$ 247,446
Intersegment interest income	—	—	17	(17)	—
Interest expense	90,247	—	—	4,016	94,263
Intersegment interest expense	866	—	—	(866)	—
Net interest income	156,331	—	17	(3,165)	153,183
Provision for credit losses	5,700	—	—	—	5,700
Net interest income after provision for credit losses	150,631	—	17	(3,165)	147,483
Noninterest income					
Wealth management fees	—	16,777	—	—	16,777
Payment technology solutions	—	—	4,956	—	4,956
Treasury management services	4,981	—	—	—	4,981
Card services and ATM fees	4,880	—	—	—	4,880
Other service charges on deposit accounts	1,513	—	—	—	1,513
All other noninterest income	5,556	209	—	5,991	11,756
Intersegment noninterest income	316	—	429	(745)	—
Noninterest income	17,246	16,986	5,385	5,246	44,863
Revenue	173,577	16,986	5,402	2,081	198,046
Noninterest expense					
Salaries, wages, and employee benefits	57,247	7,106	2,851	11,156	78,360
Data processing	12,381	622	922	96	14,021
Amortization of intangible assets	4,364	228	—	—	4,592
Interchange expense	—	—	1,297	—	1,297
All other noninterest expense	26,162	590	718	2,093	29,563
Intersegment noninterest expense	5,156	778	360	(6,294)	—
Noninterest expense	105,310	9,324	6,148	7,051	127,833
Income (loss) before income taxes	62,567	7,662	(746)	(4,970)	64,513
Income taxes	16,729	1,839	(202)	(1,257)	17,109
Net income	$ 45,838	$ 5,823	$ (544)	$ (3,713)	$ 47,404

FIRST BUSEY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(dollars in thousands)	Three Months Ended June 30, 2024				
	Banking	Wealth Management	FirsTech	Other	Total
Interest income	$ 131,928	$ —	$ —	$ 11	$ 131,939
Intersegment interest income	324	—	12	(336)	—
Interest expense	45,126	—	—	4,281	49,407
Intersegment interest expense	785	—	—	(785)	—
Net interest income	86,341	—	12	(3,821)	82,532
Provision for credit losses	1,908	—	—	—	1,908
Net interest income after provision for credit losses	84,433	—	12	(3,821)	80,624
Noninterest income					
Wealth management fees	—	15,917	—	—	15,917
Payment technology solutions	—	—	5,915	—	5,915
Treasury management services	2,145	—	—	—	2,145
Card services and ATM fees	3,430	—	—	—	3,430
Other service charges on deposit accounts	2,321	—	—	—	2,321
All other noninterest income	4,123	191	—	(339)	3,975
Intersegment noninterest income	316	—	264	(580)	—
Noninterest income	12,335	16,108	6,179	(919)	33,703
Revenue	98,676	16,108	6,191	(4,740)	116,235
Noninterest expense					
Salaries, wages, and employee benefits	30,382	6,466	2,471	4,159	43,478
Data processing	5,411	531	994	164	7,100
Amortization of intangible assets	2,335	294	—	—	2,629
Interchange expense	—	—	1,733	—	1,733
All other noninterest expense	17,990	726	598	1,652	20,966
Intersegment noninterest expense	2,848	774	357	(3,979)	—
Noninterest expense	58,966	8,791	6,153	1,996	75,906
Income (loss) before income taxes	37,802	7,317	38	(6,736)	38,421
Income taxes	11,105	1,756	10	(1,807)	11,064
Net income	$ 26,697	$ 5,561	$ 28	$ (4,929)	$ 27,357

FIRST BUSEY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

	Six Months Ended June 30, 2025				
(dollars in thousands)	Banking	Wealth Management	FirsTech	Other	Total
Interest income	$ 414,256	$ —	$ —	$ 5	$ 414,261
Intersegment interest income	—	—	30	(30)	—
Interest expense	148,764	—	—	8,583	157,347
Intersegment interest expense	1,357	—	—	(1,357)	—
Net interest income	264,135	—	30	(7,251)	256,914
Provision for credit losses	51,293	—	—	—	51,293
Net interest income after provision for credit losses	212,842	—	30	(7,251)	205,621
Noninterest income					
Wealth management fees	—	34,141	—	—	34,141
Payment technology solutions	—	—	10,029	—	10,029
Treasury management services	7,998	—	—	—	7,998
Card services and ATM fees	8,589	—	—	—	8,589
Other service charges on deposit accounts	3,046	—	—	—	3,046
All other noninterest income	(3,823)	411	(2)	5,697	2,283
Intersegment noninterest income	668	—	774	(1,442)	—
Noninterest income	16,478	34,552	10,801	4,255	66,086
Revenue	280,613	34,552	10,831	(2,996)	323,000
Noninterest expense					
Salaries, wages, and employee benefits	103,973	14,137	5,332	22,481	145,923
Data processing	20,330	1,215	1,859	192	23,596
Amortization of intangible assets	7,205	470	—	—	7,675
Interchange expense	—	—	2,640	—	2,640
All other noninterest expense	45,987	1,327	1,335	11,380	60,029
Intersegment noninterest expense	9,821	1,558	729	(12,108)	—
Noninterest expense	187,316	18,707	11,895	21,945	239,863
Income (loss) before income taxes	42,004	15,845	(1,064)	(24,941)	31,844
Income taxes	15,859	3,803	(281)	(4,951)	14,430
Net income	$ 26,145	$ 12,042	$ (783)	$ (19,990)	$ 17,414

FIRST BUSEY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

	Six Months Ended June 30, 2024				
(dollars in thousands)	Banking	Wealth Management	FirsTech	Other	Total
Interest income	$ 257,738	$ —	$ —	$ 21	$ 257,759
Intersegment interest income	324	—	25	(349)	—
Interest expense	90,449	—	—	8,924	99,373
Intersegment interest expense	1,652	—	—	(1,652)	—
Net interest income	165,961	—	25	(7,600)	158,386
Provision for credit losses	6,268	—	—	—	6,268
Net interest income after provision for credit losses	159,693	—	25	(7,600)	152,118
Noninterest income					
Wealth management fees	—	31,466	—	—	31,466
Payment technology solutions	—	—	11,624	—	11,624
Treasury management services	4,046	—	—	—	4,046
Card services and ATM fees	6,390	—	—	—	6,390
Other service charges on deposit accounts	4,669	—	—	—	4,669
All other noninterest income	9,983	354	—	84	10,421
Intersegment noninterest income	632	—	526	(1,158)	—
Noninterest income	25,720	31,820	12,150	(1,074)	68,616
Revenue	191,681	31,820	12,175	(8,674)	227,002
Noninterest expense					
Salaries, wages, and employee benefits	57,743	13,225	4,920	9,680	85,568
Data processing	10,444	1,047	1,852	307	13,650
Amortization of intangible assets	4,437	601	—	—	5,038
Interchange expense	—	—	3,344	—	3,344
All other noninterest expense	33,681	1,506	1,183	3,383	39,753
Intersegment noninterest expense	5,726	1,548	720	(7,994)	—
Noninterest expense	112,031	17,927	12,019	5,376	147,353
Income (loss) before income taxes	73,382	13,893	156	(14,050)	73,381
Income taxes	20,193	3,334	42	(3,770)	19,799
Net income	$ 53,189	$ 10,559	$ 114	$ (10,280)	$ 53,582

FIRST BUSEY CORPORATION

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (UNAUDITED)

SCOPE OF DISCUSSION

The following discussion and analysis are intended to assist readers in understanding Busey's financial condition and results of operations during the three and six months ended June 30, 2025, and should be read in conjunction with Busey's Consolidated Financial Statements (Unaudited) and the related Notes to the Consolidated Financial Statements (Unaudited) included in this Quarterly Report, as well as Busey's 2024 Annual Report.

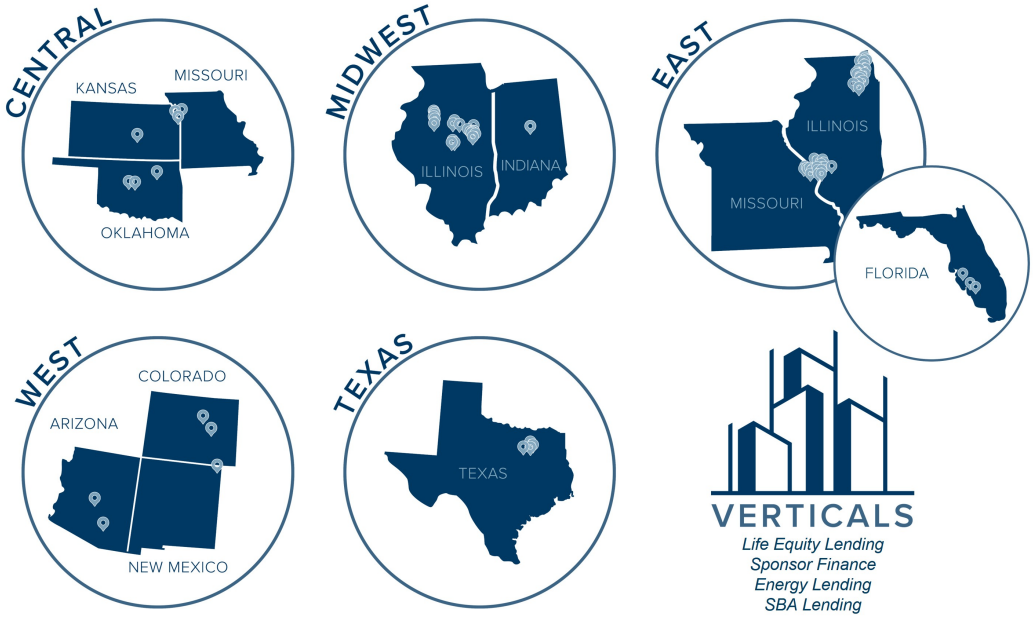
BUSINESS

First Busey Corporation is an $18.92 billion financial holding company headquartered in Leawood, Kansas. First Busey Corporation's common stock is traded on The Nasdaq Global Select Market under the symbol "BUSE."

Busey provides a full range of banking, wealth management, and payment technology solutions to individuals and corporate clients through its subsidiaries, Busey Bank and FirsTech.

Banking Center Markets

Busey Bank, headquartered in Champaign, Illinois, serves the banking needs of its customers through 78 banking centers located across six regions spanning 10 states.



Busey's East Region

Busey Bank serves the suburban Chicago market with 17 banking centers, offering a full spectrum of financial services to individuals and businesses. The Chicago area is home to several Fortune 500 companies, featuring a diverse economic mix that includes manufacturing, logistics, information technology, and financial services. With a regionalized approach and a legacy of service excellence, Busey remains a trusted financial partner to the vibrant communities of northeastern Illinois.

Busey Bank operates 20 banking centers in the St. Louis MSA, including eight banking centers in eastern Missouri and 12 banking centers in western Illinois. With a population exceeding 2.8 million, St. Louis has a diverse economy and major employment sectors that include healthcare, financial services, professional and business services, and retail. Busey continues to build on its legacy of serving dynamic urban and suburban markets in the region.

Busey Bank serves the southwest Florida banking market with three banking centers located in and around Fort Myers, an area which has experienced strong population growth, job expansion, and a vibrant housing market, as well as the benefits of a robust tourism and winter resort economy. These factors have contributed to a thriving environment for consumer banking and small business services.

Busey's Midwest Region

Busey Bank serves the central Illinois banking market with 21 banking centers. The economy of central Illinois is agriculture-base, with manufacturing and services industries also featuring prominently. These industries, coupled with large healthcare and higher education sectors, anchor the communities in which they are located and have provided a comparatively stable foundation for housing, employment, and small business.

Busey Bank has one banking center in the Indianapolis, Indiana, area, which is the most populous city of Indiana with a diverse economy, due in part to it serving as the headquarters of many large corporations. Its strategic location and infrastructure have fostered steady economic performance, positioning Busey to meet the financial needs of both retail and commercial clients.

Busey's Central Region

Busey Bank serves the Kansas banking market with three banking centers, including two locations in Leawood and one in Wichita. Leawood, part of the Kansas City MSA, is known for its desirable residential communities and concentration of corporate offices and financial institutions. Wichita, the largest city in Kansas, features strong aviation and manufacturing sectors, along with growing healthcare and education footprints. These markets offer Busey a well-balanced mix of consumer and commercial banking potential.

Busey Bank serves the Oklahoma banking market with three banking centers, including two in Oklahoma City and one in Tulsa. These cities anchor the state's economy, with leading sectors including aerospace, energy, healthcare, and higher education. Both Oklahoma City and Tulsa have benefited from economic diversification efforts and urban revitalization, fostering resilience in employment and housing markets and providing opportunities for Busey to support local business and community needs.

Busey's Texas Region

Busey Bank operates four banking centers across the Dallas-Fort Worth ("DFW") MSA, including locations in Dallas, Frisco, and Fort Worth, Texas. The DFW MSA is the most populous metropolitan area in the southern United States, and serves as a key business and financial hub with a diverse economy spanning technology, healthcare, telecommunications, and logistics. The region's rapid population growth, entrepreneurial energy, and deep talent pool have created strong demand for housing and commercial expansion, aligning well with Busey's financial services model.

Busey's West Region

Busey Bank has two banking centers in Arizona, located in Phoenix and Tucson. Phoenix, a fast-growing metropolitan area, features a broad-based economy with key sectors in advanced manufacturing, fintech, and education. Tucson, supported by a strong university presence and a vibrant tourism sector, has seen steady growth in small business development and residential communities. Busey's presence supports a range of financial needs in both urban and suburban settings.

Busey Bank has two banking centers in Colorado, located in Denver and Colorado Springs. Denver stands out as a major economic center with thriving industries in technology, energy, and financial services, while Colorado Springs offers a more suburban environment anchored by defense, aerospace, and healthcare sectors. Both cities have experienced consistent population growth and infrastructure investment, creating opportunities for Busey to serve a dynamic customer base.

Busey Bank operates one banking center in Clayton, New Mexico. Located in northeastern New Mexico, Clayton's economy is primarily driven by agricultural, cattle ranching, and small-scale retail, with steady contributions from transportation services due to its proximity to major highways. The community also benefits from local tourism linked to nearby parks and attractions. Busey's presence supports essential financial needs in this rural market, reinforcing its commitment to serving both metropolitan and underserved areas with tailored banking solutions.

Busey's Verticals

Transcending geographical boundaries, Busey operates in several industry verticals, including Life Equity Lending, Sponsor Finance, Energy Lending, and SBA Lending.

Busey's Conservative Banking Strategy

Busey's financial strength is built on a long-term conservative operating approach. The quality of Busey's core deposit franchise is a critical value driver of the institution. Busey remains substantially core deposit[1] funded, with robust liquidity and significant market share in the communities it serves. As of June 30, 2025, Busey's loan to deposit ratio was 87.4% and core deposits represented 92.5% of total deposits. Furthermore, Busey has sufficient on- and off-balance sheet liquidity to manage deposit fluctuations and the liquidity needs of its customers.

Busey's credit performance reflects its highly diversified, conservatively underwritten loan portfolio, which has been originated predominantly to established customers with tenured relationships with Busey. Busey's approach to lending and its underwriting standards are designed to emphasize relationship banking rather than transactional banking. In addition, as a matter of both policy and practice, Busey limits concentration exposures in any particular loan segment.

Busey's conservative banking strategy is reflected in the strength of its capital base. Busey strives to consistently maintain capital ratios well in excess of thresholds required to be designated as well capitalized by applicable regulatory guidelines, thereby ensuring financial strength and flexibility across economic and operating cycles. As of June 30, 2025, Busey's leverage ratio of Tier 1 capital to average assets was 11.3%, its common equity Tier 1 capital to risk weighted assets ratio was 12.2%, and its total capital to risk weighted assets ratio was 15.8%.

Mergers and Acquisitions

CrossFirst Bankshares, Inc.

On March 1, 2025, Busey completed its acquisition of CrossFirst and its wholly-owned subsidiary, CrossFirst Bank. This partnership creates a premier commercial bank in the Midwest, Southwest, and Florida, with 78 full-service locations across 10 states—Arizona, Colorado, Florida, Illinois, Indiana, Kansas, Missouri, New Mexico, Oklahoma, and Texas.

CrossFirst Bank's results of operations were included in Busey's results of operations beginning March 1, 2025. Busey operated CrossFirst Bank as a separate banking subsidiary until it was merged with and into Busey Bank on June 20, 2025. At the time of the bank merger, CrossFirst Bank's banking centers became banking centers of Busey Bank.

Further information regarding Busey's acquisitions is provided in *Note 2. Mergers and Acquisitions* in the *Notes to the Consolidated Financial Statements (Unaudited)*.

[1] Core deposits is a non-GAAP financial measure. For a reconciliation of non-GAAP measures to the most directly comparable GAAP financial measures, see *"Item 2. Management's Discussion and Analysis—Non-GAAP Financial Information"* included in this Quarterly Report.

RESULTS OF OPERATIONS — THREE AND SIX MONTHS ENDED JUNE 30, 2025

Net Income

Results of Busey's operations, by operating segment, are presented below:

(dollars in thousands)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Net income				
Banking	$ 45,838	$ 26,697	$ 26,145	$ 53,189
Wealth Management	5,823	5,561	12,042	10,559
FirsTech	(544)	28	(783)	114
Other	(3,713)	(4,929)	(19,990)	(10,280)
Net income	$ 47,404	$ 27,357	$ 17,414	$ 53,582

Non-Operating Expenses and Non-GAAP Measures

Busey views certain non-operating expenses, including acquisition expenses, restructuring charges, and non-recurring strategic events, as adjustments to net income reported under GAAP. Non-operating expenses are summarized in the following table:

(dollars in thousands)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Non-operating expenses by location on the Statements of Income				
Provision for credit losses	$ 4,030	$ —	$ 49,602	$ —
Salaries, wages, and employee benefits	11,557	1,137	27,435	1,260
Data processing	3,964	344	6,266	444
Net occupancy expense of premises and furniture and equipment expenses	1	29	1	66
Professional fees	317	400	7,611	537
Other noninterest expense	761	302	1,313	313
Total non-operating expenses	$ 20,630	$ 2,212	$ 92,228	$ 2,620
Non-operating expenses by business objective				
Initial provision for credit losses[1]	$ 4,030	$ —	$ 49,602	$ —
Other acquisition expenses[2]	16,600	2,212	42,626	2,497
Restructuring expenses[3]	—	—	—	123
Total non-operating expenses	$ 20,630	$ 2,212	$ 92,228	$ 2,620

1. During the three months ended June 30, 2025, the Busey recorded a $4.0 million adjustment to the initial provision for unfunded commitments for CrossFirst acquisition-date balances based on revised estimates resulting from implementation of a new CECL model. During the six months ended June 30, 2025, in connection with the CrossFirst acquisition, Busey's recorded expense for the initial provision for credit losses consisting of a Day 2 provision for loan losses of $42.4 million, a Day 2 provision for unfunded commitments of $3.1 million, and the aforementioned adjustment to the initial provision for unfunded commitments of $4.0 million.
2. Other acquisition expenses related to the acquisition of CrossFirst, which was completed on March 1, 2025, and the acquisition of M&M, which was completed on April 1, 2024.
3. Restructuring expenses were related to previously disclosed restructuring and efficiency plans.

A reconciliation of non-GAAP measures, which Busey believes facilitates the assessment of its financial results and peer comparability, is included in tabular form in this Quarterly Report. See *"Item 2. Management's Discussion and Analysis—Non-GAAP Financial Information."*

Operating Performance Metrics

Operating performance metrics presented in the table below have been derived from information used by management to monitor and manage Busey's financial performance. In addition to the non-operating expenses in the table above, adjusted operating performance metrics also reflect adjustments for strategic balance sheet repositioning and net securities gains and losses to align with industry and research analyst reporting. The objective of Busey's presentation of adjusted earnings and adjusted earnings metrics is to allow investors and analysts to more clearly identify quarterly trends in core earnings performance:

	Three Months Ended June 30,		Six Months Ended June 30,	
(dollars in thousands, except per share amounts)	2025	2024	2025	2024
Net income (GAAP)	$ 47,404	$ 27,357	$ 17,414	$ 53,582
Adjusted net income (Non-GAAP)[1, 2]	$ 57,394	$ 30,519	$ 97,292	$ 56,232
Net income available to common stockholders (GAAP)	$ 47,249	$ 27,357	$ 17,259	$ 53,582
Adjusted net income available to common stockholders (Non-GAAP)[1]	$ 57,239	$ 30,519	$ 97,137	$ 56,232
Diluted earnings per common share (GAAP)	$ 0.52	$ 0.47	$ 0.22	$ 0.94
Adjusted diluted earnings per common share (Non-GAAP)[1, 2]	$ 0.63	$ 0.53	$ 1.21	$ 0.98
Return on average assets (Non-GAAP)[1, 3]	1.00 %	0.91 %	0.21 %	0.89 %
Adjusted return on average assets (Non-GAAP)[1, 2, 3]	1.21 %	1.02 %	1.16 %	0.94 %
Return on average tangible common equity (Non-GAAP)[1, 3]	11.24 %	11.51 %	2.17 %	11.47 %
Adjusted return on average tangible common equity (Non-GAAP)[1, 2, 3]	13.61 %	12.85 %	12.21 %	12.04 %
Pre-provision net revenue (Non-GAAP)[1, 4]	$ 64,216	$ 40,682	$ 92,908	$ 86,377
Adjusted pre-provision net revenue (Non-GAAP)[1, 4]	$ 80,816	$ 42,617	$ 135,534	$ 81,255
Pre-provision net revenue to average total assets (Non-GAAP)[1, 3, 4]	1.35 %	1.35 %	1.10 %	1.44 %
Adjusted pre-provision net revenue to average total assets (Non-GAAP)[1, 3, 4]	1.70 %	1.42 %	1.61 %	1.36 %

1. For a reconciliation of non-GAAP measures to the most directly comparable GAAP financial measures, see *"Item 2. Management's Discussion and Analysis—Non-GAAP Financial Information"* included in this Quarterly Report.
2. Beginning in 2025, Busey revised its calculation of adjusted net income for all periods presented to include, as applicable, adjustments for net securities gains and losses, realized net gains and losses on the sale of mortgage servicing rights, and non-recurring deferred tax adjustments.
3. Annualized measure.
4. Beginning in the second quarter of 2025, Busey revised its presentation, for all periods presented, to reclassify the provision for unfunded commitments so that it is now included within the provision for credit losses, affecting the calculation of pre-provision net revenue and related measures and ratios.

Net Interest Income

Net interest income is the difference between interest income and fees earned on loans and investments ("interest-earning assets") and interest expense incurred on deposits and borrowings ("interest-bearing liabilities"). Interest rate levels and volume fluctuations within interest-earning assets and interest-bearing liabilities impact net interest income. Net interest margin is tax-equivalent net interest income as a percent of average interest-earning assets.

Certain assets with tax favorable treatment are evaluated on a tax-equivalent basis, assuming a federal income tax rate of 21.0%. Tax favorable assets generally have lower contractual pre-tax yields than fully taxable assets. A tax-equivalent analysis is performed by adding the tax savings to the earnings on tax favorable assets. After factoring in the tax favorable effects of these assets, the yields may be more appropriately evaluated against alternative earning assets. In addition to yield, various other risks are factored into the evaluation process.

Consolidated Average Balance Sheets and Interest Rates

The table below presents Busey's Consolidated Average Balance Sheets, summarizing average balances for each major category of assets and liabilities, the interest income earned on interest-earning assets, the interest expense paid for interest-bearing liabilities, and the related interest yields for the periods indicated. Average information is provided on a daily average basis:

FIRST BUSEY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Unaudited)

	Three Months Ended June 30,					
	2025			2024		
(dollars in thousands)	Average Balance	Income/ Expense	Yield/ Rate[5]	Average Balance	Income/ Expense	Yield/ Rate[5]
Assets						
Interest-bearing bank deposits and federal funds sold	$ 711,629	$ 7,461	4.21 %	$ 236,605	$ 3,027	5.15 %
Investment securities:						
U.S. Government obligations	115,958	1,446	5.00 %	6,008	53	3.55 %
Obligations of states and political subdivisions[1]	241,568	2,691	4.47 %	148,647	1,068	2.89 %
Other securities	2,725,758	21,331	3.14 %	2,582,658	18,130	2.82 %
Restricted bank stock	58,354	543	3.73 %	6,878	98	5.73 %
Loans held for sale	6,899	102	5.93 %	9,353	158	6.79 %
Portfolio loans[1, 2]	13,840,190	214,663	6.22 %	8,010,636	109,807	5.51 %
Total interest-earning assets[1, 3]	17,700,356	$ 248,237	5.63 %	11,000,785	$ 132,341	4.84 %
Cash and due from banks	156,535			109,776		
Premises and equipment	182,174			122,958		
ACL	(195,527)			(93,187)		
Other assets	1,224,548			949,360		
Total assets	$ 19,068,086			$ 12,089,692		
Liabilities and stockholders' equity						
Interest-bearing transaction deposits	$ 3,188,993	$ 15,288	1.92 %	$ 2,393,016	$ 10,005	1.68 %
Savings and money market deposits	6,381,634	45,782	2.88 %	3,269,075	18,746	2.31 %
Time deposits	2,879,902	27,077	3.77 %	1,589,491	14,958	3.78 %
Federal funds purchased and repurchase agreements	141,978	886	2.50 %	144,370	1,040	2.90 %
Borrowings[4]	315,367	3,838	4.88 %	255,248	3,599	5.67 %
Junior subordinated debt issued to unconsolidated trusts	77,141	1,392	7.24 %	74,632	1,059	5.71 %
Total interest-bearing liabilities	12,985,015	$ 94,263	2.91 %	7,725,832	$ 49,407	2.57 %
Net interest spread[1]			2.72 %			2.27 %
Noninterest-bearing deposits	3,542,617			2,816,293		
Other liabilities	255,872			215,752		
Stockholders' equity	2,284,582			1,331,815		
Total liabilities and stockholders' equity	$ 19,068,086			$ 12,089,692		
Interest income / earning assets[1, 3]	$ 17,700,356	$ 248,237	5.63 %	$ 11,000,785	$ 132,341	4.84 %
Interest expense / earning assets	17,700,356	94,263	2.14 %	11,000,785	49,407	1.81 %
Net interest margin[1]		$ 153,974	3.49 %		$ 82,934	3.03 %

1. On a tax-equivalent basis and assuming a federal income tax rate of 21.0%. For a reconciliation of non-GAAP measures to the most directly comparable GAAP financial measures, see *"Item 2. Management's Discussion and Analysis—Non-GAAP Financial Information"* included in this Quarterly Report.
2. Non-accrual loans have been included in average portfolio loans.
3. Interest income includes tax-equivalent adjustments of $0.8 million and $0.4 million for the three months ended June 30, 2025 and 2024, respectively.
4. Includes short-term and long-term borrowings. Interest expense includes non-usage fees on a revolving loan.
5. Annualized.

FIRST BUSEY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Unaudited)

	Six Months Ended June 30,					
	2025			2024		
(dollars in thousands)	Average Balance	Income/ Expense	Yield/ Rate[5]	Average Balance	Income/ Expense	Yield/ Rate[5]
Assets						
Interest-bearing bank deposits and federal funds sold	$ 699,996	$ 15,045	4.33 %	$ 362,608	$ 9,498	5.27 %
Investment securities:						
U.S. Government obligations	79,048	1,949	4.97 %	9,206	115	2.51 %
Obligations of states and political subdivisions[1]	217,410	4,222	3.92 %	157,047	2,215	2.84 %
Other securities	2,637,232	38,407	2.94 %	2,655,975	36,949	2.80 %
Restricted bank stock	54,770	1,302	4.79 %	6,439	185	5.78 %
Loans held for sale	5,181	157	6.11 %	7,093	230	6.52 %
Portfolio loans[1, 2]	11,850,318	354,507	6.03 %	7,804,976	209,418	5.40 %
Total interest-earning assets[1, 3]	15,543,955	$ 415,589	5.39 %	11,003,344	$ 258,610	4.73 %
Cash and due from banks	164,617			107,679		
Premises and equipment	161,447			122,625		
ACL	(163,840)			(92,662)		
Other assets	1,255,217			915,964		
Total assets	$ 16,961,396			$ 12,056,950		
Liabilities and stockholders' equity						
Interest-bearing transaction deposits	$ 2,919,452	$ 26,216	1.81 %	$ 2,458,886	$ 20,816	1.70 %
Savings and money market deposits	5,417,935	73,374	2.73 %	3,172,640	35,134	2.23 %
Time deposits	2,468,406	45,869	3.75 %	1,659,318	31,727	3.85 %
Federal funds purchased and repurchase agreements	143,400	1,762	2.48 %	161,514	2,412	3.00 %
Borrowings[4]	290,131	7,379	5.13 %	253,065	7,236	5.75 %
Junior subordinated debt issued to unconsolidated trusts	76,378	2,747	7.25 %	73,321	2,048	5.62 %
Total interest-bearing liabilities	11,315,702	$ 157,347	2.80 %	7,778,744	$ 99,373	2.57 %
Net interest spread[1]			2.59 %			2.16 %
Noninterest-bearing deposits	3,290,770			2,762,439		
Other liabilities	244,129			211,997		
Stockholders' equity	2,110,795			1,303,770		
Total liabilities and stockholders' equity	$ 16,961,396			$ 12,056,950		
Interest income / earning assets[1, 3]	$ 15,543,955	$ 415,589	5.39 %	$ 11,003,344	$ 258,610	4.73 %
Interest expense / earning assets	15,543,955	157,347	2.04 %	11,003,344	99,373	1.82 %
Net interest margin[1]		$ 258,242	3.35 %		$ 159,237	2.91 %

1. On a tax-equivalent basis and assuming a federal income tax rate of 21.0%. For a reconciliation of non-GAAP measures to the most directly comparable GAAP financial measures, see "*Item 2. Management's Discussion and Analysis—Non-GAAP Financial Information*" included in this Quarterly Report.
2. Non-accrual loans have been included in average portfolio loans.
3. Interest income includes tax-equivalent adjustments of $1.3 million and $0.9 million for the six months ended June 30, 2025 and 2024, respectively.
4. Includes short-term and long-term borrowings. Interest expense includes non-usage fees on a revolving loan.
5. Annualized.

Notable changes in average assets and average liabilities are summarized as follows:

(dollars in thousands)	Three Months Ended June 30, 2025	2024	Change	% Change
Average interest-earning assets	$ 17,700,356	$ 11,000,785	$ 6,699,571	60.9 %
Average interest-bearing liabilities	12,985,015	7,725,832	5,259,183	68.1 %
Average noninterest-bearing deposits	3,542,617	2,816,293	726,324	25.8 %
Total average deposits	15,993,146	10,067,875	5,925,271	58.9 %
Total average liabilities	16,783,504	10,757,877	6,025,627	56.0 %
Average noninterest-bearing deposits as a percent of total average deposits	22.2 %	28.0 %	(580) bps	
Total average deposits as a percent of total average liabilities	95.3 %	93.6 %	170 bps	

(dollars in thousands)	Six Months Ended June 30, 2025	2024	Change	% Change
Average interest-earning assets	$ 15,543,955	$ 11,003,344	$ 4,540,611	41.3 %
Average interest-bearing liabilities	11,315,702	7,778,744	3,536,958	45.5 %
Average noninterest-bearing deposits	3,290,770	2,762,439	528,331	19.1 %
Total average deposits	14,096,563	10,053,283	4,043,280	40.2 %
Total average liabilities	14,850,601	10,753,180	4,097,421	38.1 %
Average noninterest-bearing deposits as a percent of total average deposits	23.3 %	27.5 %	(420) bps	
Total average deposits as a percent of total average liabilities	94.9 %	93.5 %	140 bps	

Changes in net interest income and net interest margin are summarized as follows:

	Three Months Ended June 30,			
(dollars in thousands)	2025	2024	Change	% Change
Net interest income				
Interest income, on a tax-equivalent basis[1]	$ 248,237	$ 132,341	$ 115,896	87.6 %
Interest expense	(94,263)	(49,407)	(44,856)	(90.8)%
Net interest income, on a tax-equivalent basis[1]	$ 153,974	$ 82,934	$ 71,040	85.7 %
Net interest margin[1, 2]	3.49 %	3.03 %	46 bps	

	Six Months Ended June 30,			
(dollars in thousands)	2025	2024	Change	% Change
Net interest income				
Interest income, on a tax-equivalent basis[1]	$ 415,589	$ 258,610	$ 156,979	60.7 %
Interest expense	(157,347)	(99,373)	(57,974)	(58.3)%
Net interest income, on a tax-equivalent basis[1]	$ 258,242	$ 159,237	$ 99,005	62.2 %
Net interest margin[1, 2]	3.35 %	2.91 %	44 bps	

1. Assuming a federal income tax rate of 21.0%. For a reconciliation of non-GAAP measures to the most directly comparable GAAP financial measures, see "*Item 2. Management's Discussion and Analysis—Non-GAAP Financial Information*" included in this Quarterly Report.
2. Net interest income expressed as a percentage of average earning assets, stated on a tax-equivalent basis.

Busey continues to evaluate and execute off-balance sheet hedging and balance sheet repositioning strategies as well as embedding rate protection in its asset originations to provide stabilization to net interest income in lower rate environments. Time deposit and savings specials have continued to stabilize the funding base, and Busey had excess earning cash during the second quarter of 2025. A portion of the acquired CrossFirst Bank securities portfolio was liquidated when the acquisition was finalized, providing additional excess cash that has allowed Busey to start unwinding non-core funding. As brokered CDs mature, Busey continues to deploy excess cash to reduce wholesale funding levels during subsequent quarters.

Net interest spread represents the difference between the average rate earned on earning assets and the average rate paid on interest-bearing liabilities, and is presented in the table below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net interest spread[1]	2.72 %	2.27 %	2.59 %	2.16 %

1. Net interest spread is calculated on a tax-equivalent basis.

Annualized net interest margins for the quarterly periods indicated were as follows:

	2025	2024
First Quarter	3.16 %	2.79 %
Second Quarter	3.49 %	3.03 %
Third Quarter		3.02 %
Fourth Quarter		2.95 %

Management attempts to mitigate the effects of an unpredictable interest-rate environment through effective portfolio management, prudent loan underwriting and pricing discipline, and operational efficiencies. For a description of accounting policies underlying the recognition of interest income and expense, refer to the Notes to Consolidated Financial Statements in Busey's 2024 Annual Report.

Noninterest Income

Changes in noninterest income are summarized as follows:

(dollars in thousands)	Three Months Ended June 30, 2025	2024	Change	% Change
Noninterest income				
Wealth management and payment technology income:				
Wealth management fees	$ 16,777	$ 15,917	$ 860	5.4 %
Payment technology solutions	4,956	5,915	(959)	(16.2)%
Combined, wealth management fees and payment technology solutions	21,733	21,832	(99)	(0.5)%
Treasury management services	4,981	2,145	2,836	132.2 %
Card services and ATM fees	4,880	3,430	1,450	42.3 %
Other service charges on deposit accounts	1,513	2,321	(808)	(34.8)%
Mortgage revenue	776	478	298	62.3 %
Income on bank owned life insurance	1,745	1,442	303	21.0 %
Realized net gains (losses) on the sale of mortgage servicing rights	—	277	(277)	(100.0)%
Securities income:				
Realized net gains (losses) on securities	1	(4)	5	125.0 %
Unrealized net gains (losses) recognized on equity securities	5,996	(349)	6,345	NM
Net securities gains (losses)	5,997	(353)	6,350	NM
Other noninterest income	3,238	2,131	1,107	51.9 %
Total noninterest income	$ 44,863	$ 33,703	$ 11,160	33.1 %

(dollars in thousands)	Six Months Ended June 30, 2025	2024	Change	% Change
Noninterest income				
Wealth management and payment technology solutions income:				
Wealth management fees	$ 34,141	$ 31,466	$ 2,675	8.5 %
Payment technology solutions	10,029	11,624	(1,595)	(13.7)%
Combined, wealth management fees and payment technology solutions	44,170	43,090	1,080	2.5 %
Treasury management services	7,998	4,046	$ 3,952	97.7 %
Card services and ATM fees	8,589	6,390	$ 2,199	34.4 %
Other service charges on deposit accounts	3,046	4,669	$ (1,623)	(34.8)%
Mortgage revenue	1,105	1,224	(119)	(9.7)%
Income on bank owned life insurance	3,191	2,861	330	11.5 %
Realized net gains (losses) on the sale of mortgage servicing rights	—	7,742	(7,742)	(100.0)%
Securities income:				
Realized net gains (losses) on securities	(15,536)	(6,806)	(8,730)	(128.3)%
Unrealized net gains (losses) recognized on equity securities	5,765	78	5,687	NM
Net securities gains (losses)	(9,771)	(6,728)	(3,043)	(45.2)%
Other noninterest income	7,758	5,322	2,436	45.8 %
Total noninterest income	$ 66,086	$ 68,616	$ (2,530)	(3.7)%
Assets under care as of period end	$ 14,102,022	$ 13,019,583	$ 1,082,439	8.3 %

Total noninterest income was $44.9 million for the three months ended June 30, 2025, an increase of 33.1% from the comparable period in 2024, primarily due to unrealized net gains recognized on equity securities, as well as the benefit of a full quarter of income from the CrossFirst acquisition. Total noninterest income was $66.1 million for the six months ended June 30, 2025, a decrease of 3.7% from the comparable period in 2024. The six months ended June 30, 2025 includes four months of income from the CrossFirst acquisition, offset by net securities losses that were recorded in the first quarter of 2025 in connection with a strategic balance sheet repositioning. Additionally, the prior year included $7.7 million of realized net gains on the sale of mortgage servicing rights, which was not repeated in the current year.

Wealth management fees were $16.8 million for the three months ended June 30, 2025, a 5.4% increase from the comparable period in 2024, and were $34.1 million for the six months ended June 30, 2025, an 8.5% increase from the comparable period for 2024, primarily due to increases in trust fee income. On a segment basis, Busey's Wealth Management division contributed $17.0 million, or 37.9%, of Busey's noninterest income for the three months ended June 30, 2025, which included approximately $0.2 million reported as other noninterest income, and contributed $34.6 million, or 52.3%, of Busey's noninterest income for the six months ended June 30, 2025, which included approximately $0.4 million reported as other noninterest income. Busey's Wealth Management division ended the second quarter of 2025 with $14.10 billion in assets under care, an increase of 8.3% compared to the balance on June 30, 2024. Busey's portfolio management team continues to focus on long-term returns and managing risk in the face of volatile markets.

Payment technology solutions relates to Busey's payment processing company, FirsTech. Income from payment technology solutions was $5.0 million for the three months ended June 30, 2025, a 16.2% decrease from the comparable period in 2024, and was $10.0 million for the six months ended June 30, 2025, a 13.7% decrease from the comparable period in 2024, primarily due to decreases in income from online bill payments. On a segment basis, FirsTech contributed $5.4 million, or 12.0%, of Busey's noninterest income for the three months ended June 30, 2025, and $10.8 million, or 16.3%, of Busey's noninterest income for the six months ended June 30, 2025.

Combined, noninterest income from wealth management fees and payment technology solutions represented 48.4% and 66.8% of Busey's noninterest income for the three and six months ended June 30, 2025, respectively, providing a complement to spread-based revenue from traditional banking activities.

Treasury management services consist primarily of business analysis charges and wire transfer fees on commercial accounts. Income from treasury management services increased by 132.2% and 97.7% compared to the three and six months ended June 30, 2024, respectively, due to the addition of CrossFirst commercial services.

Card services and ATM fees, which include both commercial and consumer accounts, increased by 42.3% and 34.4% compared to the three and six months ended June 30, 2024, respectively, primarily due to addition of CrossFirst corporate card services.

Other service charges on deposit accounts were $1.5 million and $3.0 million for the three and six months ended June 30, 2025, respectively, which was a decline of 34.8% compared to both the three and six months ended June 30, 2024. Declines are largely related to lower non-sufficient fund charges, reflecting changes Busey made to its fee structure in 2025.

Mortgage revenue was $0.8 million for the three months ended June 30, 2025, a 62.3% increase from the comparable period in 2024, and was $1.1 million for the six months ended June 30, 2025, a 9.7% decrease from the comparable period in 2024. General economic conditions and interest rate volatility may impact future mortgage revenue.

Income on bank owned life insurance was $1.7 million for the three months ended June 30, 2025, a 21.0% increase from the comparable period in 2024, as a result of a $0.5 million increase in the cash surrender value of the policies, partially offset by a $0.2 million decrease in earnings on death proceeds. Income on bank owned life insurance was $3.2 million for the six months ended June 30, 2025, an 11.5% increase from the comparable period in 2024, as a result of a $0.8 million increase in the cash surrender value of the policies, partially offset by a $0.4 million decrease in earnings on death proceeds.

During the six months ended June 30, 2025, Busey did not record any realized gains on the sale of mortgage servicing rights. In comparison, during the six months ended June 30, 2024, Busey recognized a $7.7 million gain on the sale of mortgage servicing rights in connection with a strategic two-part balance sheet repositioning. For more information, see "*Busey executed a two-part balance sheet repositioning strategy*" in the Management Discussion and Analysis included in Busey's Quarterly Report for the first quarter of 2024, filed with the SEC on May 7, 2024.

Net securities gains were $6.0 million for the three months ended June 30, 2025, an increase over the net securities losses from the comparable period in 2024. The increase was related to unrealized gains on Busey's approximately 3% equity ownership of a financial institution that was the target of an announced acquisition at a significant market premium. Net securities losses of $9.8 million during the six months ended June 30, 2025, were greater than the net securities losses realized during the comparable period in 2024. Losses for the six months ended June 30, 2025, were comprised of $15.5 million of realized net losses on securities associated with a strategic balance sheet repositioning in the first quarter of 2025, partially offset by $5.8 million of unrealized net gains recognized on equity securities in the second quarter of 2025.

Other noninterest income was $3.2 million for the three months ended June 30, 2025, a 51.9% increase from the comparable period in 2024, and was $7.8 million for the six months ended June 30, 2025, a 45.8% increase from the comparable period in 2024. Increases were attributable to fluctuations in income recognized on venture capital investments, gains on commercial loan sales, commercial loan servicing income, other loan fee income, swap origination fees and OREO gains and losses.

Noninterest Expense

Changes in noninterest expense are summarized as follows:

(dollars in thousands)	Three Months Ended June 30, 2025	2024	Change	% Change
Noninterest expense				
Salaries, wages, and employee benefits	$ 78,360	$ 43,478	$ 34,882	80.2 %
Data processing	14,021	7,100	6,921	97.5 %
Premises expenses:				
Net occupancy expense of premises	7,832	4,590	3,242	70.6 %
Furniture and equipment expenses	2,409	1,695	714	42.1 %
Combined, net occupancy expense of premises and furniture and equipment expenses	10,241	6,285	3,956	62.9 %
Professional fees	2,874	2,495	379	15.2 %
Amortization of intangible assets	4,592	2,629	1,963	74.7 %
Interchange expense	1,297	1,733	(436)	(25.2)%
FDIC insurance	2,424	1,460	964	66.0 %
Other noninterest expense	14,024	10,726	3,298	30.7 %
Total noninterest expense	$ 127,833	$ 75,906	$ 51,927	68.4 %
Income taxes	$ 17,109	$ 11,064	$ 6,045	54.6 %
Effective income tax rate	26.5 %	28.8 %	(230) bps	
Efficiency ratio (Non-GAAP)[1]	63.9 %	62.6 %	130 bps	
Adjusted efficiency ratio (Non-GAAP)[1]	55.3 %	60.9 %	(560) bps	

1. The efficiency ratio and adjusted efficiency ratio are non-GAAP financial measures. For a reconciliation of non-GAAP measures to the most directly comparable financial GAAP measures, see *"Item 2. Management's Discussion and Analysis—Non-GAAP Financial Information"* included in this Quarterly Report.

(dollars in thousands)	Six Months Ended June 30, 2025	2024	Change	% Change
Noninterest expense				
Salaries, wages, and employee benefits	$ 145,923	$ 85,568	$ 60,355	70.5 %
Data processing	23,596	13,650	9,946	72.9 %
Premises expenses:				
Net occupancy expense of premises	13,631	9,310	4,321	46.4 %
Furniture and equipment expenses	4,153	3,508	645	18.4 %
Combined, net occupancy expense of premises and furniture and equipment expenses	17,784	12,818	4,966	38.7 %
Professional fees	12,385	4,748	7,637	160.8 %
Amortization of intangible assets	7,675	5,038	2,637	52.3 %
Interchange expense	2,640	3,344	(704)	(21.1)%
FDIC insurance	4,591	2,860	1,731	60.5 %
Other noninterest expense	25,269	19,327	5,942	30.7 %
Total noninterest expense	$ 239,863	$ 147,353	$ 92,510	62.8 %
Income taxes	$ 14,430	$ 19,799	$ (5,369)	(27.1)%
Effective income tax rate	45.3 %	27.0 %	1,830 bps	
Efficiency ratio (Non-GAAP)[1]	69.5 %	60.7 %	880 bps	
Adjusted efficiency ratio (Non-GAAP)[1]	56.7 %	61.6 %	(490) bps	
Full-time equivalent associates as of period-end	1,950	1,520	430	28.3 %

1. The efficiency ratio and adjusted efficiency ratio are non-GAAP financial measures. For a reconciliation of non-GAAP measures to the most directly comparable financial GAAP measures, see *"Item 2. Management's Discussion and Analysis—Non-GAAP Financial Information"* included in this Quarterly Report.

Total noninterest expense was $127.8 million for the three months ended June 30, 2025, a 68.4% increase from the comparable period in 2024. Total noninterest expense was $239.9 million for the six months ended June 30, 2025, a 62.8% increase from the comparable period in 2024. Growth in noninterest expense was primarily attributable to acquisition and restructuring expenses related to the CrossFirst acquisition, added costs for operating expenses for two banks from March 1, 2025, until the banks were merged on June 20, 2025, and increased expenses associated with the larger organization and branch network. Acquisition and restructuring expenses contributed $16.6 million to total noninterest expense for the three months ended June 30, 2025, compared to $2.2 million for the comparable period in 2024. Acquisition and restructuring expenses contributed $42.6 million to total noninterest expense for the six months ended June 30, 2025, compared to $2.6 million for the comparable period in 2024.

Annual pre-tax expense synergy estimates resulting from the CrossFirst acquisition remain on track at $25.0 million. Busey anticipates a 50% rate of synergy realization in 2025 and 100% in 2026.

Salaries, wages, and employee benefits were $78.4 million for the three months ended June 30, 2025, an 80.2% increase from the comparable period in 2024 and were $145.9 million for the six months ended June 30, 2025, a 70.5% increase from the comparable period in 2024. Acquisition and restructuring expenses were $11.6 million and $27.4 million for the three and six months ended June 30, 2025, respectively, with additional severance, retention, and stock-based compensation expenses related to the CrossFirst acquisition. Further, in connection with the CrossFirst acquisition in March and the addition of 16 banking centers, Busey's workforce expanded. In total, Busey has added 430 full time equivalent associates over the past year, mostly as a result of the CrossFirst acquisition.

Data processing expense was $14.0 million for the three months ended June 30, 2025, a 97.5% increase from the comparable period in 2024. Excluding acquisition and restructuring expenses, data processing expense was $10.1 million for the three months ended June 30, 2025, a 48.9% increase from the comparable period in 2024. Data processing expense was $23.6 million for the six months ended June 30, 2025, a 72.9% increase from the comparable period in 2024. Excluding acquisition and restructuring expenses, data processing expense was $17.3 million for the six months ended June 30, 2025, a 31.2% increase from the comparable period in 2024. Busey has continued to make investments in technology enhancements and has also experienced inflation-driven price increases.

Combined, net occupancy expense of premises and furniture and equipment expense totaled $10.2 million for the three months ended June 30, 2025, a 62.9% increase from the comparable period in 2024, and $17.8 million for the six months ended June 30, 2025, a 38.7% increase from the comparable period in 2024. The CrossFirst acquisition added 16 banking centers and primary cost drivers in these expense categories include lease costs, repairs and maintenance, depreciation expense, real estate taxes, and utilities.

Professional fees were $2.9 million for the three months ended June 30, 2025, a 15.2% increase from the comparable period in 2024 and were $12.4 million for the six months ended June 30, 2025, a 160.8% increase from the comparable period in 2024. Acquisition and restructuring expenses were $0.3 million and $7.6 million for the three and six months ended June 30, 2025, respectively.

Amortization of intangible assets was $4.6 million for the three months ended June 30, 2025, a 74.7% increase from the comparable period in 2024, and $7.7 million for the six months ended June 30, 2025, a 52.3% increase from the comparable period for 2024. The CrossFirst acquisition added an estimated $81.8 million of finite-lived intangible assets with amortization of $2.4 million and $3.1 million during the three and six months ended June 30, 2025, respectively. Busey uses an accelerated amortization methodology.

Interchange expense was $1.3 million for the three months ended June 30, 2025, a 25.2% decrease from the comparable period in 2024, and was $2.6 million for the six months ended June 30, 2025, a 21.1% decrease from the comparable period in 2024. Fluctuations in interchange expense relate to payment and volume activity at FirsTech.

FDIC insurance expense was $2.4 million for the three months ended June 30, 2025, a 66.0% increase from the comparable period in 2024, and $4.6 million for the six months ended June 30, 2025, a 60.5% increase from the comparable period in 2024. Additional FDIC insurance assessments were the result of Busey's growth in average assets in connection with the CrossFirst acquisition.

Other noninterest expense was $14.0 million for the three months ended June 30, 2025, a 30.7% increase from the comparable period in 2024, and was $25.3 million for the six months ended June 30, 2025, also a 30.7% increase from the comparable period in 2024. Increases in other noninterest expense are attributable to multiple items, including marketing, business development, and supplies, as well as increases in acquisition and restructuring expenses of $0.5 million and $1.0 million compared to the three and six months ended June 30, 2024, respectively.

Efficiency Ratio

The efficiency ratio[2], which is a measure commonly used by management and the banking industry, measures the amount of expense incurred to generate a dollar of revenue. Busey's efficiency ratio was 63.9% for the three months ended June 30, 2025, compared to 62.6% for the same period in 2024, and was 69.5% for the six months ended June 30, 2025, compared to 60.7% for the same period in 2024.

Busey's adjusted efficiency ratio[2] was 55.3% for the three months ended June 30, 2025, compared to 60.9% for the same period in 2024, and was 56.7% for the six months ended June 30, 2025, compared to 61.6% for the same period in 2024.

Taxes

Busey's effective income tax rate of 26.5% for the three months ended June 30, 2025, was lower than the combined federal and state statutory rate due to tax exempt interest income, such as municipal bond interest and bank owned life insurance income. Busey's effective income tax rate of 45.3% for the six months ended June 30, 2025, was impacted by the first quarter loss due to the CrossFirst acquisition and non-recurring adjustments. The three and six months ended June 30, 2025, were impacted by a $0.3 million write-off of deferred tax assets related to non-deductible compensation and acquisition-related expenses. Further, the six months ended June 30, 2025, includes a $4.6 million non-recurring deferred tax valuation expense in connection with the CrossFirst acquisition which is expected to lower the effective blended state tax rate in future periods but created a negative adjustment to the carrying value of deferred tax asset in the current period.

Busey continues to monitor evolving federal and state tax legislation and its potential impact on operations on an ongoing basis. As of June 30, 2025, Busey Bank was under examination by the Florida Department of Revenue for its 2020 to 2022 corporate income tax filings and by the Illinois Department of Revenue for M&M's tax filings for the tax years 2022 and 2023.

[2] The efficiency ratio and adjusted efficiency ratio are non-GAAP financial measures. For a reconciliation of non-GAAP measures to the most directly comparable GAAP financial measures, see "Item 2. Management's Discussion and Analysis—Non-GAAP Financial Information" included in this Quarterly Report.

FINANCIAL CONDITION

Balance Sheet

Changes in significant items on Busey's Consolidated Balance Sheets (Unaudited) are summarized as follows:

(dollars in thousands)	As of June 30, 2025	As of December 31, 2024	Change	% Change
Assets				
Debt securities available for sale	$ 2,217,788	$ 1,810,221	$ 407,567	22.5 %
Debt securities held to maturity	802,965	826,630	(23,665)	(2.9)%
Portfolio loans, net of ACL	13,625,285	7,613,683	6,011,602	79.0 %
Total assets	18,918,740	12,046,722	6,872,018	57.0 %
Liabilities				
Deposits:				
Noninterest-bearing	3,590,363	2,719,907	870,456	32.0 %
Interest-bearing	12,211,409	7,262,583	4,948,826	68.1 %
Total deposits	15,801,772	9,982,490	5,819,282	58.3 %
Securities sold under agreements to repurchase	158,030	155,610	2,420	1.6 %
Long-term debt	86,557	—	86,557	100.0 %
Subordinated notes, net of unamortized issuance costs	103,169	227,723	(124,554)	(54.7)%
Junior subordinated debt owed to unconsolidated trusts	77,187	74,815	2,372	3.2 %
Total liabilities	16,506,194	10,663,453	5,842,741	54.8 %
Stockholders' equity	2,412,546	1,383,269	1,029,277	74.4 %

Portfolio Loans

Busey believes that making sound and profitable loans is a necessary and desirable means of employing funds available for investment. Busey maintains lending policies and procedures designed to focus lending efforts on the types, locations, and duration of loans most appropriate for its business model and markets. While not specifically limited, Busey attempts to focus its lending on short to intermediate-term loans (0-10 years) in geographic areas within 125 miles of its lending offices. Loans originated outside of these areas are generally to existing customers of Busey Bank. Busey attempts to utilize government-assisted lending programs, such as the SBA and U.S. Department of Agriculture lending programs, when prudent. Generally, loans are collateralized by assets, primarily real estate, and guaranteed by individuals. Loans are expected to be repaid primarily from cash flows of the borrowers or from proceeds from the sale of selected assets of the borrowers.

Management reviews and approves Busey Bank's lending policies and procedures on a regular basis. Management routinely—at least quarterly—reviews the ACL in conjunction with reports related to loan production, loan quality, concentrations of credit, loan delinquencies, non-performing loans, and potential problem loans. Busey's underwriting standards are designed to encourage relationship banking rather than transactional banking. Relationship banking implies a primary banking relationship with the borrower that includes, at a minimum, an active deposit banking relationship in addition to the lending relationship. Significant underwriting factors in addition to location, duration, a sound and profitable cash flow basis, and the borrower's character, include the quality of the borrower's financial history, the liquidity of the underlying collateral, and the reliability of the valuation of the underlying collateral.

At no time is a borrower's total borrowing relationship permitted to exceed Busey Bank's regulatory lending limit. Busey generally limits such relationships to amounts substantially less than the regulatory limit. Loans to related parties, including executive officers and directors of First Busey Corporation and its subsidiaries, are reviewed for compliance with regulatory guidelines.

Busey maintains an independent loan review department that reviews loans for compliance with Busey's loan policy on a periodic basis. In addition, the loan review department reviews risk assessments made by Busey's credit department, lenders, and loan committees. Results of these reviews are presented to management and the audit committee at least quarterly.

Busey Bank's lending can be summarized into five primary lending activities, which can be further categorized as either commercial or retail lending. Commercial lending activities consist of C&I and other commercial loans, CRE loans, and real estate construction loans while retail lending activities consist of retail real estate loans and retail other loans. A description of each of the five primary areas can be found in *"Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Portfolio Loans"* of Busey's 2024 Annual Report.

Portfolio Composition

The composition of Busey's loan portfolio as of the dates indicated, as well as changes in portfolio loan balances, were as follows:

(dollars in thousands)	As of June 30, 2025	As of December 31, 2024	Change	% Change
Commercial loans				
C&I and other commercial	$ 4,476,869	$ 1,904,515	$ 2,572,354	135.1 %
CRE	5,569,759	3,269,564	2,300,195	70.4 %
Real estate construction	1,041,803	378,209	663,594	175.5 %
Total commercial loans	11,088,431	5,552,288	5,536,143	99.7 %
Retail loans				
Retail real estate	2,228,959	1,696,457	532,502	31.4 %
Retail other	491,229	448,342	42,887	9.6 %
Total retail loans	2,720,188	2,144,799	575,389	26.8 %
Total portfolio loans	13,808,619	7,697,087	6,111,532	79.4 %
ACL	(183,334)	(83,404)	(99,930)	119.8 %
Portfolio loans, net	$ 13,625,285	$ 7,613,683	$ 6,011,602	79.0 %

Total portfolio loans were $13.81 billion at June 30, 2025, compared to $7.70 billion at December 31, 2024. The $6.11 billion growth in the loan portfolio during the first half of 2025 was attributable to the CrossFirst acquisition. Busey remains steadfast in its conservative approach to underwriting and disciplined approach to pricing. Loan demand has been tempered, with borrowers hesitant to invest because of lingering macroeconomic uncertainty. At the same time, Busey's commercial real estate portfolio continues to season, resulting in payoffs as properties are completed, stabilized, and refinanced to permanent markets or sold. We expect continued pressure from pay downs within our commercial real estate portfolio through the remainder of 2025.

Concentration of Credit Risk

As a matter of policy and practice, Busey limits the level of concentration exposure in any particular loan segment with the goal of maintaining a well-diversified loan portfolio. The following table presents the percentage of total portfolio loans for each lending activity:

	As of	
	June 30, 2025	December 31, 2024
Commercial loans		
C&I and other commercial	32.4 %	24.8 %
CRE	40.3 %	42.5 %
Real estate construction	7.6 %	4.9 %
Total commercial loans	80.3 %	72.2 %
Retail loans		
Retail real estate	16.1 %	22.0 %
Retail other	3.6 %	5.8 %
Total retail loans	19.7 %	27.8 %
Total portfolio loans	100.0 %	100.0 %

Busey Bank originates loans across its regional operating model. Busey's regions are defined as follows:

- *East* – Suburban Chicago markets, the St. Louis MSA, and southwest Florida
- *Midwest* – Central Illinois and Indianapolis, Indiana
- *Central* – The Kansas City MSA, central Kansas, and Oklahoma
- *Texas* – The Dallas-Fort Worth MSA
- *West* – Colorado, New Mexico, and Arizona
- *Verticals* – Busey's Life Equity Lending, Sponsor Finance, Energy Lending, and SBA Lending products

The geographic distribution of Busey Bank loans outstanding as of June 30, 2025, that were originated in each of these markets is presented in the table below:

	As of June 30, 2025					
(dollars in thousands)	C&I and other commercial	CRE	Real estate construction	Retail real estate	Retail other	Total
Loans by region of origination						
East	$ 1,119,140	$ 1,786,474	$ 136,456	$ 895,403	$ 108,934	$ 4,046,407
Midwest	829,956	1,404,010	236,085	749,057	7,937	3,227,045
Central	597,171	900,003	170,393	362,558	16,253	2,046,378
Texas	668,766	810,674	337,306	123,456	4,492	1,944,694
West	244,358	528,893	146,358	89,823	945	1,010,377
Verticals	1,017,478	139,705	15,205	8,662	352,668	1,533,718
Total portfolio loans	$ 4,476,869	$ 5,569,759	$ 1,041,803	$ 2,228,959	$ 491,229	13,808,619
ACL						(183,334)
Portfolio loans, net of ACL						$ 13,625,285

Prior to the CrossFirst acquisition on March 1, 2025, Busey Bank's loan origination occurred in the Illinois, Missouri, Florida, and Indiana markets. The geographic distribution of Busey Bank loans outstanding as of December 31, 2024, that were originated in each of these markets is presented in the table below:

	As of December 31, 2024					
(dollars in thousands)	C&I and other commercial	CRE	Real estate construction	Retail real estate	Retail other	Total
Loans by state of origination						
Illinois	$ 1,493,670	$ 2,285,915	$ 232,898	$ 1,275,834	$ 443,164	$ 5,731,481
Missouri	276,140	560,337	40,816	211,878	3,731	1,092,902
Florida	58,277	245,918	30,826	128,352	683	464,056
Indiana	76,428	177,394	73,669	80,393	764	408,648
Total portfolio loans	$ 1,904,515	$ 3,269,564	$ 378,209	$ 1,696,457	$ 448,342	7,697,087
ACL						(83,404)
Portfolio loans, net of ACL						$ 7,613,683

CRE loans made up 40.3% of Busey's total loan portfolio as of June 30, 2025, and were 25.6% owner occupied. CRE loans are made across a variety of industries, as depicted in the table below. Balances reflected in the table below do not include loan origination fees or costs, purchase accounting adjustments, SBA discounts, or negative escrow amounts.

	As of June 30, 2025			
		Owned By		
(dollars in thousands)	CRE Loans	Investor	Occupant	% of CRE Loans That Are Owner Occupied
Industry				
Industrial and warehousing	$ 1,319,292	$ 873,061	$ 446,231	33.8 %
Retail	859,112	744,581	114,531	13.3 %
Apartments	850,596	850,596	—	— %
Traditional office	662,478	464,304	198,174	29.9 %
Specialty	472,791	180,384	292,407	61.8 %
Hotel	350,045	350,045	—	— %
Medical office	278,545	138,319	140,226	50.3 %
Student housing	210,572	210,572	—	— %
Senior housing	145,344	145,344	—	— %
Restaurant	143,817	28,325	115,492	80.3 %
Nursing homes	107,828	106,230	1,598	1.5 %
1-4 Family	63,540	27,384	36,156	56.9 %
Healthcare	20,407	20,000	407	2.0 %
Land acquisition and development	15,581	6,399	9,182	58.9 %
Group homes	3,615	3,615	—	— %
Other	109,101	24,348	84,753	77.7 %
Total	$ 5,612,664	$ 4,173,507	$ 1,439,157	25.6 %

Allowance for Credit Losses and Provision for Loan Losses

The ACL is a significant estimate on Busey's unaudited consolidated financial statements, affecting both earnings and capital. The methodology adopted influences, and is influenced by, Busey's overall credit risk management processes. The ACL is recorded in accordance with GAAP to provide an adequate reserve for expected credit losses that is reflective of management's best estimate of what is expected to be collected. Estimates of credit losses are based on a careful consideration of all significant factors affecting the collectability as of the evaluation date. The ACL is established through the provision for credit loss expense charged to income. Provision for loan losses expenses were recorded as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(dollars in thousands)	2025	2024	2025	2024
Provision for loan losses	$ 1,005	$ 2,277	$ 43,457	$ 7,315

The $1.0 million provision for loan losses recorded in the second quarter of 2025 included a release of the PCD provision of $11.8 million due to PCD loan payoffs/paydowns and non-PCD provision expense of $12.8 million to support charge-offs, to adjust for the loan portfolio mix, and as a response to economic factors. The provision for loan losses for the six months ended June 30, 2025, included $42.4 million provision expense recorded to establish an initial allowance for non-PCD loans immediately following the close of the CrossFirst acquisition in accordance with ASC 326-20-30-15.

The ACL and the ratio of ACL to portfolio loan balances is presented below by lending activity:

	As of June 30, 2025			As of December 31, 2024		
(dollars in thousands)	Portfolio Loans	ACL	Ratio of ACL to Portfolio Loans	Portfolio Loans	ACL	Ratio of ACL to Portfolio Loans
Commercial						
C&I and other commercial	$ 4,476,869	$ 68,578	1.53 %	$ 1,904,515	$ 21,589	1.13 %
CRE	5,569,759	70,935	1.27 %	3,269,564	32,301	0.99 %
Real estate construction	1,041,803	13,072	1.25 %	378,209	3,345	0.88 %
Total commercial	11,088,431	152,585	1.38 %	5,552,288	57,235	1.03 %
Retail						
Retail real estate	2,228,959	29,042	1.30 %	1,696,457	23,711	1.40 %
Retail other	491,229	1,707	0.35 %	448,342	2,458	0.55 %
Total retail	2,720,188	30,749	1.13 %	2,144,799	26,169	1.22 %
Total	$ 13,808,619	$ 183,334	1.33 %	$ 7,697,087	$ 83,404	1.08 %

As of June 30, 2025, management believed the level of the ACL to be appropriate based upon the information available. However, additional losses may be identified in the loan portfolio as new information is obtained. Factors that influence Busey's calculation of its ACL include changes in economic conditions and forecasts, originated and acquired loan portfolio composition, credit performance trends, portfolio duration, and other factors.

Non-Performing Loans and Non-Performing Assets

Loans are considered past due if the required principal or interest payments have not been received as of the date such payments were due. Loans are placed on non-accrual status when, in management's opinion, the borrower may be unable to meet payment obligations as they become due, as well as when required by regulatory guidelines. Loans may be placed on non-accrual status regardless of whether or not such loans are considered past due. Loans are returned to accrual status when all principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Typically, loans are secured by collateral. When a loan is classified as non-accrual and determined to be collateral dependent, it is appropriately reserved or charged down through the ACL to the fair value of Busey's interest in the underlying collateral less estimated costs to sell. Busey's loan portfolio is collateralized primarily by real estate.

The following table sets forth information concerning non-performing assets and asset quality ratios:

	As of			
(dollars in thousands)	June 30, 2025	December 31, 2024	Change	%Change
Portfolio loans	$ 13,808,619	$ 7,697,087	$ 6,111,532	79.4 %
Loans 30 – 89 days past due	42,188	8,124	34,064	419.3 %
Total assets	18,918,740	12,046,722	6,872,018	57.0 %
Non-performing assets				
Non-performing loans:				
Non-accrual loans	$ 53,614	$ 22,088	$ 31,526	142.7 %
Loans 90+ days past due and still accruing	941	1,149	(208)	(18.1)%
Total non-performing loans	54,555	23,237	31,318	134.8 %
OREO and other repossessed assets	3,596	63	3,533	NM
Total non-performing assets	58,151	23,300	34,851	149.6 %
Substandard (excludes 90+ days past due)	117,580	62,023	55,557	89.6 %
Classified assets	$ 175,731	$ 85,323	$ 90,408	106.0 %
ACL	$ 183,334	$ 83,404	$ 99,930	119.8 %
Bank Tier 1 Capital	2,098,016	1,438,296	659,720	45.9 %
Ratios				
ACL to portfolio loans	1.33 %	1.08 %	25 bps	
ACL to non-accrual loans	3.42 x	3.78 x	(3,565) bps	
ACL to non-performing loans	3.36 x	3.59 x	(2,287) bps	
ACL to non-performing assets	3.15 x	3.58 x	(4,268) bps	
Non-accrual loans to portfolio loans	0.39 %	0.29 %	10 bps	
Non-performing loans to portfolio loans	0.40 %	0.30 %	10 bps	
Non-performing assets to total assets	0.31 %	0.19 %	12 bps	
Non-performing assets to portfolio loans and OREO and other repossessed assets	0.42 %	0.30 %	12 bps	
Classified assets to Bank Tier 1 Capital and ACL	7.70 %	5.61 %	209 bps	

Busey's total assets grew by 57.0% to $18.92 billion as of June 30, 2025, compared to $12.05 billion as of December 31, 2024, largely in connection with the CrossFirst acquisition. Further, Busey's loan portfolio grew by 79.4% to $13.81 billion as of June 30, 2025, compared to $7.70 billion as of December 31, 2024.

Asset quality continues to be strong. Following the CrossFirst Bank Merger in June, Busey is operating as one bank, with a singular credit policy, concentration limits, and monitoring that will continue to align with Busey's pillars of credit quality. Busey's operating mandate and focus remain on emphasizing credit quality over asset growth.

Non-performing loan balances increased to $54.6 million as of June 30, 2025, compared to $23.2 million as of December 31, 2024, due to PCD loans assumed in the CrossFirst acquisition. Non-performing loans represented 0.40% of portfolio loans as of June 30, 2025, compared to 0.30% as of December 31, 2024. Busey's allowance for credit losses provided coverage of 3.36 times non-performing loans at June 30, 2025, compared to 3.59 times at December 31, 2024.

Non-performing assets, which includes non-performing loans, OREO, and other repossessed assets, increased to $58.2 million as of June 30, 2025, compared to $23.3 million as of December 31, 2024, due to PCD loans assumed in the CrossFirst acquisition. Non-performing assets represented 0.31% of total assets as of June 30, 2025, compared to 0.19% as of December 31, 2024. Busey's allowance for credit losses provided coverage of 3.15 times non-performing assets at June 30, 2025, compared to 3.58 times at December 31, 2024.

Classified assets, which includes non-performing assets and substandard loans, increased to $175.7 million as of June 30, 2025, compared to $85.3 million as of December 31, 2024, due to PCD loans assumed in the CrossFirst acquisition. Classified assets represented 7.70% of the Bank's Tier 1 capital and ACL at June 30, 2025, compared to 5.61% at December 31, 2024.

Net charge-offs totaled $12.9 million and $44.3 million for the three and six months ended June 30, 2025, respectively, compared to $9.9 million and $15.1 million for the comparable periods in 2024. Net charge-offs for the six months ended June 30, 2025, include $31.1 million related to PCD loans acquired from CrossFirst Bank, which were fully reserved at acquisition and did not require recording additional provision expense.

Asset quality metrics remain dependent upon market-specific economic conditions, and specific measures may fluctuate from period to period. If economic conditions were to deteriorate, Busey would expect the credit quality of its loan portfolio to decline and loan defaults to increase.

Potential Problem Loans

Potential problem loans are loans classified as substandard which are not individually evaluated, non-accrual, or 90+ days past due, but where current information indicates that the borrower may not be able to comply with loan repayment terms. Management assesses the potential for loss on such loans and considers the effect of any potential loss in determining its provision for expected credit losses. Potential problem loans increased to $105.3 million as of June 30, 2025, compared to $62.0 million as of December 31, 2024. Management continues to monitor these loans and work with the borrowers on restructurings, guarantees, additional collateral, or other planned actions. As of June 30, 2025, management identified no other loans that represent or result from trends or uncertainties that would be expected to materially impact future operating results, liquidity, or capital resources.

Deposits

Total deposits increased by 58.3% to $15.80 billion as of June 30, 2025, compared to $9.98 billion as of December 31, 2024, in connection with the CrossFirst acquisition. Busey focuses on deepening its customer relationships to maintain and protect its strong core deposit[3] franchise. Core deposits include non-brokered transaction accounts, money market and savings deposit accounts, and time deposits of $250,000 or less. Core deposits represented 92.5% of total deposits as of June 30, 2025.

Deposits are federally insured up to the FDIC insurance limit of $250,000. When a portion of a deposit account exceeds the FDIC insurance limit, that portion is uninsured. Estimated uninsured deposits were $6.66 billion, or 42% of total deposits, as of June 30, 2025, compared to $3.78 billion, or 38% of total deposits, as of December 31, 2024. Excluding intercompany accounts, fully collateralized accounts (including preferred deposits), and pass-through accounts where clients have deposit insurance at the correspondent financial institution, the portion of Busey's deposit base that was uninsured and not otherwise collateralized was $5.25 billion, or 33% of total deposits, as of June 30, 2025, compared to $2.96 billion, or 30% of total deposits, as of December 31, 2024.

[3] Core deposits is a non-GAAP financial measure. For a reconciliation of non-GAAP measures to the most directly comparable GAAP financial measures, see *"Item 2. Management's Discussion and Analysis—Non-GAAP Financial Information"* included in this Quarterly Report.

Liquidity

Liquidity management is the process by which Busey ensures that adequate liquid funds are available to meet the present and future cash flow obligations arising in the daily operations of its business. These financial obligations consist of needs for funds to meet commitments to borrowers for extensions of credit, fund capital expenditures, honor withdrawals by customers, pay dividends to stockholders, and pay operating expenses. Busey's most liquid assets are cash and due from banks, interest-bearing bank deposits, and federal funds sold. Balances of these assets are dependent on Busey's operating, investing, lending, and financing activities during any given period.

Average liquid assets are summarized in the table below:

(dollars in thousands)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Average liquid assets				
Cash and due from banks	$ 156,535	$ 109,776	$ 164,617	$ 107,679
Interest-bearing bank deposits	711,629	236,605	699,996	362,608
Less: Restricted and pledged cash and bank deposits	(78,659)	$ (34,210)	(74,740)	$ (34,210)
Total average liquid assets	$ 789,505	$ 312,171	$ 789,873	$ 436,077
Average liquid assets as a percent of average total assets	4.1 %	2.6 %	4.7 %	3.6 %

Unencumbered cash and securities on Busey's Consolidated Balance Sheets (Unaudited) are summarized as follows:

(dollars in thousands)	As of June 30, 2025	As of December 31, 2024
Unencumbered cash and securities		
Total cash and cash equivalents	$ 752,352	$ 697,659
Restricted and pledged cash and bank deposits	(106,499)	(65,830)
Debt securities available for sale	2,217,788	1,810,221
Debt securities available for sale pledged as collateral	(566,150)	(653,454)
Cash and unencumbered securities	$ 2,297,491	$ 1,788,596

Busey's primary sources of funds consist of deposits, investment maturities and sales, loan principal repayments, and capital funds. Additional liquidity is provided by the ability to borrow from the FHLB, the Federal Reserve Bank, and Busey's revolving credit facility, as summarized in the table below:

(dollars in thousands)	As of June 30, 2025	As of December 31, 2024
Additional available borrowing capacity		
FHLB	$ 1,915,607	$ 1,679,463
Federal Reserve Bank	1,369,913	664,083
Federal funds purchased	485,000	477,500
Revolving credit facility	40,000	40,000
Additional borrowing capacity	$ 3,810,520	$ 2,861,046

Further, Busey could utilize brokered deposits as additional sources of liquidity, as needed.

As of June 30, 2025, management believed that adequate liquidity existed to meet all projected cash flow obligations. Busey seeks to achieve a satisfactory degree of liquidity by actively managing both assets and liabilities. Asset management guides the proportion of liquid assets to total assets, while liability management monitors future funding requirements and prices liabilities accordingly.

Off-Balance-Sheet Arrangements

Busey Bank routinely enters into commitments to extend credit and standby letters of credit in the normal course of business to meet the financing needs of its customers. The balance of commitments to extend credit represents future cash requirements and some of these commitments may expire without being drawn upon.

The following table summarizes Busey's outstanding commitments and reserves for unfunded commitments:

	As of	
(dollars in thousands)	June 30, 2025	December 31, 2024
Outstanding loan commitments and standby letters of credit	$ 4,406,199	$ 2,548,178
Reserve for unfunded commitments	13,803	5,967

The following table summarizes Busey's provision for unfunded commitments expenses (releases):

		Three Months Ended June 30,		Six Months Ended June 30,	
(dollars in thousands)	Location	2025	2024	2025	2024
Provision for unfunded commitments expense (release)[1]	Provision for credit losses	$ 4,695	$ (369)	$ 7,836	$ (1,047)

1. During the three months ended June 30, 2025, an additional $4.0 million adjustment to the initial provision for unfunded commitments was recorded, resulting from the adoption of a new CECL model. The six months ended June 30, 2025, also included $3.1 million to establish an initial allowance for unfunded commitments following the close of the CrossFirst acquisition.

Busey anticipates that it will have sufficient funds available to meet current loan commitments, including loan applications received and in process prior to the issuance of firm commitments.

Capital Resources

Busey's capital ratios are in excess of those required to be considered "well-capitalized" pursuant to applicable regulatory guidelines. The Federal Reserve uses capital adequacy guidelines in its examination and regulation of bank holding companies and their subsidiary banks. Risk-based capital ratios are established by allocating assets and certain off-balance-sheet commitments into risk-weighted categories. These balances are then multiplied by the factor appropriate for that risk-weighted category. In order to refrain from restrictions on dividends, equity repurchases, and discretionary bonus payments, banking institutions must maintain capital in excess of regulatory minimum capital requirements. The table below presents minimum capital ratios that include the capital conservation buffer in comparison to the capital ratios for First Busey and its subsidiary bank as of June 30, 2025:

		As of June 30, 2025	
	Minimum Capital Requirements with Capital Buffer	First Busey	Busey Bank
Common Equity Tier 1 Capital to Risk Weighted Assets	7.00 %	12.22 %	13.62 %
Tier 1 Capital to Risk Weighted Assets	8.50 %	13.66 %	13.62 %
Total Capital to Risk Weighted Assets	10.50 %	15.75 %	14.53 %
Leverage Ratio of Tier 1 Capital to Average Assets	6.50 %	11.26 %	11.22 %

For further discussion of capital resources and requirements, see *"Note 8: Regulatory Capital."*

NON-GAAP FINANCIAL INFORMATION

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

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

The following tables present reconciliations between these non-GAAP measures and what management believes to be the most directly comparable GAAP financial measures.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (Unaudited)

Pre-Provision Net Revenue and Related Measures

(dollars in thousands)		Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Net interest income (GAAP)		$ 153,183	$ 82,532	$ 256,914	$ 158,386
Total noninterest income (GAAP)		44,863	33,703	66,086	68,616
Net security (gains) losses (GAAP)		(5,997)	353	9,771	6,728
Total noninterest expense (GAAP)[1]		(127,833)	(75,906)	(239,863)	(147,353)
Pre-provision net revenue (Non-GAAP)	[a]	64,216	40,682	92,908	86,377
Acquisition and restructuring expenses, excluding initial provision expenses		16,600	2,212	42,626	2,620
Realized net (gains) losses on the sale of mortgage service rights		—	(277)	—	(7,742)
Realized net (gains) losses on the sale of mortgage service rights	[b]	$ 80,816	$ 42,617	$ 135,534	$ 81,255
Average total assets	[c]	19,068,086	12,089,692	16,961,396	12,056,950
Pre-provision net revenue to average total assets (Non-GAAP)[2]	[a÷c]	1.35 %	1.35 %	1.10 %	1.44 %
Adjusted pre-provision net revenue to average total assets (Non-GAAP)[2]	[b÷c]	1.70 %	1.42 %	1.61 %	1.36 %

1. Beginning in the second quarter of 2025, Busey revised its presentation, for all periods presented, to reclassify the provision for unfunded commitments so that it is now included within the provision for credit losses; therefore, it is no longer included within total noninterest expense.
2. Annualized measure.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (Unaudited)

Adjusted Net Income, Average Tangible Common Equity, and Related Ratios

(dollars in thousands, except per share amounts)		Three Months Ended June 30, 2025	2024	Six Months Ended June 30, 2025	2024
Net income (loss) (GAAP)	[a]	$ 47,404	$ 27,357	$ 17,414	$ 53,582
Day 2 provision for credit losses[1]		—	—	45,572	—
Adjustment of initial provision for unfunded commitments due to adoption of new model[2]		4,030	—	4,030	—
Other acquisition expenses		16,600	2,212	42,626	2,497
Restructuring expenses		—	—	—	123
Net securities (gains) losses		(5,997)	353	9,771	6,728
Realized net (gains) losses on the sale of mortgage servicing rights		—	(277)	—	(7,742)
Related tax (benefit) expense[3]		(4,971)	(572)	(27,040)	(402)
Non-recurring deferred tax adjustment[4]		328	1,446	4,919	1,446
Adjusted net income (Non-GAAP)[5]	[b]	57,394	30,519	97,292	56,232
Preferred dividends	[c]	155	—	155	—
Adjusted net income available to common stockholders (Non-GAAP)	[d]	$ 57,239	$ 30,519	$ 97,137	$ 56,232
Weighted average number of common shares outstanding, diluted (GAAP)	[e]	90,883,711	57,853,231	80,251,577	57,129,865
Diluted earnings per common share (GAAP)	[(a-c)÷e]	$ 0.52	$ 0.47	$ 0.22	$ 0.94
Adjusted diluted earnings per common share (Non-GAAP)[6]	[d÷e]	$ 0.63	$ 0.53	$ 1.21	$ 0.98
Average total assets	[f]	19,068,086	12,089,692	16,961,396	12,056,950
Return on average assets (Non-GAAP)[6]	[a÷f]	1.00 %	0.91 %	0.21 %	0.89 %
Adjusted return on average assets (Non-GAAP)[5, 6]	[b÷f]	1.21 %	1.02 %	1.16 %	0.94 %
Average common equity		$ 2,180,963	$ 1,331,815	$ 2,057,372	$ 1,303,770
Average goodwill and other intangible assets, net		(494,473)	(376,224)	(452,978)	(364,620)
Average tangible common equity (Non-GAAP)	[g]	$ 1,686,490	$ 955,591	$ 1,604,394	$ 939,150
Return on average tangible common equity (Non-GAAP)[6]	[(a-c)÷g]	11.24 %	11.51 %	2.17 %	11.47 %
Adjusted return on average tangible common equity (Non-GAAP)[6]	[d÷g]	13.61 %	12.85 %	12.21 %	12.04 %

1. The Day 2 provision represents the initial provision for credit losses recorded in connection with the CrossFirst acquisition to establish an allowance on non-PCD loans and unfunded commitments and is reflected within the provision for credit losses line on the Statement of Income.
2. Busey recorded an adjustment to the initial provision for unfunded commitments for CrossFirst acquisition-date balances based on revised estimates resulting from implementation of a new CECL model.
3. Tax benefits were calculated for the year-to-date periods using tax rates of 26.51% and 25.03% for the six months ended June 30, 2025 and 2024, respectively. Tax benefits for the quarterly periods were calculated as the year-to-date tax amounts less the tax reported for previous quarters during the year.
4. A deferred valuation tax adjustment in 2025 was recorded in connection with the CrossFirst acquisition and the expansion of Busey's footprint into new states. Additionally, 2025 includes a write-off of deferred tax assets related to non-deductible compensation and acquisition-related expenses. A deferred tax valuation adjustment in 2024 resulted from a change to Busey's Illinois apportionment rate due to recently enacted regulations. Deferred tax adjustments are reflected within the income taxes line on the Statement of Income.
5. Beginning in 2025, Busey revised its calculation of adjusted net income for all periods presented to include, as applicable, adjustments for net securities gains and losses, realized net gains and losses on the sale of mortgage servicing rights, and one-time deferred tax valuation adjustments. In 2024, these adjusting items were presented as further adjustments to adjusted net income.
6. Annualized measure.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (Unaudited)

Tax-Equivalent Net Interest Income, Adjusted Net Interest Income, Net Interest Margin, and Adjusted Net Interest Margin

(dollars in thousands)		Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Net interest income (GAAP)		$ 153,183	$ 82,532	$ 256,914	$ 158,386
Tax-equivalent adjustment[1]		791	402	1,328	851
Tax-equivalent net interest income (Non-GAAP)	[a]	153,974	82,934	258,242	159,237
Purchase accounting accretion related to business combinations		(7,119)	(812)	(9,847)	(1,016)
Adjusted net interest income (Non-GAAP)	[b]	$ 146,855	$ 82,122	$ 248,395	$ 158,221
Average interest-earning assets (Non-GAAP)	[c]	17,700,356	11,000,785	15,543,955	11,003,344
Net interest margin (Non-GAAP)[2]	[a÷c]	3.49 %	3.03 %	3.35 %	2.91 %
Adjusted net interest margin (Non-GAAP)[2]	[b÷c]	3.33 %	3.00 %	3.22 %	2.89 %

1. Tax-equivalent adjustments were calculated using an estimated federal income tax rate of 21.0%, applied to non-taxable interest income on investments and loans.
2. Annualized measure.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (Unaudited)

Adjusted Noninterest Income, Revenue Measures, Adjusted Noninterest Expense, Efficiency Ratios, and Adjusted Noninterest Expense to Average Assets

(dollars in thousands)		Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Net interest income (GAAP)	[a]	$ 153,183	$ 82,532	$ 256,914	$ 158,386
Tax-equivalent adjustment[1]		791	402	1,328	851
Tax-equivalent net interest income (Non-GAAP)	[b]	153,974	82,934	258,242	159,237
Total noninterest income (GAAP)		44,863	33,703	66,086	68,616
Net security (gains) losses		(5,997)	353	9,771	6,728
Noninterest income excluding net securities gains and losses (Non-GAAP)	[c]	38,866	34,056	75,857	75,344
Realized net (gains) losses on the sale of mortgage service rights		—	(277)	—	(7,742)
Adjusted noninterest income (Non-GAAP)	[d]	38,866	33,779	75,857	67,602
Tax-equivalent revenue (Non-GAAP)	[e = b+c]	$ 192,840	$ 116,990	$ 334,099	$ 234,581
Adjusted tax-equivalent revenue (Non-GAAP)	[f = b+d]	$ 192,840	$ 116,713	$ 334,099	$ 226,839
Operating revenue (Non-GAAP)	[g = a+d]	$ 192,049	$ 116,311	$ 332,771	$ 225,988
Adjusted noninterest income to operating revenue (Non-GAAP)	[d÷g]	20.24 %	29.04 %	22.80 %	29.91 %
Total noninterest expense (GAAP)[2]		$ 127,833	$ 75,906	$ 239,863	$ 147,353
Amortization of intangible assets		(4,592)	(2,629)	(7,675)	(5,038)
Noninterest expense excluding amortization of intangible assets (Non-GAAP)[2]	[h]	123,241	73,277	232,188	142,315
Acquisition and restructuring expenses, excluding initial provision expenses		(16,600)	(2,212)	(42,626)	(2,620)
Adjusted noninterest expense (Non-GAAP)[2]	[i]	$ 106,641	$ 71,065	$ 189,562	$ 139,695
Efficiency ratio (Non-GAAP)[2]	[h÷e]	63.91 %	62.64 %	69.50 %	60.67 %
Adjusted efficiency ratio (Non-GAAP)[2]	[i÷f]	55.30 %	60.89 %	56.74 %	61.58 %
Average total assets	[j]	19,068,086	12,089,692	16,961,396	12,056,950
Adjusted noninterest expense to average assets (Non-GAAP)[2, 3]	[i÷j]	2.24 %	2.36 %	2.25 %	2.33 %

1. Tax-equivalent adjustments were calculated using an estimated federal income tax rate of 21.0%, applied to non-taxable interest income on investments and loans.
2. Beginning in the second quarter of 2025, Busey revised its presentation, for all periods presented, to reclassify the provision for unfunded commitments so that it is now included within the provision for credit losses; therefore, it is no longer included within total noninterest expense. This change affects all measures and ratios derived from total noninterest expense.
3. Annualized measure.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (Unaudited)

Tangible Assets, Tangible Common Equity, and Related Measures and Ratio

(dollars in thousands, except per share amounts)		As of June 30, 2025	As of December 31, 2024
Total assets (GAAP)		18,918,740	12,046,722
Goodwill and other intangible assets, net		(488,181)	(365,975)
Tangible assets (Non-GAAP)[1]	[a]	18,430,559	11,680,747
Total stockholders' equity (GAAP)		2,412,546	1,383,269
Preferred stock and additional paid in capital on preferred stock		(215,197)	—
Common equity	[b]	2,197,349	1,383,269
Goodwill and other intangible assets, net		(488,181)	(365,975)
Tangible common equity (Non-GAAP)[1]	[c]	1,709,168	1,017,294
Tangible common equity to tangible assets (Non-GAAP)[1]	[c÷a]	9.27 %	8.71 %
Ending number of common shares outstanding (GAAP)	[d]	89,104,678	56,895,981
Book value per common share (Non-GAAP)	[b÷d]	$ 24.66	$ 24.31
Tangible book value per common share (Non-GAAP)	[c÷d]	$ 19.18	$ 17.88

1. Beginning in 2025, Busey revised its calculation of tangible assets and tangible common equity for all periods presented to exclude any tax adjustment.

Core Deposits and Related Ratio

(dollars in thousands)		As of June 30, 2025	As of December 31, 2024
Total deposits (GAAP)	[a]	15,801,772	9,982,490
Brokered deposits, excluding brokered time deposits of $250,000 or more		(353,614)	(13,090)
Time deposits of $250,000 or more		(827,762)	(334,503)
Deposits acquired in business combinations, prior to integration		—	—
Core deposits (Non-GAAP)	[b]	14,620,396	9,634,897
Core deposits to total deposits (Non-GAAP)	[b÷a]	92.52 %	96.52 %

FORWARD-LOOKING STATEMENTS

This Quarterly Report may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to Busey's financial condition, results of operations, plans, objectives, future performance, and business. Forward-looking statements, which may be based upon beliefs, expectations, and assumptions of Busey'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," "position," or other similar expressions. Additionally, all statements in this document, including forward-looking statements, speak only as of the date they are made, and Busey undertakes no obligation to update any statement in light of new information or future events.

A number of factors, many of which are beyond Busey's ability to control or predict, could cause actual results to differ materially from those in any forward-looking statements. These factors include, among others, the following: (1) the strength of the local, state, national, and international economies and financial markets (including effects of inflationary pressures, the threat or implementation of tariffs, trade wars, and changes to immigration policy); (2) changes in, and the interpretation and prioritization of, local, state, and federal laws, regulations, and governmental policies (including those concerning Busey's general business); (3) the economic impact of any future terrorist threats or attacks, widespread disease or pandemics, or other adverse external events that could cause economic deterioration or instability in credit markets (including Russia's invasion of Ukraine and the conflict in the Middle East); (4) unexpected results of acquisitions, including the acquisition of CrossFirst, which may include the failure to realize the anticipated benefits of the acquisitions and the possibility that the transaction and integration costs may be greater than anticipated; (5) the imposition of tariffs or other governmental policies impacting the value of products produced by Busey's commercial borrowers; (6) new or revised accounting policies and practices as may be adopted by state and federal regulatory banking agencies, the Financial Accounting Standards Board, the Securities and Exchange Commission, or the Public Company Accounting Oversight Board; (7) changes in interest rates and prepayment rates of Busey's assets (including the impact of sustained elevated interest rates); (8) increased competition in the financial services sector (including from non-bank competitors such as credit unions and fintech companies) and the inability to attract new customers; (9) technological changes implemented by us and other parties, including our third-party vendors, which may have unforeseen consequences to us and our customers, including the development and implementation of tools incorporating artificial intelligence; (10) the loss of key executives or associates, talent shortages, and employee turnover; (11) unexpected outcomes and costs of existing or new litigation, investigations, or other legal proceedings, inquiries, and regulatory actions involving Busey (including with respect to Busey's Illinois franchise taxes); (12) fluctuations in the value of securities held in Busey's securities portfolio, including as a result of changes in interest rates; (13) credit risk and risk from concentrations (by type of borrower, geographic area, collateral, and industry), within Busey's loan portfolio and large loans to certain borrowers (including commercial real estate loans); (14) the concentration of large deposits from certain clients who have balances above current Federal Deposit Insurance Corporation insurance limits and may withdraw deposits to diversify their exposure; (15) the level of non-performing assets on Busey's balance sheets; (16) interruptions involving information technology and communications systems or third-party servicers; (17) breaches or failures of information security controls or cybersecurity-related incidents; (18) the economic impact on Busey and its customers of climate change, natural disasters, and exceptional weather occurrences such as tornadoes, hurricanes, floods, blizzards, and droughts; (19) the ability to successfully manage liquidity risk, which may increase dependence on non-core funding sources such as brokered deposits, and may negatively impact Busey's cost of funds; (20) the ability to maintain an adequate level of allowance for credit losses on loans; (21) the effectiveness of Busey's risk management framework; and (22) the ability of Busey to manage the risks associated with the foregoing. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements.

Additional information concerning Busey and its business, including additional factors that could materially affect Busey's financial results, is included in Busey's filings with the Securities and Exchange Commission including Busey's 2024 Annual Report.

CRITICAL ACCOUNTING ESTIMATES

Busey has established various accounting policies that govern the application of GAAP in the preparation of its unaudited consolidated financial statements. Significant accounting policies are described in *"Note 1. Significant Accounting Policies"* of Busey's 2024 Annual Report.

Critical accounting estimates are those that are critical to the portrayal and understanding of Busey's financial condition and results of operations and require management to make assumptions that are subjective or complex. These estimates involve judgments, assumptions, and uncertainties that are susceptible to change. In the event that different assumptions or conditions were to prevail, and depending on the severity of such changes, the possibility of a materially different financial condition or materially different results of operations is a reasonable likelihood. Further, changes in accounting standards could impact Busey's critical accounting estimates. Management has reviewed these critical accounting estimates and related disclosures with Busey's Audit Committee. The following estimates could be deemed critical:

Fair Value of Assets Acquired and Liabilities Assumed in Business Combinations

Business combinations are accounted for using the acquisition method of accounting. Under the acquisition method of accounting, assets acquired and liabilities assumed are recorded at their estimated fair value on the date of acquisition. Fair values are determined based on the definition of "fair value" defined in ASC Topic 820 *"Fair Value Measurement"* as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." The determination of fair values is based on valuations using management's assumptions of future growth rates, future attrition, discount rates, multiples of earnings or other relevant factors. In addition, Busey engages third party specialists to assist in the development of fair values.

The fair value of a loan portfolio acquired in a business combination generally requires greater levels of management estimates and judgment than other assets acquired or liabilities assumed. Acquired loans are within the scope of ASC Topic 326 *"Financial Instruments-Credit Losses."* However, the offset to record the allowance on acquired loans at the date of acquisition depends on whether or not the loan is classified as PCD. The allowance for PCD loans is recorded through a gross-up effect, while the allowance for acquired non-PCD loans is recorded through provision expense, consistent with originated loans. Thus, the determination of which loans are PCD and non-PCD can have a significant effect on the accounting for these loans.

Goodwill

Goodwill represents the excess of purchase price over the fair value of net assets acquired using the acquisition method of accounting. Goodwill is not amortized; instead, Busey assesses the potential for impairment on an annual basis or more frequently if events and circumstances indicate that goodwill might be impaired. Management applies significant judgement when testing goodwill for impairment, such as the valuation approach chosen, market multiples for competitors used in the calculation, and forecasts of business outlook.

Income Taxes

Busey is subject to the income tax laws of U.S., as well as the tax laws of the individual states and municipalities in which the Company conducts its operations. These laws are often complex and subject to nuanced interpretations.

Income taxes are estimated for the tax effects of the transactions reported on Busey's unaudited consolidated financial statements and consist of an expense for taxes currently due plus assets and/or liabilities for deferred taxes. Deferred taxes represent the future tax consequences of differences between the tax basis and accounting basis of certain assets and liabilities, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets and liabilities are estimates that are reflected at income tax rates applicable to the period in which the deferred tax assets or liabilities are expected to be realized or settled. Deferred taxes are reported in other assets or other liabilities on the Consolidated Balance Sheets (Unaudited). Estimated income tax expense is reported on the Consolidated Statements of Income (Unaudited).

In establishing its provision for income taxes and its estimates of deferred tax assets and liabilities, Busey must make judgments and interpretations about the application of inherently complex tax laws. Busey must also make estimates about when in the future certain items will affect taxable income. Disputes over interpretations of the tax laws may be subject to review and adjudication by the court systems of the various tax jurisdictions or may be settled with the taxing authority upon examination or audit. Although Busey's management believes that its judgments are sound and its tax estimates are reasonable, interpretations of tax law applied by the taxing jurisdictions could differ. As such, Busey may be exposed to losses or gains, which could be material. An unfavorable tax settlement would result in an increase in Busey's effective income tax rate in the period of resolution. A favorable tax settlement would result in a reduction in Busey's effective income tax rate in the period of resolution.

Allowance for Credit Losses

Busey calculates the ACL at each reporting date. Busey recognizes an allowance for the lifetime expected credit losses for the amount it does not expect to collect. Measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported book value. The calculation also contemplates that Busey may not be able to make or obtain such forecasts for the entire life of the financial assets and requires a reversion to historical credit loss information.

In determining the ACL, management relies predominantly on a disciplined credit review and approval process that extends to the full range of Busey's credit exposure. The ACL must be determined on a collective (pool) basis when similar risk characteristics exist. On a case-by-case basis, Busey may conclude that a loan should be evaluated on an individual basis based on disparate risk characteristics.

Loans deemed uncollectible are charged against and reduce the ACL. A provision for credit losses is charged to current expense and acts to replenish the ACL in order to maintain the ACL at a level that management deems adequate.

Determining the ACL involves significant judgments and assumptions. Macroeconomic forecasts provided by a third party and the economic indices sourced are significant judgments used in determining the allowance. Changes in these economic forecasts could significantly affect the ACL and lead to materially different amounts from one period to the next. Additionally, prepayment assumptions impact model output. Further, Busey completes a quarterly evaluation of several qualitative factors to determine if there should be adjustments made to the ACL. These factors include economic conditions, collateral, concentrations, delinquency trends, portfolio composition, underwriting, and certain other risks. Significant downturns relating to loan quality and economic conditions could result in a requirement for an additional allowance. Likewise, an upturn in loan quality and improved economic conditions may allow for a reduction in the required allowance. Because of the nature of the judgments and assumptions made by management, actual results may differ from these judgments and assumptions.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of changes in asset values due to movements in underlying market rates and prices. Interest rate risk is a type of market risk to earnings and capital arising from movements in interest rates. Interest rate risk is the most significant market risk affecting Busey as other types of market risk, such as foreign currency exchange rate risk and commodity price risk, have a minimal impact or do not arise in the normal course of Busey's business activities.

Busey has an asset-liability committee, whose policy is to meet at least quarterly, to review current market conditions and to structure the Consolidated Balance Sheets (Unaudited) to optimize stability in net interest income in consideration of projected future changes in interest rates.

As interest rate changes do not impact all categories of assets and liabilities equally or simultaneously, the asset-liability committee primarily relies on balance sheet and income simulation analysis to determine the potential impact of changes in market interest rates on net interest income. In these standard simulation models, the balance sheet is projected over a one-year and a two-year time horizon and net interest income is calculated under current market rates and assuming permanent instantaneous shifts of +/-100, +/-200, +/-300, and +/-400 bps. The model assumes immediate and sustained shifts in the federal funds rate and other market rate indices and corresponding shifts in other non-market rate indices based on their historical changes relative to changes in the federal funds rate and other market indices. Assets and liabilities are assumed to remain constant as of the measurement date; variable-rate assets and liabilities are repriced based on repricing frequency; and prepayment speeds on loans are projected for both declining and rising rate environments.

Busey's interest rate risk resulting from immediate and sustained changes in interest rates, expressed as a change in net interest income as a percentage of the net interest income calculated in the constant base model, was as follows:

	Year-One: Basis Point Changes		Year-Two: Basis Point Changes	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
+400	11.28 %	8.50 %	12.30 %	10.85 %
+300	8.41 %	6.26 %	9.14 %	8.01 %
+200	5.57 %	4.05 %	6.06 %	5.24 %
+100	2.79 %	1.96 %	3.05 %	2.59 %
-100	(2.07)%	(1.81) %	(3.27)%	(3.35)%
-200	(3.51)%	(3.39) %	(6.37)%	(6.65)%
-300	(4.30)%	(4.03) %	(9.20)%	(9.47)%
-400	(5.00)%	(4.41) %	(11.26)%	(12.43)%

Interest rate risk is monitored and managed within approved policy limits and any temporary exceptions to policy in periods of rapid rate movement are approved and documented. The calculation of potential effects of hypothetical interest rate changes is based on numerous assumptions and should not be relied upon as indicative of actual results. Actual results would likely differ from simulated results due to the timing, magnitude, and frequency of interest rate changes as well as changes in market conditions and management strategies.

ITEM 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

An evaluation of Busey's disclosure controls and procedures, as defined in Rule 13a-15(e) under the Exchange Act, was carried out as of June 30, 2025, under the supervision and with the participation of its Chief Executive Officer, Interim Chief Financial Officer, and several other members of senior management. Based on this evaluation, Busey's Chief Executive Officer and Interim Chief Financial Officer concluded that, as of June 30, 2025, Busey's disclosure controls and procedures were effective in ensuring that the information Busey is required to disclose in the reports Busey files or submits under the Exchange Act was (1) accumulated and communicated to Busey's management (including the Chief Executive Officer and Chief Financial Officer) to allow timely decisions regarding required disclosure, and (2) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

During the three months ended June 30, 2025, no change occurred in Busey's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, Busey's internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

As part of the ordinary course of business, First Busey Corporation and its subsidiaries are parties to litigation that is incidental to their regular business activities.

There is no material pending litigation, other than ordinary routine litigation incidental to its business, in which First Busey Corporation or any of its subsidiaries is involved or of which any of their property is the subject. Furthermore, there is no pending legal proceeding that is adverse to Busey in which any director, officer, or affiliate of Busey, or any associate of any such director or officer, is a party, or has a material interest.

ITEM 1A. RISK FACTORS

There have been no material changes to the factors discussed in Part II—Item 1A of Busey's 2024 Annual Report.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS, AND ISSUER PURCHASES OF EQUITY SECURITIES

UNREGISTERED SALES OF EQUITY SECURITIES

None.

ISSUER PURCHASES OF EQUITY SECURITIES

On February 3, 2015, Busey's board of directors approved the Stock Repurchase Plan authorizing, but not obligating, Busey to repurchase shares of its common stock. The Stock Repurchase Plan may be terminated, or the number of shares authorized for repurchase may be increased or decreased by Busey's board of directors at its discretion at any time.

The following table summarizes share repurchase activity during the second quarter of 2025.

Period	Total Number of Common Shares Purchased	Weighted Average Price Paid per Common Share	Number of Common Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Common Shares That May Yet Be Purchased Under the Plans or Programs[1]
April 1-30, 2025	420,000	$ 20.22	420,000	1,279,275
May 1-31, 2025	302,000	21.86	302,000	2,977,275
June 1-30, 2025	290,000	22.62	290,000	2,687,275
Three months ended June 30, 2025	1,012,000	$ 21.40	1,012,000	
Six Months ended June 30, 2025	1,232,000	$ 21.50	1,232,000	

1. On May 29, 2025, the board authorized an additional 2,000,000 shares to be repurchased under the plan.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

During the fiscal quarter ended June 30, 2025, none of Busey's directors or executive officers adopted or terminated any contract, instruction, or written plan for the purchase or sale of Busey securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any non-Rule 10b5-1 trading arrangement.

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibit	Incorporated herein by reference				Filed Herewith
		Filing Entity1 (File No.)	Form	Exhibit	Filing Date	
31.1	Certification of Principal Executive Officer, pursuant to Rule 13a-14(a) and Rule 15d-14(a)					X
31.2	Certification of Principal Financial Officer, pursuant to Rule 13a-14(a) and Rule 15d-14(a)					X
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, from First Busey's Chief Executive Officer					X
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, from First Busey's Chief Financial Officer					X
101.INS	iXBRL Instance Document					
101.SCH	iXBRL Taxonomy Extension Schema					
101.CAL	iXBRL Taxonomy Extension Calculation Linkbase					
101.LAB	iXBRL Taxonomy Extension Label Linkbase					
101.PRE	iXBRL Taxonomy Extension Presentation Linkbase					
101.DEF	iXBRL Taxonomy Extension Definition Linkbase					
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101)					

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, as of August 5, 2025.

FIRST BUSEY CORPORATION
(Registrant)

By: /s/ VAN A. DUKEMAN
Van A. Dukeman
Chairman and Chief Executive Officer
(Principal Executive Officer)

By: /s/ SCOTT A. PHILLIPS
Scott A. Phillips
Interim Chief Financial Officer, Executive Vice President and Chief Accounting Officer
(Principal Financial Officer, Principal Accounting Officer)