First Busey Corporation 2023 Annual Meeting | Shareholder Question & Answer

We thank our valued shareholders for joining First Busey Corporation's Annual Meeting on May 24, 2023. One question was received during the meeting, which was answered by Van A. Dukeman, First Busey's Chairman, President and Chief Executive Officer. A summary of Van's response is below.

Over the last five years there's been little appreciation of the price of Busey stock. Does Busey keep acquiring now that you've crossed the $10B threshold and incur the expenses associated with those acquisitions or be acquired?

We appreciate the question from our loyal supporter and shareholder.

First and foremost, the board is always looking for the best opportunities to add shareholder value. That includes growing organically—as we have done the last couple of years with no acquisitions; looking at additional acquisitions—the last one being Glenview back in May of 2021; or exploring merging into a larger entity. All of these are always on the table because increasing shareholder value is the most important aspect of our job as fiduciaries for First Busey's shareholders.

Regarding our stock price*, it has outperformed the Midwest Bank Index by 13.2% for 1 year and 5.4% for 3 years, and the KRE by 19.2% in the last year and 6.5% in the last 3 years. I think shareholders and potential shareholders have valued the conservative operating model we have and our strong balance sheet, core deposit franchise and valuable fee businesses. All stocks are down, but truthfully, in a very short period of time First Busey's stock has outperformed, and I think there's starting to be more value with banks that have a conservative approach.

On the acquisition front—as far as whether to acquire or be acquired, the operating environment we are currently in offers little support for either. While we are confident about our balance sheet, our loan portfolio and our investment portfolio, you have to be skeptical of the approach of a potential acquiree in this economic climate. Add to that the depressed nature of stocks across the industry and it is hard to see a merger situation making sense in the short run. That said, I will add that the position we are in now in terms of asset size—slightly over the $10 billion threshold—is not a position we intend to stay. It is a difficult position with increased regulatory scrutiny adding upwards of $18 million pre-tax in expenses and forgone revenue. We will continue to work towards getting larger and increasing shareholder value, but whether that is through an acquisition, assimilating into a larger company or continuing to grow the company organically depends on the specific situation and economic factors. Right now, we feel we are better off sticking to our heading and continuing to grow the company. I feel good about this strategy because there are going to be opportunities that present themselves as this economy eventually rolls over and we will be here and ready with a rock-solid balance sheet.

** Stock performance metrics are as of May 19, 2023.*

Special Note Concerning Forward-Looking Statements

Statements made in this document, other than those concerning historical financial information, may be considered forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, plans, objectives, future performance, and business of the Company. Forward-looking statements, which may be based upon beliefs, expectations, and assumptions of the Company's management, and on information currently available to management, are generally identifiable by the use of words such as "believe," "expect," "anticipate," "plan," "intend," "estimate," "may," "will," "would," "could," "should," or other similar expressions. Additionally, all statements in this document, including forward-looking statements, speak only as of the date they are made, and the Company undertakes no obligation to update any statement in light of new information or future events. A number of factors, many of which are beyond the Company's ability to control or predict, could cause actual results to differ materially from those in the Company's forward-looking statements. These factors include, among others, the following: (i) the strength of the local, state, national, and international economy (including effects of inflationary pressures and supply chain constraints); (ii) the economic impact of any future terrorist threats or attacks, widespread disease or pandemics (including the Coronavirus Disease 2019 pandemic), or other adverse external events that could cause economic deterioration or instability in credit markets (including Russia's invasion of Ukraine); (iii) changes in state and federal laws, regulations, and governmental policies concerning the Company's general business (including changes in response to the recent failures of other banks); (iv) changes in accounting policies and practices; (v) changes in interest rates and prepayment rates of the Company's assets (including the impact of the London Interbank Offered Rate phase-out); (vi) 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; (vii) changes in technology and the ability to develop and maintain secure and reliable electronic systems; (viii) the loss of key executives or associates; (ix) changes in consumer spending; (x) unexpected results of current and/or future acquisitions, which may include failure to realize the anticipated benefits of any acquisition and the possibility that transaction costs may be greater than anticipated; (xi) unexpected outcomes of existing or new litigation involving the Company; (xii) fluctuations in the value of securities held in our securities portfolio; (xiii) concentrations within our loan portfolio, large loans to certain borrowers, and large deposits from certain clients; (xiv) the concentration of large deposits from certain clients who have balances above current FDIC insurance limits and may withdraw deposits to diversify their exposure; (xv) the level of non-performing assets on our balance sheets; (xvi) interruptions involving our information technology and communications systems or third-party servicers; (xvii) breaches or failures of our information security controls or cybersecurity-related incidents; and (xviii) the economic impact of exceptional weather occurrences such as tornadoes, hurricanes, floods, and blizzards. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Additional information concerning the Company and its business, including additional factors that could materially affect its financial results, is included in the Company's filings with the Securities and Exchange Commission.