

## Risk Factors Comparison 2025-02-27 to 2024-02-23 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

This section highlights the risks management believes could adversely affect ~~our~~ **Busey's** financial performance. Additional ~~possible~~ risks that could affect Busey adversely and cannot be predicted may arise at any time. ~~Other~~ **Further**, risks that are immaterial at this time may ~~also~~ have an adverse impact on ~~our~~ **Busey's** future financial condition. Contents of Item 1A. Risk Factors **ECONOMIC AND MARKET RISKS<sup>35</sup>REGULATORY AND LEGAL RISKS<sup>37</sup>CREDIT RISKS<sup>36</sup>CREDIT AND LENDING RISKS<sup>39</sup>CAPITAL RISKS<sup>38</sup>CAPITAL AND LIQUIDITY RISKS<sup>41</sup>COMPETITIVE RISKS<sup>40</sup>COMPETITIVE AND STRATEGIC RISKS<sup>42</sup>ACCOUNTING RISKS<sup>41</sup>ACCOUNTING AND TAX RISKS<sup>44</sup>OPERATIONAL RISKS<sup>43</sup>OPERATIONAL RISKS<sup>45</sup> RISKS<sup>44</sup>** Conditions in the financial market and economic conditions, including conditions in the states in which it operates, generally may adversely affect Busey's business. Busey's general financial performance is highly dependent upon the business environment in the markets where it operates and, in particular, the ability of borrowers to pay interest on, and repay principal of, outstanding loans, and ~~the~~ value of collateral securing those loans, as well as demand for loans and other products and services it offers. A favorable business environment is generally characterized by, among other factors, economic growth, efficient capital markets, low inflation, low unemployment, high business and investor confidence, and strong business earnings. Unfavorable or uncertain economic and market conditions can be caused by declines in economic growth, business activity, or investor or business confidence; limitations on the availability, ~~or~~ increases in the cost, of credit and capital; increases in inflation or interest rates; high unemployment; natural disasters; or a combination of these or other factors. **Given the complex factors affecting the strength of the U. S. economy, including uncertainties regarding the persistence of inflation; geopolitical developments, such as ongoing conflicts in the Middle East and the Russian invasion of Ukraine, and resulting disruptions in the global energy market; tight labor market conditions domestically; supply chain issues both domestically and internationally; and the potential effects of the new presidential administration, including its response to the foregoing, potential imposition of new tariffs, mass deportations and changes to tax or other financial regulations, uncertainty surrounding future changes may adversely affect Busey's operating environment and therefore its business, financial condition, results of operations, and growth prospects. Shifts in consumer and business behavior during economic uncertainty may impact Busey's business.**

Uncertainty regarding economic conditions may result in changes in consumer and business spending, borrowing, and savings habits. Downturns in the markets where ~~our~~ **Busey's** banking operations occur could result in a decrease in demand for ~~our~~ **Busey's** products and services, an increase in loan delinquencies and defaults, high or increased levels of problem assets and foreclosures, and reduced wealth management fees resulting from lower asset values. Such conditions could adversely affect the credit quality of ~~our~~ **Busey's** loans, financial condition, and results of operations. **First Busey Corporation (BUSE) | 2024 — 35** Contents of Item 1A. Risk Factors **Regional economic vulnerabilities and reliance on key industries may heighten risks**. Busey currently conducts its banking operations in central and suburban Chicago, Illinois; the St. Louis, Missouri metropolitan area; central Indiana; and southwest Florida. Busey operates in markets with a significant university and healthcare presence. These industries rely heavily on state and federal funding and contracts. Timely payments by the State of Illinois to its vendors and government-sponsored entities, as well as potential federal changes to healthcare laws, could affect Busey's primary market areas, which could in turn affect its financial condition and results of operations. A small part of Busey's business resides in Florida, which can be affected by inclement weather. **Prolonged elevated** ~~While high market volatility is not expected, managing “higher for longer” interest rates followed by easing cycles create financial volatility can put pressure on Busey's deposit rates and liquidity.~~ Prolonged periods of **elevated high** interest rates **followed by an easing cycle** pose several risks to **significant challenges and opportunities for** Busey. Offering higher **While an easing cycle, which is characterized by the FOMC taking action to reduce** interest rates, **can alleviate some** to attract deposits elevates the cost of funding **pressures and encourage** ~~Concurrently, Busey may experience increased interest expenses on its borrowings- borrowing and debt. Moreover, high interest it also introduces risks to the banking sector. A rapid shift in rates can compress net~~ borrowing and spending, potentially reducing demand for loans and impacting liquidity. In such an environment, heightened competition for deposits may necessitate maintaining competitive interest **margins, disrupt asset-liability management, and affect the valuation of financial instruments. After a series of** rates- **rate hikes starting in** to retain and attract customers. Interest rates are sensitive to many factors beyond First Busey Corporation | 2023 — 35 Contents of Item 1A. Risk Factors Busey's control, including general economic conditions and policies of various governmental and regulatory agencies, such as the FOMC. **In March 2022, the Federal Reserve initiated a series of interest rate hikes FOMC began an easing cycle in September 2024, responding to combat slowing inflation and economic growth. As** After 11 successive increases, as of December 2023 **2024**, the ~~fed~~ **federal** funds target range ~~stood at 5~~ **was reduced to 4**. 25% ~~– 5~~ **– 4**. 5%, reaching its highest level since 2001 **marking a gradual reversal from the peak of 5**. Throughout **25% – 5.5% in 2023**, the health of the U. **This shift reflects** S. economy improved, surpassing expectations and reducing likelihood of a **softening** recession. Despite recent positive economic indicators **environment**, **with** certain risks persist, including record ~~high~~ U. S. credit card debt and increasing delinquencies in mortgages, auto loans, and credit cards. In December 2023, the FOMC **aiming** projected U. S. GDP growth to **balance inflation reduction while avoiding** slow to 1.4% in 2024. The Federal Reserve aims for a **sharp contraction in economic activity. Declining** soft landing by maintaining its 2023 plan into 2024, hoping that sustained elevated interest rates ~~will cool the economy~~ **result in reduced income from lending and investment activities** alleviate inflationary pressures. These effects, combined with other considerations ~~and may drive consumers to seek higher- yielding alternatives~~

outside of traditional banking, both of which could negatively have a material impact Busey's on our business, financial condition, liquidity, and results of operations. While In the context of the multifaceted factors influencing the U. S. economy, uncertainties loom over the persistence of inflation, exacerbated by geopolitical tensions such as the Russia-Ukraine and Israel-Hamas conflicts. Additionally, unforeseen disruptions in the global energy market and challenges in the tight labor market and supply chain add to the complexity. Earlier in the year, there was a substantial risk that central banks, including the Federal Reserve, might raise interest rates—rate cuts can stimulate excessively, potentially constraining economic growth and triggering a recession. However, as inflation decelerated throughout the year and market data hinted at easing housing price pressures, there is potential for a positive impact on loan demand. Ongoing monetary policy, including the they persistence of elevated interest rates, significantly impacts not only the interest earned from loans and investment securities, as well as the interest paid on deposits and borrowings, but also create influences Busey's ability to originate loans and attract deposits, and the fair value of its financial assets and liabilities. As interest rates remain elevated, intensified competition for deposits may persist, potentially altering Busey's funding mix and cost of funding. In addition to the aforementioned risks, Busey acknowledges the potential challenges arising from threats to the banking sector, falling Falling interest rates. For example, a decrease in interest rates may adversely affect Busey's floating reduce yields on loans and securities more quickly than the cost of deposits declines, narrowing margins. Deposit outflows could accelerate if customers seek higher-yielding alternatives outside traditional banking, further challenging liquidity. Lower rates can lead to prepayments on fixed-rate loans, impacting the value of interest-earning assets and requiring adjustments to portfolios. Despite these risks, the easing cycle may present opportunities for growth. Lower rates can revitalize loan portfolios demand, particularly in key areas such as mortgages, auto loans, and small business leading lending to a reduction in interest income. Any substantial, unexpected while providing some relief to borrowers under stress. However, and prolonged changes in market interest rates, even if they—the are maintained at a high broader economic environment, including rising consumer debt level levels, increasing delinquencies, and persistent inflation risks could still impact have a material adverse effect on Busey's business, financial condition, liquidity and results of operations. The combination of factors such as changes in interest rates, an and overall adverse credit quality outlook, economic uncertainties, and geopolitical events can contribute to increased fluctuations in market values. The market value of investments may be affected by factors other than the underlying performance of the servicer of the securities or the mortgages underlying the securities, such as changes in the interest rate environment, negative trends in the residential and commercial real estate markets, ratings downgrades, adverse changes in the business climate, and a lack of liquidity in the secondary market for certain investment securities. On a quarterly basis, we formally evaluate investments and other assets for impairment indicators. Reduction in the value, or impairment of our investment securities, can impact our earnings and common stockholders' equity. Changes in market interest rates can affect the value of these investment securities, with increasing interest rates generally resulting in a reduction of value. Although the reduction in value from temporary increases in market rates does not affect our income until the security is sold, it does result in an unrealized loss recorded in OCI that can reduce our common stockholders' equity. Further, we may have to record provision expense to establish an allowance for credit losses on our carried at fair value debt securities, and we must periodically test our investment securities for other than temporary impairment in value. In assessing whether the value of investment securities is impaired, we consider the length of time and extent to which the fair value has been less than cost, the financial condition and near-term prospects of the issuer, and the intent and ability to retain our investment in the security for a period of time sufficient to allow for any anticipated recovery in fair value in the near term. First Busey Corporation | 2023 — 36 Ongoing inflation trends pose potential risks to our business and operational performance. Elevated inflation poses potential risks to our business and operational performance, impacting consumer purchasing power and necessitating careful consideration of potential effects on various facets of our operations. Successful measures by the Federal Reserve in stabilizing inflation through interest rate hikes could mitigate some of these risks and positively influence loan demand and mitigate challenges to our clients' ability to repay indebtedness. It is also possible that governmental—government policies responses to the current inflation environment, such as changes to monetary and regulatory frameworks fiscal policy that are too strict, or the imposition or threatened imposition of price controls, could adversely affect operations and profitability. Changes in policy and at banking agencies, including changes in interpretation and prioritization, our occur business over time through policy and personnel changes following federal- and state- level elections, which lead to changes involving the level of oversight and focus on the financial services industry. The nature duration and severity of the current inflationary period cannot be estimated with precision. Election-year variables bring additional levels of uncertainty. The evolving landscape of legislative and regulatory actions, timing influenced by election cycles, introduces an and economic additional layer of uncertainty for our operations. Elections can precipitate changes in government policies and political effects of regulations across various industries, potentially impacting our business. Uncertainty regarding potential changes in to the current legal and regulations—regulatory framework affecting financial institutions remain highly uncertain in connection with a or policies related to our industry may lead to increased costs of doing business and operational challenges—change in presidential administration. First Busey Corporation (BUSE) | 2024 — 36 Economic conditions, including interest rates, inflation, and consumer spending, may be influenced by shifts in government leadership and policies, affecting Busey's operations our ability to maintain historical growth rates. Furthermore, Additionally, heightened the election process often introduces market volatility, impacting financial markets, currency exchange rates, and commodity prices. This volatility may pose risks to our financial performance, cost of capital, and access to funding. The outcomes of elections may directly affect our industry, influencing regulatory frameworks and industry dynamics. Shifts in political power may shape the competitive landscape, impacting market share and pricing strategies. Unfavorable changes in industry-specific regulations could result in increased compliance costs and operational challenges. Political events, including elections, can influence consumer and investor sentiment, affecting demand for our products and services and impacting investor confidence, which may influence our stock price and access to capital. In

addition to these challenges, and the added uncertainty related to potentially increased regulation, the financial services industry in recent years has faced more intense scrutiny from regulatory agencies in the examination process and more aggressive enforcement of regulations on both the federal and state levels, particularly in with respect to mortgage-related practices; fee-based products and other consumer compliance matters; and compliance with the Bank Secrecy Act, anti-money laundering laws, and **cybersecurity increases operational** the USA PATRIOT Act, which focuses on money laundering in the form of terrorist financing. Federal law grants substantial enforcement powers to financial services' regulators including, among other things, the ability to assess significant civil or criminal monetary penalties, fines, or restitution; to issue cease and **compliance burdens** desist orders; and to initiate injunctive actions against banking organizations. These enforcement actions may be initiated for violations of laws or regulations and for unsafe or unsound practices. If Busey were the subject of an enforcement action, it could have an adverse impact on the Company. As Busey continues to grow in asset size and complexity, regulatory expectations and scrutiny will increase and could have a potential impact on Busey's operations and business. Busey has grown steadily over the past several years, increasing in size through both organic growth and strategic acquisitions. As financial institutions **Busey's assets** grow, so do the **regulatory** expectations. **The planned acquisition of CrossFirst amplifies regulatory agencies regarding the financial institution's ability to control for increasingly complex complexity of compliance and sophisticated business operations.** Certain regulations and laws have embedded asset thresholds that **increase scrutiny** change regulatory expectations, have different financial statement impacts, require different committee and management compositions, or enhance certain reporting **First Busey Corporation | 2023 — 37** requirements, **and operational demands**. For example, as further discussed in the Supervision and Regulation section, the Dodd-Frank Act **includes a number of requirements thresholds for asset size that trigger when enhanced oversight. Busey's continued expansion necessitates adapting its compliance frameworks to meet these increasing demands. Failure to manage compliance risks effectively could result in regulatory violations, leading to significant fines, penalties, and legal costs. Additionally, non-compliance could damage Busey's reputation, erode customer trust, and undermine investor confidence, resulting in a banking entity negative impact to Busey's market valuation. It could also lead to further scrutiny from regulators, potentially hindering future growth opportunities. Evolving privacy, data protection, and information security laws and regulations present operational and legal challenges. In the normal course of business, Busey collects, crosses processes over \$10 billion in assets. Beginning on July 1, 2022 and retains sensitive and confidential information regarding its customers, and Busey became's collection and handling of such information is** subject to the Durbin Amendment. The Durbin Amendment requires the Federal Reserve to establish a maximum permissible interchange fee for many types of debit transactions, which reduced Busey's fee income during the second half of 2022 and throughout 2023. Further in August 2022, Busey became subject to oversight of the CFPB for consumer transactions. As regulatory expectations, scrutiny, and reporting requirements continue to increase, Busey's operations and strategies may be affected. Regulatory change in the areas of cybersecurity and privacy are expected to continue to evolve. Multiple regulators have released updated cyber notification requirements across Busey's regulatory footprint that may lead to increased regulatory scrutiny. **There has been a heightened legislative and potentially increased regulatory focus on privacy, data protection, and information security. New or revised laws and regulations, including with the respect to the use of artificial intelligence by financial institutions and service providers, may significantly impact Busey's current and planned privacy, data protection, and information security-related practices; the collection, use, retention, and safeguarding of customer and employee information; and current or planned business activities. Compliance with current or future privacy, data protection, and information security laws could result in higher compliance and technology costs. Additionally, and could restrict Busey's ability to provide certain products and services, expansion into regions with heightened privacy requirements or passage of privacy legislation within the regions in which Busey operates may impose additional compliance burdens. These changes could necessitate adapting adversely affect Busey's business practices to meet heightened privacy standards. Failure to comply with these regulations may result in financial penalties, reputational harm, and legal consequences.** Laws impacting cannabis-related businesses in Illinois and other states may have an impact on Busey's operations and risk profile. The Controlled Substances Act makes it illegal under federal law to manufacture, distribute, or dispense marijuana. Starting January 1, 2020, however, the Illinois Cannabis Regulation and Tax Act began permitting adults **21 years or older** to legally purchase marijuana for recreational use from licensed dispensaries. Further, in November 2022 voters in Missouri approved **an amendment a ballot initiative to legalize the state constitution that began permitting adults 21 years and older to legally purchase marijuana for recreational use of cannabis from licensed dispensaries starting February 3, 2023**. It is Busey Bank's current practice to avoid knowingly providing banking products or services to entities or individuals that: (1) directly or indirectly manufacture, distribute, or dispense marijuana or hemp products, or those with a significant financial interest in such entities; or (2) derive a material amount of revenue from providing products or services to, or other involvement with, such entities. Busey Bank **uses is taking** reasonable measures, including appropriate new account screening and customer due diligence measures, to ensure that existing and potential customers that operate in the states in which the Bank operates do not engage in any such activities. Nonetheless, shifts in Illinois and Missouri law legalizing cannabis use, along with shifts in Florida law allowing medicinal use and decriminalizing possession, have increased the number of direct and indirect cannabis-related businesses in some of the states in which Busey operates, and therefore increases the likelihood that Busey Bank could interact with such businesses, as well as their owners and employees. Such interactions could create additional legal, regulatory, strategic, and reputational risk to Busey Bank and First Busey Corporation. **First Busey Corporation (BUSE) | 2024 — 37** Busey is or may become involved from time to time in suits, legal proceedings, information-gathering requests, investigations, and proceedings by governmental and self-regulatory agencies that may lead to adverse consequences. **Busey may** Many aspects of our business and operations involve the risk of legal liability, and in some cases we or our subsidiaries have been named or threatened to be **subject to** named as defendants in various lawsuits arising from our business activities. In addition, companies in our industry are frequently the

subject of governmental and **inquiries, or** self-regulatory agency information-gathering requests, reviews, investigations, and proceedings. The **These** results of such proceedings could **result in** lead to significant civil or criminal penalties, including monetary penalties, damages, adverse judgments, **or operational** settlements, fines, injunctions, restrictions on the way in which we conduct our business, or reputational harm. **While** Although we establish accruals **are established** for legal proceedings **contingencies** when information related to the loss **losses are** contingencies represented by those matters indicates both that a loss is probable and that the amount of loss can be reasonably estimated **estimable**, we do not have accruals for all legal proceedings where we face a risk of loss. In addition, due to the inherent subjectivity of the assessments and unpredictability of the outcome **outcomes may exceed these** of legal proceedings, amounts, and accrued may not represent the ultimate loss to us from the legal proceedings in question. Accordingly **accordingly**, our **Bussey's** ultimate losses may **First Bussey Corporation | 2023 — 38** be higher, and possibly significantly so, than the amounts accrued for legal loss contingencies, which could adversely affect our **Bussey's** financial condition and results of operations. See "Note **16-18**. Outstanding Commitments and Contingent Liabilities" in the Notes to the Consolidated Financial Statements for information regarding an inquiry from the **ISOS Illinois Secretary of State**, pursuant to which the **ISOS Illinois Secretary of State** asked for additional information regarding certain of our **Bussey's** franchise tax filings and the calculation of amounts due thereunder. Heightened credit risk associated with lending activities may result in insufficient credit loss provisions, which could have material adverse **effect effects** on Bussey's results of operations and financial condition. **There are** **Bussey's lending activities involve inherent** risks in making any loan, including risks inherent in dealing with individual borrowers **borrower**; risks of nonpayment, **fluctuations in collateral** risks resulting from uncertainties as to the future value of collateral and cash flows available to service debt, and risks resulting from **the effects of** economic and market conditions. In general **These risks have been amplified by recent economic factors**, such as elevated interest rates, inflationary pressures, and a more cautious economic outlook. Bussey employs rigorous underwriting standards, monitors industry and geographic loan concentrations, and conducts both internal and external independent loan reviews to mitigate these risks. **Despite** have increased as a result of the **these efforts** recent increases in prevailing interest rates and uncertainties associated with inflation, which have potentially increased the risk of a near-term decline in growth or an economic downturn. Bussey attempts to reduce its credit risk through loan application approval procedures, monitoring the concentration of loans within specific industries and geographic locations, and periodic independent reviews of outstanding loans by its loan review and audit departments as well as external parties. Credit risk related to the increasing interest rates are monitored through loan stress testing performed internally at the borrower level and by external parties for the portfolio-level analyses. However, while such procedures help reduce risks, they cannot be **entirely** expected to completely eliminate **eliminated**, and Bussey's credit risks. Borrowers **borrower defaults could lead to increased non-** may experience difficulties in repaying their loans for any of a variety of reasons resulting in a rise in the level of nonperforming **performing** loans, charge-offs, delinquencies, and **or higher ACL provisions**. Bussey's commercial loan portfolio reflects a strategic focus on maintaining robust need for increases in the provision for credit losses **quality**. Bussey estimates **However, there are inherent risks in any lending activity, including uncertainties in collateral values, borrower cash flows, and broader economic conditions. To mitigate credit risk, Bussey employs rigorous loan approval procedures, monitors concentrations within industries and geographic locations, and conducts independent reviews through internal and external assessments. Stress testing at both the borrower and portfolio levels helps identify vulnerabilities, but such measures cannot fully eliminate credit risks. Borrowers across various industries may face challenges due to sector-specific pressures or macroeconomic factors, which could lead to elevated non-performing loans, charge-offs, or provisioning needs. Bussey establishes the ACL and maintains it at a level considered adequate by management to absorb probable credit losses based on detailed a continual analysis analyses of the loan** Bussey's portfolio and **broader** market **conditions, incorporating** environment. The ACL represent Bussey's estimate of probable losses in the portfolio at each balance sheet date and is based upon management judgments **and** as well as forward-looking information and forecasts. Any failure of **While management considers these -- the judgments ACL adequate to absorb probable losses, unforeseen economic disruptions** or forecasts **borrower-specific events** could **necessitate** negatively affect our results of operations and financial condition. Although management believes the ACL is adequate to absorb losses on existing loans that may become uncollectible, management cannot guarantee that additional provisions for credit losses will not be required in the future, **adversely affecting financial performance. High levels of non-performing assets could reduce Bussey's profitability and strain operational resources.** Non-performing assets **negatively impact** take significant time to resolve and adversely affect Bussey's results of operations and financial condition **through lost** and could result in further losses in the future. Bussey's net income is impacted by non-performing assets in several ways, presenting challenges amid both rising and stable higher interest rate environments. While Bussey incurs interest expense to finance non-performing assets, it does not record interest income on non-accrual loans or other real estate owned. This lack of interest income negatively impacts Bussey's overall income and returns on assets and equity. Additionally, **increased** loan administration costs rise, contributing to an **and** adverse impact **effects** on Bussey's efficiency ratio **ratios**. **The resolution of** When Bussey acquires collateral in foreclosures and similar proceedings, it must mark the **these** collateral to its current fair market value **assets demands significant management attention and regulatory compliance, which can divert resources from** potentially resulting in losses when compared to the **other priorities** outstanding loan balance. Non-performing loans and **OREO properties** other real estate owned elevate Bussey's risk profile and **require ongoing vigilance** influence the regulatory capital deemed appropriate. The resolution of non-performing assets demands significant time commitments from management, potentially affecting their ability to **minimize financial** fulfill other responsibilities. Credit leaders monitor signs of stress in borrowers, particularly those susceptible to the effects of both gradual and **operational disruptions** rapid increases in interest rates. However, default risk may arise from events or circumstances that are difficult to detect, such as fraud, or difficult to predict, such as catastrophic events affecting certain industries. Therefore, we cannot assure you that such monitoring

procedures will reduce these credit risks. First Busey Corporation (BUSE) | 2023-2024 — 39-38 Loan Concentrations concentrations in volatile of credit and market markets risk could increase the potential for significant losses Busey's exposure to economic downturns, adversely impacting financial stability. Busey may have higher credit risk, or experience higher credit losses, to the extent its loans are concentrated by loan type, industry segment, borrower type, or geographic location of the borrower or collateral. A significant portion CRE represents an important component of Busey's loan portfolio and is made up inherently sensitive to economic fluctuations. Busey's two primary categories of commercial CRE are (1) CRE that is occupied by the property owner, commercial real estate, and retail real estate (2) CRE that is held as investment property. The risks associated with these categories differ, as provided below:

- **Occupant owned CRE:** The repayment of occupant owned CRE loans is largely dependent on the performance of the underlying business occupying the property. If the borrower's business experiences financial challenges or operational disruptions, it may impact their ability to service the loan. However, occupant owned CRE loans generally benefit from the borrower's vested interest in maintaining the property for their own business operations, which may reduce the risk of customer default.
- **Investor owned CRE:** In contrast, investor owned CRE loans are often dependent primarily reliant on the successful operation of property cash flows generated by third-party tenants. These loans are particularly sensitive to factors such as reduced rental income, higher vacancy rates, and regulatory changes. Declines in market demand, economic downturns, or increased tenant defaults could significantly impact the borrower involved, repayment of such's ability to repay these loans is often more sensitive than other types of loans to adverse conditions in the general economy.

**Declining borrower cash flows** For example, the cumulative effects of decreased economic activity, changes in the economy and fluctuating collateral values may lead overall business environment, labor availability shortages, and supply chain constraints which began as a result of the COVID-19 pandemic, but have continued due to inflationary concerns and significant losses across Busey's increases in the interest rate, have adversely affected commercial loans, and we expect this trend to continue for certain portions of our loan portfolio, depending on the strength and speed of economic recovery and other factors, particularly if general economic conditions worsen. Busey's commercial loans are made primarily underwritten based on the identified cash flow of the borrower, with and secondarily on the underlying collateral provided by the borrower serving as secondary support. Credit enhancements often include support provided by the borrower for most of these loans and the probability of repayment is based on the liquidation of the pledged collateral and enforcement of a personal guarantee guarantees, which enhance Busey requires whenever appropriate on commercial loans. As a result, in the ease likelihood of repayment. However, the availability of funds for repayment — particularly for loans secured by accounts receivable —, the availability of funds for the repayment of these loans may be substantially dependent — depend significantly on the borrower's ability of the borrower to collect amounts due from its their customers. In periods of economic recession, which this capacity could decline, increasing repayment risks in the case of an economic recession. Collateral securing other loans may depreciate over time, may be difficult to appraise, or and may fluctuate in value based on the success of the borrower's business performance. With As a result of the larger average size of each commercial loan loans and the, as well as collateral that is generally less readily marketable nature of collateral, even losses incurred on a small number of commercial loans loan loss incidents could have a material materially adverse impact on Busey's financial condition and operational results of operations. Our loan portfolio has a significant concentration of real estate loans, which involve risks specific to real estate values. A significant portion of Busey's loans are collateralized by real estate. Specifically, commercial real estate loans were \$ 3.3 billion, or approximately 43.6% of our total loan portfolio, as of December 31, 2023. Of this amount, \$ 914.5 million, or approximately 27.4%, was owner-occupied. The market value of real estate can fluctuate significantly in a short period of time as a result of market conditions in the area in which the real estate is located. Additionally, real estate lending typically involves higher loan principal amounts and the repayment of the loans generally is dependent, in large part, on sufficient income from the properties securing the loans to cover operating expenses and debt service. Economic events, including decreases in office occupancy following the COVID-19 pandemic, or governmental regulations outside of the control of the borrower or lender could negatively impact the future cash flow and market values of the affected properties. Collateral may have to be sold for less than the outstanding balance of the loan which would result in losses. Real estate construction, land acquisition, and development loans are based upon estimates of costs and values associated with the complete project. These estimates may be inaccurate, and Busey may be exposed to significant losses on loans for these projects. Construction, land acquisition, and development loans involve additional risks because funds are advanced upon the security of the project, which is of uncertain value prior to its completion, and costs may exceed realizable values in declining real estate markets. Because of the uncertainties inherent in estimating construction costs and the realizable market value of the completed project, and the effects of governmental regulation on real property, it is relatively difficult to evaluate accurately the total funds required to complete a project and to estimate the related loan-to-value ratio. As a result, construction loans often involve the disbursement of substantial funds with repayment dependent, in part, on the success of the ultimate project and the ability of the First Busey Corporation | 2023 — 40 borrower to sell or lease the property, rather than the ability of the borrower or guarantor to repay principal and interest. If Busey's appraisal of the value of the completed project proves to be overstated, or market values or rental rates decline, there may be inadequate security for the repayment of the loan upon completion of construction of the project. If Busey is forced to foreclose on a project prior to or at completion due to a default, there can be no assurance that it will be able to recover all of the unpaid balance of, and accrued interest on, the loan as well as related foreclosure and holding costs. In addition, Busey may be required to fund additional amounts to complete the project and may have to hold the property for an unspecified period of time while it attempts to dispose of it. First Busey Corporation (BUSE) | 2024 — 39 Credit quality deterioration in investment risk associated with concentration of securities may result in significant realized losses, impacting Busey's financial performance. Busey's investment portfolio includes may increase the potential for loss. Busey's investment portfolio consists, in part, of securities issued by government or government-sponsored agencies and non-

government entities. **While** A downturn in the **these** financial condition of the issuers, the performance of the underlying collateral, or the financial condition of the individual mortgagors with respect to the underlying securities could create results **offer portfolio diversification, they are subject to risks** such as **credit** rating agency downgrades of the securities, **collateral underperformance**, and **issuer default defaults** by issuers or individual mortgagors. **These** Any of the foregoing factors could result in realized losses, **negatively impacting** which could adversely affect Busey's financial condition and results of operations. **Failure** Busey is required to maintain **sufficient** capital to meet regulatory requirements **could have material adverse effects on**, and if it fails to maintain sufficient capital, whether as a result of losses, inability to raise additional capital, or otherwise, its financial condition, liquidity, and results of operations, **and** as well as its ability to maintain regulatory compliance **would be adversely affected**. Busey and Busey Bank must meet regulatory capital requirements and maintain sufficient liquidity. Busey's ability to raise additional capital **as**, when and if needed, will depend on conditions in the capital markets, economic conditions, and a number of other factors, including investor perceptions regarding the banking industry **and**, market **condition conditions**, and governmental activities, many of which are outside Busey's control, **and as well as** on its financial condition and performance. Accordingly, Busey cannot guarantee that it will be able to raise additional capital if needed or on terms acceptable to the Company. In particular, if Busey is required to raise additional capital in the current interest rate environment, **we Busey believe believes** the pricing and other terms investors may require in such an offering may not be attractive to **us the Company**. Busey's failure to continue to maintain capital ratios in excess of the amounts necessary to be considered "well-capitalized" for bank regulatory purposes could affect customer confidence, its ability to grow, its costs of funds **and**, **the cost of** FDIC insurance **costs**, its ability to pay dividends to its stockholders on outstanding stock, its ability to make acquisitions, and its business, results of operations, and financial condition. Furthermore, under FDIC rules, if Busey ceases to meet the requirements to be considered a "well-capitalized" institution for bank regulatory purposes, the interest rates it pays on deposits and its ability to accept, renew, or rollover deposits, particularly brokered deposits, may be restricted. Liquidity risks could affect operations and jeopardize Busey's business, financial condition, and results of operations. Liquidity is essential to Busey's business. An inability to raise funds through deposits, borrowings, sales of securities, sales of loans, and other sources could have a substantial negative effect on liquidity. Busey's primary sources of funds consist of deposits and funds from sales of investment securities, investment maturities and sales, and cash from operations. Additional liquidity is available through repurchase agreements, brokered deposits, and the ability to borrow from the Federal Reserve Bank and the FHLB. Access to funding sources in amounts adequate to finance or capitalize Busey's activities or on terms that are acceptable to the Company could be impaired by factors that affect it directly or the financial services industry or economy in general, such as disruptions in the financial markets or negative views and expectations about the prospects for the financial services industry. In addition, increased competition with the largest banks and **First Busey Corporation | 2023 — 41 Fintechs fintechs** for retail deposits may impact **our Busey's** ability to raise funds through deposits and could have a negative effect on **our Busey's** liquidity. Any decline in available funding and / or capital could adversely impact Busey's ability to originate loans, invest in securities, meet its expenses, pay dividends to its stockholders, or meet deposit withdrawal demands, any of which could have a material adverse impact on its liquidity, business, financial condition, and results of operations. **First Busey** External financial institution failures could impact the soundness of the Company. Liquidity is a cornerstone of the Company, vital for sustaining day-to-day operations - **Corporation (BUSE) |** and strategic initiatives. Recent events, such as the bank failures in early 2023 **2024 — 40**, underscore the critical nature of our ongoing efforts to manage liquidity risk effectively. As a core deposit-funded institution, our ability to raise funds through deposits is integral to our liquidity strategy. An inability to raise funds through deposits, borrowings, or other channels poses a substantial risk to our liquidity. Our primary funding sources, supplemented by channels like repurchase agreements and borrowing facilities, are crucial for sustaining day-to-day operations. External factors, such as disruptions in financial markets and increased competition for retail deposits, may challenge our access to funding sources. The bank failures serve as a stark reminder of potential challenges faced by financial institutions. As we navigate these complexities, any decline in funding and / or capital could adversely impact our ability to meet obligations, pay dividends, or address deposit withdrawals, with significant consequences for our liquidity, business, financial condition, and results of operations. Furthermore, the actions and commercial soundness of other financial institutions are pivotal for our routine funding and transactions. Market-wide liquidity problems triggered by defaults or rumors in the financial services industry could erode confidence and lead to losses or defaults. If securities or industry analysts do not publish or cease publishing research reports about **us Busey**, if they adversely change their recommendations regarding **our Busey's** stock, or if **our Busey's** operating results do not meet their expectations, the price of **our Busey's** stock could decline. The trading market for **our Busey's** common stock **will be is significantly** influenced by the research and reports **that from** industry or securities analysts **may** publish about us, our business, our market, or our competitors. If there is limited **Limited** or **negative** no securities or industry analyst coverage **could reduce** of us, the **stock's demand**, market price for our stock would be negatively impacted. Moreover, **and trading volume**, if any of the analysts who elect to cover us downgrade **Downgrades** our common stock, provide more favorable **unfavorable comparisons with** relative recommendations about our competitors, or if our operating results **that fall short of analyst** or prospects do not meet their expectations **may further negatively affect**, the market price of our common stock **performance** may decline. **The cessation** If one or more of **analyst coverage could exacerbate** these **challenges** analysts ceases coverage of us or fails to publish reports on us regularly, demand for our **diminishing interest in Busey's** stock could decrease, which could cause our stock price and trading volume to decline. **Intense** Busey faces strong competition from financial service **traditional banks and fintech** companies **threatens market share** and other companies that offer banking and wealth management services, which could harm its business. Busey currently conducts its banking operations **operates** in **highly competitive markets across** central and suburban Chicago, Illinois; the St. Louis, Missouri, metropolitan area; central Indiana; and southwest Florida. In addition, **with** the Company currently offers fiduciary and wealth management services, which account for a significant portion of its non-interest income. Many competitors **ranging from** offer the same, or a wider

variety of banking and wealth management services within Busey's market areas. These competitors include national and regional banks, regional banks, and other community banks to fintech companies offering digital-first solutions. The rise Busey also faces competition from many other types of financial institutions technology has introduced new challengers, including savings and loan institutions, finance companies, brokerage firms, insurance companies, credit unions, mortgage banks, digital banks and online lenders, and other financial intermediaries. In addition, a number of out-of-state financial intermediaries have opened production offices or otherwise solicit deposits in Busey's market areas. Also, technology and other changes have lowered barriers to entry and made it possible for non-banks and/or financial technology companies, as well as other large technology corporations, to that offer products and services traditionally provided by banks. For example, customers can maintain funds that would have historically been held as bank deposits in brokerage accounts or mutual funds, can apply for and receive credit, and can also complete First Busey Corporation | 2023 — 42 transactions such as paying bills credit issuance, payment processing, and/or transferring funds without the assistance deposit alternatives. Technological innovations, such as digital wallets, peer-to-peer lending, and blockchain-based transactions attract consumer interest and present a risk of disintermediation, where banks are bypassed. The process of eliminating banks as intermediaries. To remain competitive, known as "disintermediation," Busey must continuously invest in innovation and adapt to evolving customer preferences. Failure to do so could lead to result in the loss of fee income, as well as the loss of customer deposits and the related income generated from those deposits. Increased competition in Busey's markets may result in reduced loans, deposits, and commissions and brokers' fees, as well as reduced net interest margin and profitability. Ultimately, adversely impacting Busey's financial performance may not be able to compete successfully against current and future competitors. Failure If Busey is unable to adapt attract and retain banking and wealth management customers, it may be unable to rapid technological advancements grow its loan and deposit portfolios or its wealth management commissions, which could erode competitiveness adversely affect its business, results of operations, and financial condition. Technological advancements While we do not offer products relating to digital assets, including cryptocurrencies, stablecoins and other similar assets, there has been a significant increase in digital asset adoption globally over the past several years. Certain characteristics of digital asset transactions, such as the speed with which such transactions can be conducted, the ability to transact without the involvement of regulated intermediaries, the ability to engage in transactions across multiple jurisdictions, and the anonymous nature of the transactions, are reshaping appealing to certain consumers notwithstanding the various risks posed by such transactions. Accordingly, digital asset service providers — which, at present are not subject to the same degree of scrutiny and oversight as banking organizations and other — the financial institutions — are becoming active competitors to more traditional financial institutions. Rapid speed of disruptive innovations enabled by new and emerging technologies and/or other market forces may outpace Busey's ability to compete. The financial services industry is undergoing rapid, requiring organizations to balance external competitiveness with internal technological changes with frequent introductions of new technology driven products and services. In addition to better serving clients, the effective use of technology increases efficiency. Meeting evolving and enables financial institutions to both reduce costs and service customers — customer beyond the bank's traditional branch footprint. The widespread adoption of new technologies, including mobile banking services, cryptocurrencies, and payment systems could require us in the future to make substantial expenditures to modify or adapt our existing products and services as we grow and develop new products to satisfy our customers' expectations and comply with regulatory guidance. Our future success will depend in part upon our ability to address the needs of our clients by using technology to provide products and services that will satisfy client demands for convenience as well as to create additional efficiencies in our operations. Ultimately, security, there is no end for digital transformation and if we fall personalization requires significant investment in innovation and adaptation. Falling behind in the adoption of our ability to be adaptive and innovative, technologies could result in difficulties attracting new customers, retaining existing ones, and sustaining customer loyalty maintaining competitiveness. Emerging trends, such as generative artificial intelligence, have the potential to disrupt the industry. Although generative artificial intelligence offers opportunities to enhance operational efficiency, it also introduces risks, including fraud, security vulnerabilities, and retention compliance challenges. While incorporating new technologies into Busey's business is important in maintaining competitiveness, implementation of such technologies must prioritize security and compliance, which may delay its adoption be increasingly difficult as a result of evolving customer preferences and/or demographic shifts in our existing customer base. Our Busey's strategy of pursuing acquisitions exposes us Busey to financial, execution, and operational risks that could negatively affect us Busey. To help us fulfill our Acquisitions remain a cornerstone of Busey's growth strategic strategy objectives and enhance our, exemplified by the planned CrossFirst acquisition. While acquisitions provide opportunities for earnings enhancement and, part of our strategy is to supplement organic growth by acquiring other financial institutions in our market expansion areas and in nearby markets. The recently announced planned acquisition of M & M exemplifies this strategy. As our capital position and asset quality allow, we may continue to supplement organic growth through acquisitions, as we have in the they also involve significant past. There are risks associated with acquisition strategies, including the following:

- We are exposed to Integration Risks: Aligning systems, procedures, and personnel as well as harmonizing organizational cultures can be complex and disruptive, potential potentially negatively impacting customers. To realize anticipated benefits from a merger, Busey must successfully integrate an acquired company into its existing businesses, risk management framework, compliance systems, and corporate culture, in a manner that permits the anticipated benefits to be realized and that does not materially disrupt existing client relationships or result in decreased revenues due to the loss of clients. First Busey Corporation (BUSE) | 2024 — 41 • Credit Quality and Unknown Liabilities: Acquired asset-assets and may carry hidden risks that adversely affect financial performance. Insufficient or inadequate due diligence, beyond credit quality, could exacerbate risks and unknown or contingent liabilities of the banks or businesses we acquire. If these challenges issues or liabilities exceed our estimates, our earnings and financial condition may be materially and adversely affected.
- Prices at which Market Conditions:

The price of acquisitions can be made fluctuate fluctuates with market conditions. We have Busey has experienced times during which acquisitions could not be made in specific markets at prices our that Busey's management considered acceptable, and we Busey expect expects that we it will experience this condition in the future in one or more markets. • **Employee Attrition:** The acquisition of other entities generally requires integration of systems, procedures, and First Busey Corporation | 2023 — 43 personnel of the acquired entity in order to make the transaction economically feasible. This integration process can lead to employee turnover, particularly among key personnel. The success of a merger is complicated dependent, in part, on Busey's ability to retain the talents and dedication of key employees. During and an time consuming acquisition, it is possible that key employees may decide not to remain with the acquired company while the merger is pending or with Busey after the merger. If Busey is unable to retain key employees, including management, who are critical to the successful integration and can also future operations of the combined company, Busey could face disruptions in its operations, loss of key information, expertise, or know-how, and unanticipated additional recruitment costs. In addition, following a merger, if key employees terminate their employment, Busey's business activities may be disruptive to the customers adversely affected, and management's attention may be diverted from successfully hiring suitable replacements, all of the acquired which may cause Busey's business to suffer. If • **Financing Challenges:** Acquisitions often require incurring debt or issuing new shares, thereby increasing Busey's leverage and diminishing its liquidity. Issuing capital stock to the sellers in an acquisition or to third-parties to raise capital could dilute the interests of Busey's existing stockholders. Issuance of new shares of Busey common stock may result in fluctuations in the market price of Busey common stock, including a stock price decrease. • **Substantial acquisition costs:** With any acquisition, Busey may incur a number of non-recurring costs associated with the merger and integration process is not conducted successfully. These costs include legal, financial advisory, accounting, consulting and with minimal effect on the other advisory fees acquired business and its customers, severance / we may not realize the anticipated economic benefits of particular acquisitions within the expected time frame, and we may lose customers or employees— employee of benefit-related costs, public company filing fees and the other acquired business regulatory fees, printing costs, system conversion costs, added facilities costs, and other related costs. Furthermore— Further, the integration of personnel can be challenging and the likelihood of turnover of personnel from acquired institutions presents potential risks to both operational efficiency as well as customer retention. Busey could incur may also experience greater than anticipated customer losses even if the integration process is successful. • We are subject to due diligence expenses which may not result in an acquisition. • **Delayed To finance** an acquisition, we may borrow funds, thereby increasing our or unrealized benefits: leverage and diminishing our liquidity, or issue capital stock to the sellers in an acquisition or to third-parties to raise capital, which could dilute the interests of our existing stockholders. • The time period in which anticipated benefits of a merger are fully realized may take longer than anticipated, or we Busey may be unsuccessful in realizing the anticipated benefits from mergers and future acquisitions.

**Introduction** New lines of business or new products and services carries financial and strategic may subject us to additional risks. From time Busey strives to time, we may seek to implement serve customers with a competitive product set and relevant services. While introducing new lines of business or innovative offer new products, and services supports this goal, or delivery channels within existing lines of business in our current markets or new markets. There are substantial risks and uncertainties associated with these efforts carry inherent risks. Competitive pressures, underdeveloped particularly in instances where the markets are either highly competitive or, conversely, not fully developed or unforeseen challenges can lead to delayed timelines and missed profitability targets. In developing Significant investments in technology and marketing new lines of business and/or new products and services, we may invest significant time and resources. Initial timetables for the introduction and development of new lines of business and/or new products or services may not be achieved yield the desired outcomes, potentially and price and profitability targets may not prove feasible, which could in turn have a material negative negatively affecting effect on our operating results. Digital asset trends introduce regulatory, competitive and scalability challenges. While Busey does not currently offer digital asset products, such as cryptocurrencies or stablecoins, the global adoption of digital assets presents competitive and regulatory challenges. The appeal of digital assets lies in their transaction speed, cross-border capabilities, and anonymity. However, these attributes also introduce risks, including fraud, volatility, and limited regulatory oversight. First Busey Corporation (BUSE) | 2024 — 42 As digital asset adoption grows, Busey must remain vigilant to market dynamics and regulatory developments. Additionally, the ability to effectively and efficiently scale operations to meet customer demand is critical. Failure to scale effectively could constrain Busey's ability to invest in competitive products, hampering long-term growth and competitiveness. Busey's ability to navigate competitive pressures and strategic challenges depends on proactive investments in innovation, efficient integration of acquisitions, and the ability to anticipate and adapt to emerging trends.

Financial statements are created, in part, by estimates, assumptions, and methods used by management, which, if incorrect, could cause unexpected losses in the future. Busey's financial performance is impacted by accounting principles, policies, and guidelines. Some of these policies require the use of estimates and assumptions that may affect the value of assets or liabilities and financial results. Certain accounting policies are critical and require management to make difficult, subjective, and complex judgments about matters that are inherently uncertain, and materially different amounts could be reported under different conditions or using different assumptions. If such estimates or assumptions underlying Busey's Consolidated Financial Statements are incorrect, the Company may experience material losses. One such assumption and estimate is the valuation analysis of its Busey's goodwill and other intangible assets. Although Busey's analysis does not indicate impairments exist, the Company is required to perform additional impairment assessments on at least an annual basis, which could result in future impairment charges. Any future impairment of goodwill or other intangible assets impairment charges, whether based on the current balances or future balances arising out of acquisitions, could have a material adverse effect on the results of operations by reducing net income or increasing net losses. Busey is subject to changes Changes in accounting principles, policies, or

guidelines **could adversely affect financial reporting**. Periodically, agencies such as the FASB or the SEC change the financial accounting and reporting standards or the interpretation of those standards that govern the preparation of Busey's Financial Statements. These changes are beyond **Busey the Company's** control, can be difficult to predict, and could materially impact how Busey reports its financial condition and results of operations. In addition, trends in financial and business reporting, including environmental, **First Busey Corporation | 2023 — 44** social, and governance related disclosures, could require **us Busey** to incur additional reporting expense. Changes in these standards are continuously occurring, and the implementation of such changes could have a material adverse effect on Busey's financial condition and results of operations. Busey is subject to changes in tax law and may not realize tax benefits which could adversely affect **our its** results of operations. Changes in tax laws at national or state levels could have an effect on Busey's short-term and long-term earnings. Tax law changes are both difficult to predict and **are beyond Busey the Company's** control. Changes in tax laws could affect Busey's earnings, **as well as its customers' financial positions, or both**. Deferred tax assets are designed to reduce subsequent period's income tax expense **and**. They arise, in part, as a result of net loss carry-overs, and other book accounting to tax accounting differences **including, for items such as** expected credit losses, stock-based compensation, and deferred compensation. **Such items Deferred tax assets** are recorded **as assets for such items** when it is anticipated **that** the tax consequences will be **re-recorded recognized in earnings** in future periods. A valuation allowance is established against a deferred tax asset when it is unlikely the future tax effects will be realized. Significant judgment by management about matters that are, by nature, uncertain is required to record a deferred tax asset and establish a valuation allowance. In evaluating the need for a valuation allowance, Busey estimates future taxable income based on management forecasts and tax planning strategies that may be available to **us the Company**. **First Busey Corporation (BUSE) | 2024 — 43** While Busey has determined that no valuation allowance is currently required for any deferred tax assets, if future events differ significantly from current forecasts, the Company may need to establish a valuation allowance against its net deferred tax assets, which would have a material adverse effect on its results of operations and financial condition. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods prior to the expiration of the related net operating losses and may be limited by Section 382 of the Internal Revenue Code. **Further, Busey's investments Investments** in certain tax-advantaged projects may not generate returns as anticipated and may have an adverse impact on Busey's financial results. Busey invests in certain tax-advantaged projects promoting affordable housing, community development, and other community revitalization projects. **These Busey's investments in these projects** are designed to generate a return primarily through the realization of federal and state income tax credits, and other tax benefits, over specified time periods. Busey is subject to the risk that previously recorded tax credits, which remain subject to recapture by taxing authorities based on compliance features required **to be met** at the project level, **will may** fail to meet certain government compliance requirements and **will may** not be realized. The **possible potential** inability to realize these tax **credit credits** and other tax benefits could **have a negative negatively** impact on Busey's financial results. The ultimate realization of **the these tax credits and other tax** benefits depends upon having sufficient taxable income and on many **other** factors outside of **Busey the Company's** control, including changes in the applicable tax code and the ability of the projects to be completed. **Busey continues to monitor tax law developments and compliance with applicable regulations to mitigate these risks**. Busey's framework for managing risks may not be **fully** effective in mitigating risk and loss. Busey's risk management framework seeks to mitigate risk and loss. It has established processes and procedures intended to identify, measure, monitor, report, and analyze the types of risk to which it is subject, compliance risk and reputational risk, among others. However, as with any risk management framework, there are inherent limitations. Risks may exist, or emerge in the future, that have not been appropriately identified or anticipated. As it continues to grow, Busey's ability to successfully identify and manage the risks it faces is an important factor that can significantly impact results. If its risk management framework is **not commensurate** designed to identify, measure, monitor, and analyze a broad spectrum of risks, including compliance, operational, and reputational risks. However, as with any framework, inherent limitations exist, particularly as new risks emerge or previously unidentified vulnerabilities become apparent. The effectiveness of this framework depends on its alignment with Busey's evolving risk profile, **Busey especially in light of the planned CrossFirst merger**. As the organization grows in complexity, risks related to integration, system coordination, and operational oversight may challenge the framework's capacity to adapt. Failures to effectively manage these risks **could suffer unexpected adversely** impact Busey's financial condition, regulatory standing, and overall operational stability. To address these challenges, Busey continuously refines its processes, leveraging advanced risk assessment tools and seeking alignment with industry best practices. Despite these efforts, no risk management framework is foolproof, and unforeseen **losses or disruptions** remain a possibility. Technological investments drive efficiency but introduce cybersecurity risks. Busey's ongoing investments in technology infrastructure have strengthened operational efficiency, enhanced client service delivery, and supported the scaling of key business functions. Initiatives such as enterprise-wide automation, cloud integration, and enhanced data analytics capabilities have positioned Busey as a forward-thinking financial institution. However, these advancements introduce vulnerabilities, including the risk of cyber-attacks and operational disruptions. The Federal Reserve's November 2024 Financial Stability Report has emphasized growing threats posed by sophisticated cyber-attacks. These threats not only compromise data integrity but also pose significant reputational and financial risks. For example: **First Busey Corporation (BUSE) | 2024 — 44 • Supply Chain Risk Amplification: Third-party vendors and their subcontractors introduce multi-layered risks, complicating oversight and heightening the likelihood of service interruptions or compliance breaches. • Advanced Cyber Threats: As bad actors deploy increasingly sophisticated tactics, including artificial intelligence-driven impersonation and malware, the effectiveness of traditional cybersecurity defenses is diminished. To mitigate these risks, Busey has implemented robust cybersecurity protocols, regular system audits, and incident response plans. The use of artificial intelligence-powered tools, such as Verafin, provide additional layers of fraud detection, enabling proactive threat management. However, as cybersecurity threats evolve, the**

possibility of system penetration persists even with robust security protocols in place. Outsourcing dependencies could disrupt be materially adversely affected. First Busey Corporation-- operations | 2023 — 45 and increase compliance risks. Busey relies ' s reliance on secure the integrity of its operating systems and resilient employees, and those of third parties, and certain failures of such systems or error by employees or customers could materially and adversely affect Busey's operations. Communications and information systems are essential to conduct Busey's business, as it uses such systems to manage customer relationships, transactions, and relationships; data underscores the critical importance of operational stability. Outsourcing arrangements introduce risks tied to service disruptions, compliance violations, and vulnerabilities stemming from subcontractors in downstream supply chains. This cascading outsourcing structure adds complexity to communication and coordination, particularly when vendors operate in regions with varying regulatory standards. Risks are further amplified by geopolitical tensions, trade restrictions, or cyberattacks targeting these external partners general ledger; and deposits, loans, and investments. However, Failures or breaches in the these computer systems and network infrastructure Busey uses could disrupt Busey's be vulnerable to unforeseen problems as operations, are dependent upon the protection of computer equipment against damage its reputation from physical theft, fire, power loss, telecommunications failure, or result in significant legal exposure a similar catastrophic event, as well as from security events. While In addition, Busey outsources certain processing functions to conducts rigorous due diligence when selecting third-party providers, residual introducing additional layers of risk risks from subsequent when these providers, in turn, outsource to fourth or fifth parties. This cascading outsourcing structure can heighten the complexity tiers remain challenging to eliminate entirely. Fraudulent activities could erode financial stability and potential customer trust. The rising sophistication of fraudulent schemes poses a persistent challenges challenge in communication, coordination, and risk management. If downstream providers encounter difficulties, or for financial institutions, if Busey faces challenges in communicating with them Busey being no exception. Fraudulent activities, it may impact such as identity theft, phishing, ability to adequately process and account for unauthorized transactions, could result in financial losses, regulatory penalties, and erosion of customer trust transactions, adversely affecting business operations. Busey employs a Moreover, downstream providers could introduce specific risks related to compliance. Involvement of downstream parties in regions subject to sanctions or dealing with entities on prohibited lists poses an additional layer of regulatory risk. Risks associated with multi-layered approach outsourcing arrangements include compliance concerns, potential disruptions, system or processing failures, and increased difficulty in overseeing and controlling actions of distant parties. While Busey implements due diligence procedures in reviewing and vetting its third parties, the indirect risks arising from subsequent outsourcing levels are inherently more challenging to fraud control or cannot be controlled. Although Busey has established procedures to prevent prevention or mitigate the effects of potential problems, technology-related disruptions, failures, and cybersecurity risks remain constant threats. Involvement of downstream parties further amplifies these risks, as Busey cannot guarantee the success of measures to prevent security breaches and disruptions. Any failure, interruption, or breach in the security of computer systems and network infrastructure, including those of downstream parties, could have a material adverse effect on Busey's financial condition and results of operations. Similarly, Busey is reliant upon its employees. Such dependencies create risks for potential losses resulting from employee errors, breakdowns in process or control, failures to properly execute change management, negligence, or a number of other factors outside Busey's control. Busey maintains a system of internal controls and, insurance coverage to mitigate operational risks, including data processing system failures and advanced errors, customer or employee fraud, and other disruptions which might impact its business. Further, Busey's Internal Audit department routinely reviews operations and high-risk areas for error, deficient controls, and failure to adhere to policy. Potential legal actions, fines, and civil money penalties could arise as results of an operational deficiency or as a result of noncompliance with applicable regulatory standards, adverse business decisions or their implementation, and customer attrition due to potential negative publicity. A breach in the security of Busey's systems could disrupt its businesses, result in the disclosure of confidential information, damage its reputation, and create significant financial and legal exposure for Busey. Although Busey devotes significant resources to maintain and regularly upgrade systems and processes designed to protect the security of its computer systems, software, networks, and other technology assets, these measures do not provide absolute security for the Company's websites or other systems, some of which have been targeted with sophisticated intended to obtain unauthorized access to confidential information, destroy data, disable or degrade service, or sabotage systems, often through the introduction of computer viruses or malware, cyber-attacks, and other means. In addition, cyber attackers have persistently employed sophisticated campaigns to leverage individuals' fears and uncertainties. They capitalize on the increased First Busey Corporation | 2023 — 46 volume of transactions occurring on digital channels, employing social engineering techniques to manipulate human psychology and perpetuate security breaches. Implementation of remote working arrangements that use virtual private networks, virtual conferencing services, and telecommunication technologies can increase insider risk, cybersecurity vulnerabilities, and other operational exposures. Industry trends in ransomware, phishing, and other intrusion methods have increased significantly and will continue to pose increased risk. Threats to security also exist in the processing of customer information through various other third parties, their personnel, and their use of subcontractors. Advances in computer capabilities, new discoveries in the field of cryptography, or other developments could result in a compromise or breach of the algorithms Busey and its third party service providers use to encrypt and protect customer transaction data. Such cyber incidents may go undetected for a period of time. An inability by our third party providers, and their third party providers, to anticipate, detect detection tools, or adequately mitigate like Verafin. However, breaches of security, known as "supply chain risk," could result in a number of negative events-- even robust frameworks, including losses to us or our clients, loss of business or clients, damage to our reputation, the incurrance of additional expenses, additional regulatory scrutiny or penalties, or exposure to civil litigation and possible financial liability, any of which could have a material adverse effect on our business, financial condition, results of operations, and growth prospects. Busey also faces risks related to cyber-

attacks and other security breaches in connection with credit card, debit card, and other payment-related transactions that typically involve the transmission of sensitive information regarding Busey's customers through various third parties, including merchant acquiring banks, payment processors, payment card networks, and processors. Cyber-attacks or other breaches, whether affecting Busey or others, could intensify consumer concern and regulatory focus and result in breach and fraud-related losses as well as increased costs, all of which could have a material adverse effect on Busey's business. Penetration or circumvention of Busey's security systems could result in serious negative consequences for the Company, including significant disruption of Busey's operations, misappropriation of Busey's confidential information or that of its customers or employees, or damage to Busey's computers or systems and those of its customers and counterparties. Such events could result in violations of applicable privacy and other laws, financial loss to Busey or its customers, loss of confidence in Busey's security measures, customer dissatisfaction, significant litigation exposure, and harm to Busey's reputation, all of which would adversely affect the Company. These risks have increased for all financial institutions globally as new technologies, the use of the Internet and telecommunications technologies, including mobile devices, to conduct financial and other business transactions, and the sophistication and activities of malicious individuals and organizations have increased substantially. Despite Busey's significant investment in security resources and its continued efforts to prevent or limit the effects of potential threats, it is possible that Busey may not **fully eliminate risks** be able to anticipate or implement effective preventative measures against all security incidents. Customer or employee misconduct or fraud may affect operations, **particularly** result in significant financial loss, and have an adverse impact on Busey's reputation. Misconduct by employees and customers could include hiding unauthorized activities, conducting improper or unauthorized activities, or improper use of confidential information. Customer or other outsiders may also attempt to perpetuate fraud or scams in the form of identity theft, money laundering, fraudulent or altered deposits, or use of counterfeit instruments, as **threat actors adapt** a few examples. Busey also faces fraud risk associated with the origination of loans, including the intentional misstatement of information in property appraisals or other underwriting documentation provided to it by customers or by third parties. Customers may expose Busey to certain fraud risks associated with the compromise of their **tactics** computing systems or accounts, as well. First Busey Corporation | 2023 — 47 Both the number and sophistication level of attempted fraudulent transactions are increasing. Should our internal controls fail to **exploit emerging vulnerabilities** prevent or detect an occurrence of fraud, or if any resulting loss is not insured or exceeds applicable insurance limits, it could have a material adverse effect on Busey's business, results of operations, and financial condition. Busey's ability to attract and retain key personnel may affect future growth and earnings. Busey's **ability to attract and retain experienced management and qualified personnel is critical to sustaining growth and executing its strategic objectives.** The **leadership transitions associated with** landscape recently underwent changes as Busey and Robin N. Elliott, the **CrossFirst merger highlight** President and Chief Executive Officer of Busey Bank, who also served as Chairman of the **importance** Board and Chief Executive Officer of **talent management in preserving operational continuity** FirstTech, mutually agreed upon the decision to part ways. In connection with this transition, Van A. Dukeman, the Chairman, President, and Chief Executive Officer of First Busey Corporation has taken on the additional **addition to retaining key leaders,** role of President and Chief Executive Officer of Busey Bank. Busey's ability to attract **build a diverse and skilled workforce** retain management experienced in banking and financial services, including its current executive officers, management teams, lending and retail banking officers, and administrative staff of its subsidiaries, is crucial for the successful implementation of its strategy. Additionally, Busey's ability to retain key personnel at acquired financial institutions is vital for its growth strategy through mergers and acquisitions. Equally critical is Busey's commitment to attracting and retaining diverse and qualified staff with the appropriate level of experience and knowledge about its market areas, essential for **to** implementing its community-based operating strategy **effectively.** The unexpected loss **departure** of services of key personnel **high-performing employees** or **difficulty in** the inability to recruit **recruiting specialized talent** and retain qualified personnel in the future could **disrupt** have an adverse effect on Busey's business, financial condition, and results of operation **operations , delay strategic initiatives, or increase costs associated with workforce realignment . First Busey Corporation (BUSE) | 2024 — 45** Damage resulting from negative publicity could harm Busey's reputation and adversely impact its business and financial condition. Busey's ability to attract and retain customers, investors, and employees is contingent upon maintaining trust. Negative public opinion could result from the Company's actual or alleged conduct in a number of activities, including, but not limited to, employee misconduct, a failure or perceived failure to deliver appropriate standards of service and quality **or to treat customers fairly ,** faulty lending practices, compliance failures, security breaches, corporate governance, sharing or inadequate protection of customer information, failure to comply with laws or regulations, and actions taken by government regulators and community organizations in response to that conduct. The **CrossFirst merger further underscores the importance of preserving a positive reputation during this period of transformation. Mergers often attract heightened scrutiny from regulators, investors, and the public, amplifying the potential for reputational risks. Mistacts in integration, such as service disruptions, a perceived decline in quality, or employee dissatisfaction could adversely impact public perception. The** results of such actual or alleged misconduct **or missteps** could include customer dissatisfaction, inability to attract potential acquisition prospects, litigation, and heightened regulatory scrutiny **. These outcomes may ,** all of which could lead to lost revenue, higher operating costs, and harm to Busey's reputation. **No assurance can be made, despite** **Despite** the cost or efforts made by the Company to address the issues arising from reputational harm, **there is no assurance** that results **these efforts** could not **fully mitigate** adversely **adverse** affect **impacts on** Busey's business, financial condition, and results of operations. **Rapid adoption of** Emerging risks associated with Generative **generative** Artificial **artificial** Intelligence **intelligence** and other Large Language Models are dynamic and evolving rapidly as the technology **technologies** **introduces** advances and regulatory frameworks develop. While our current operational framework excludes the use **vulnerabilities. The rapid adoption of generative artificial intelligence** GAI in our internal processes, the usage of such technologies introduces a spectrum **range of** **operational** risks across various dimensions: **→ , including intellectual property**

disputes, compliance challenges, and data privacy concerns. The use of artificial intelligence in Fraud—fraud schemes, such as impersonation attacks and Security—Advanced social engineering capabilities for phishing and vishing attacks, **underscores** as well as the **urgency of proactive governance** ability to generate impersonation attacks using so-called “deep fakes” leading to impacts including, but not limited to, unauthorized access, fraudulent transactions, and data breach. • Intellectual Property and Copyright Concerns—Risks stemming from unclear legal disputes and potential financial liabilities due to the unauthorized use **Busey remains committed** of copyrighted materials leading to **addressing** legal challenges. • Potential Opacity and Bias in Models—Challenges related to the **these** interpretability of models and potential biases, presenting risks **through advanced technological tools** of model misinterpretation and unintended consequences. First Busey Corporation | 2023 — 48 • Data Privacy—Unauthorized use of company or customer data in the training of GAI models. • Compliance Challenges—The potential inability to quickly adapt to, or the high costs associated **regular assessments, and collaboration** with adapting **industry peers to stay ahead**, regulatory changes, leading to compliance gaps and associated penalties. Moreover, an additional concern with GAI pertains to the utilization of **evolving threats** voice-enabled AI for communicating promotional messages to our customer base. As we proactively assess and address these emerging risks, our commitment to robust risk management remains integral to sustaining operational resilience.