

# **PUBLIC DISCLOSURE**

March 25, 2022

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Busey Bank  
Certificate Number: 16450

100 W. University Avenue  
Champaign, Illinois 61820

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Chicago Regional Office

300 South Riverside Plaza, Suite 1700  
Chicago, Illinois 60606

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## INSTITUTION RATING

**INSTITUTION’S CRA RATING:** This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory		X	
Low Satisfactory	X		X
Needs to Improve			
Substantial Noncompliance			
* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.			

**The Lending Test is rated Low Satisfactory.**

- Lending levels reflect adequate responsiveness to assessment area credit needs.
- A high percentage of loans are made in the institution’s assessment areas.
- The geographic distribution of loans reflects adequate penetration throughout the assessment areas.
- The distribution of borrowers reflects adequate penetration among retail customers of different income levels and businesses and farms of different sizes.
- The institution uses innovative and flexible lending practices in order to serve assessment area credit needs.
- The institution makes a relatively high level of community development loans.

**The Investment Test is rated High Satisfactory.**

- The institution has an excellent level of qualified community development investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors.
- The institution exhibits good responsiveness to credit and community economic development needs.

- The institution occasionally uses innovative or complex investments to support community development initiatives.

**The Service Test is rated Low Satisfactory.**

- Delivery systems are reasonably accessible to essentially all portions of the assessment areas.
- To the extent changes have been made, the institution’s opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals.
- Services and business hours do not vary in a way that inconveniences portions of the assessment areas, particularly low- and moderate-income geographies and individuals.
- The institution provides a relatively high level of community development services.

**DESCRIPTION OF INSTITUTION**

Busey Bank is headquartered in Champaign, Illinois and remains wholly owned by First Busey Corporation, a one-bank holding company also located in Champaign. The bank received a “Satisfactory” rating at its previous FDIC CRA performance evaluation dated January 14, 2019, based on Interagency Large Institution Examination Procedures.

In total, Busey Bank operates 68 offices across four states. While the majority of these locations are in the Midwest (encompassing Illinois, Missouri, and Indiana), the bank also has offices along Florida’s west coast. Busey Bank offers a wide variety of loan and deposit products, as well as other banking services for retail and commercial customers. Loan product offerings include a variety of home mortgage, commercial, agriculture and consumer loans and lines of credit. Deposit products consist of a variety of consumer and commercial checking, savings, money market, certificate of deposit, and individual retirement accounts. The bank also offers wealth management services.

During the evaluation period, Busey Bank acquired two institutions. In 2019, it acquired Bank of Edwardsville within the St. Louis Multistate Metropolitan Statistical Area (MSA). In 2021, it acquired Glenview State Bank within the Chicago Metropolitan Division (MD). Both acquisitions served to increase the bank’s footprint within their existing assessment area.

<b>Acquired Bank Name (Headquarters Location)</b>	<b>FDIC Certificate Number</b>	<b>Acquisition Date</b>	<b>Total Assets as of Acquisition Date</b>	<b>Number of Offices as of Acquisition Date</b>	<b>Most Recent CRA Evaluation Date (Rating)</b>
<b>Bank of Edwardsville</b> (Edwardsville, IL)	1039	10/4/2019	\$1.9 billion (6/30/2019)	16	5/27/2019 (Satisfactory)
<b>Glenview State Bank</b> (Glenview, IL)	12406	8/13/2021	\$1.4 billion (06/30/2021)	8	12/2/2019 (Satisfactory)

Even with these acquisitions, the bank’s total number offices has declined slightly since the previous evaluation, at which time the bank operated 72 offices within is assessment areas.

The bank has multiple affiliates with common ownership via the holding company. As none of these offer credit products or services, they are not included within the scope of this evaluation.

***Ability and Capacity***

Busey Bank’s assets totaled \$12.8 billion as of December 31, 2021, and has increased by 5.0 billion or 63.5 percent since the prior evaluation, largely driven by the acquisition of the previously-mentioned institutions. The bank’s loan portfolio has increased 27.5 percent from \$5.7 billion to \$7.2 billion over the same period, while deposits increased 74.4 percent, from \$6.2 billion to \$10.8 billion.

Commercial lending, comprised of commercial real estate (35.3 percent) and commercial and industrial loans (18.9 percent), represents the largest portion of the bank’s loan portfolio. Home mortgage lending, comprised of 1-4 Family Residential (21.3 percent) and Multifamily (7.9 percent), makes up the second largest portion. The following table provides a breakdown of the bank’s loan portfolio by category.

<b>Loan Portfolio Distribution as of 12/31/2021</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	390,019	5.4
Secured by Farmland	140,630	1.9
Secured by 1-4 Family Residential Properties	1,532,856	21.3
Secured by Multifamily (5 or more) Residential Properties	572,714	7.9
Secured by Nonfarm Nonresidential Properties	2,547,091	35.3
<b>Total Real Estate Loans</b>	<b>5,183,310</b>	<b>71.9</b>
Commercial and Industrial Loans	1,366,113	18.9
Agricultural Production and Other Loans to Farmers	52,759	0.7
Consumer Loans	226,302	3.1
Obligations of State and Political Subdivisions in the U.S.	243,749	3.4
Other Loans	137,583	1.9
Lease Financing Receivable (net of unearned income)	3,056	0.0
Less: Unearned Income	-	0.0
<b>Total Loans</b>	<b>7,212,872</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

Busey Bank’s loan portfolio has remained substantially the same since the previous evaluation, with only mild variations in portfolio concentrations. Busey Bank continues to originate and sell a significant number of home mortgage loans on the secondary market, and the bank’s loan portfolio does not reflect this activity. According to data reported under the Home Mortgage Disclosure Act, the bank sold 3,504 loans totaling \$676.9 million on the secondary market in 2020. Of the bank’s total closed-end home mortgage loans, this represents 49.9 percent by number and 42.2 percent by dollar volume.

Examiners did not identify any financial, legal, or other impediments that would limit the institution’s ability to meet assessment area credit needs.

## DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment area within which its CRA performance is evaluated. Busey Bank delineated eleven assessment areas across four separate rated areas as described below. These assessment areas do not arbitrarily exclude low- or moderate-income census tracts, do not reflect illegal discrimination, and otherwise meet the requirements of the CRA regulations.

The following table outlines each rated area and the assessment areas within those areas in the order of the weight that each rated area carried in arriving at overall conclusions. Refer to the Scope of Evaluation section for additional information on the weighting of assessment areas in arriving at overall conclusions.

<b>Rated Areas and Assessment Areas</b>		
<b>Rated Area</b>	<b>Assessment Area Full Name</b>	<b>Assessment Area Abbreviated Name</b>
<b>Illinois</b>	Champaign – Urbana, IL MSA	Champaign MSA
	Chicago – Naperville – Evanston, IL MD	Chicago MD
	Peoria, IL MSA	Peoria MSA
	Illinois Non-MSA	Illinois Non-MSA
	Bloomington – Pontiac, IL MSA	Bloomington MSA
	Decatur, IL, MSA	Decatur MSA
<b>St. Louis, Missouri – Illinois Multistate MSA</b>	St. Louis, MO – IL MSA	St. Louis MSA
<b>Florida</b>	Cape Coral – Fort Myers, FL MSA	Cape Coral MSA
	North Port – Sarasota – Bradenton, FL MSA	Sarasota MSA
	Punta Gorda, FL MSA	Punta Gorda MSA
<b>Indiana</b>	Indianapolis – Carmel – Anderson, IN MSA	Indianapolis MSA

The four rated areas include one multistate MSA, the St. Louis MSA. As Busey Bank operates branch offerings in both Missouri and Illinois within the MSA, examiners evaluated the bank’s performance in the MSA as a separate rated area. The following table provides additional information on each assessment area, including counties, number of census tracts, and the number of branches. Refer to the separate assessment area sections of this evaluation for more information on each assessment area.

<b>Description of Assessment Areas</b>			
<b>Assessment Area</b>	<b>Counties in Assessment Area</b>	<b># of CTs</b>	<b># of Branches</b>
Champaign MSA	Champaign	43	12
Chicago MD	Cook, DuPage, Grundy, Will	1,697	15
Peoria MSA	Peoria, Marshall, Tazewell, Woodford	92	11
Illinois Non-MSA	Ford, Livingston, Shelby	21	0
Bloomington MSA	McLean	41	3
Decatur MSA	Macon	34	3
St. Louis MSA	Bond, Calhoun, Clinton, Franklin, Jersey, Lincoln, Macoupin, Madison, Monroe, St. Charles, St. Louis (city), St. Louis (county), St. Clair, Warren	615	20
Cape Coral MSA	Lee	167	2
Sarasota MSA	Sarasota	95	1
Punta Gorda MSA	Charlotte	39	0
Indianapolis MSA	Hamilton, Marion	263	1
<i>Source: Bank Records</i>			

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the prior evaluation dated January 14, 2019, to the current evaluation dated March 25, 2022. Examiners utilized the Interagency Large Institution Examination Procedures to evaluate Busey Bank’s CRA performance. These procedures include the following three tests: the Lending Test, Investment Test, and Service Test. A summary of these criteria for each test is included within the Appendix.

In arriving at overall conclusions, examiners weighed each rated area separately based on the proportion of bank operations, deposits, and lending within each area. The rated areas, in order from greatest to least weight are as follows: Illinois, St. Louis Multistate MSA, Florida, and Indiana. The following table illustrates the distribution of bank offices, reported 2020 loans, and deposits. The table also shows which areas received full- or limited-scope reviews.

Assessment Areas by Number of Offices, Loans, Deposits, and Type of Review						
Assessment Area	# of Offices	Loans*		Deposits		Type of Review
		\$(000s)	%	\$(000s)	%	
Champaign MSA	12	918,407	18.6	2,667,323	29.2	Full-Scope
Chicago MD	15	1,152,585	23.4	1,112,971	12.2	Full-Scope
Peoria MSA	11	301,441	6.1	751,432	8.2	Full-Scope
Illinois Non-MSA	0	51,575	1.0	174,458	1.9	Full-Scope
Bloomington MSA	3	313,904	6.4	484,157	5.3	Limited-Scope
Decatur MSA	3	98,228	2.0	539,166	5.9	Limited-Scope
St. Louis MSA	20	1,627,325	33.0	2,864,010	31.4	Full-Scope
Cape Coral MSA	2	242,980	4.9	322,527	3.5	Full-Scope
Sarasota MSA	1	43,088	0.9	51,944	0.6	Full-Scope
Punta Gorda MSA	0	23,900	0.5	68,010	0.7	Limited-Scope
Indianapolis MSA	1	159,793	3.2	94,021	1.0	Full-Scope
<b>Total</b>	<b>68</b>	<b>2,027,390</b>	<b>100.0</b>	<b>9,130,019</b>	<b>100.0</b>	

*Source: Bank Records, FDIC Summary of Deposits (6/30/2021). \*Loans include reported 2019 - 2021 home mortgage, small business, and small farm loan originations.*

### Activities Reviewed

Within the Lending Test, examiners reviewed Busey Bank’s home mortgage, small business, and small farm lending for 2019, 2020, and 2021. As performance was consistent throughout the evaluation period, only 2020 and 2021 data is presented, with 2020 serving as the most recent year for which aggregate data is available. Examiners did not review consumer lending, as it is not a major product line for the bank.

Home mortgage loans include all closed-end and open-end loans reported under the Home Mortgage Disclosure Act (HMDA) data collection requirements. Due to the significant volume of both closed-end and open-end HMDA loans, examiners analyzed and presented these products separately. Small business and small farm loans include all loans reported under CRA data collection requirements.

Throughout 2020 and 2021, the Small Business Administration implemented and backed Paycheck Protection Program (PPP) loans in response to the COVID-19 Pandemic. Financial institutions originating these loans were not required to collect nor report business revenues for the PPP loans on a nationwide basis. As such, revenue reporting was intermittent and inconsistent. Aggregate ratios within small business and small farm lending do not always meaningfully correlate to bank performance. Examiner presented the bank’s performance including those PPP loans within the Borrower Profile tables; however, further discussion in each full-scope assessment area consistently discusses the bank’s performance without the PPP loans included. Although 2019 data is not presented in the tables, the bank’s performance relative to aggregate in that year was consistent with the relative performance in 2020 (excluding PPP loans).

Generally, closed-end home mortgage lending carried the greatest weight when arriving at overall conclusions. Small business lending carried the next greatest weight, followed by open-end home

mortgage lending. This considers the bank's business focus, as well as the number and dollar volume of originations within the bank's assessment areas. Small farm lending carried the least weight and is concentrated in just five of the assessment areas: Champaign MSA, Chicago MD, Illinois Non-MSA, Bloomington MSA, and the St. Louis MSA. Small farm lending in the remaining assessment areas was too low to support meaningful conclusions; therefore, it is only presented in the previously-mentioned assessment areas.

Examiners evaluated Busey Banks' lending performance through comparisons to 2015 American Community Survey (ACS) demographic data, 2019-2020 D&B business demographic data, 2019-2020 HMDA aggregate data, and 2019-2020 CRA aggregate data. Examiners focused primarily on comparisons to HMDA and CRA aggregate data, as these serve as a better indicator of demand for each product. Additionally, while this evaluation presents both the number and dollar volume of loan originations, examiners generally focused on performance by number of loans, as this is a better indicator of the number of individuals, businesses, and farms served.

Examiners reviewed the bank's delivery systems for providing retail banking services, including physical branch locations and alternative delivery systems. Examiners evaluated the impact of branch openings, closings, and the previously-mentioned acquisitions on the accessibility of bank delivery systems within each assessment area. The Service Test portions of this evaluation contain more information on these areas.

Finally, examiners considered all community development loans, qualified investments, and community development services since Busey Banks' prior CRA evaluation dated January 14, 2019. Examiners considered community development loans of the acquired institutions that were originated within the review period for this evaluation and had not been previously considered in the acquired bank's most recent CRA evaluation. With respect to qualified investments, examiners generally considered any acquired investments that remained outstanding as of the applicable acquisition date. Depending on whether investments were made within the review period for this evaluation, investments are categorized as either current period or prior period investments. All prior period investments, both acquired and non-acquired, received credit for the outstanding balance as of this evaluation date. For community development services performed by employees of the acquired banks, examiners only considered services that continued after the merger date.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

The Lending Test is rated Low Satisfactory.

#### **Lending Activity**

Lending levels reflect adequate responsiveness to assessment area credit needs. Performance was adequate for the two highest weighted areas. In Florida and Indiana, where the bank has a relatively small proportions of its operations and activities, performance was good. Refer to the separate assessment area sections of this evaluation for additional information, including market share analysis.

## Assessment Area Concentration

A high percentage of loans are made in the institution's assessment areas. As reflected in the following table, Busey Bank originated a substantial majority of closed-end home mortgage loans, small business loans, and small farm loans within its assessment area in each year. Performance within open-end home mortgage loans saw improvement each year of the review period after the bank gradually decreased its level of open-end loan purchases that were not originated solely within the bank's assessment areas.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$ (000s)	%	\$ (000s)	%	
Closed-End Home Mortgage										
2019	3,102	79.9	780	20.1	3,882	793,471	76.5	243,426	23.5	1,036,897
2020	4,756	86.5	745	13.5	5,501	1,101,529	77.9	312,124	22.1	1,413,653
2021	3,218	89.7	369	10.3	3,587	953,632	82.2	206,917	17.8	1,160,549
<b>Subtotal</b>	<b>11,076</b>	<b>85.4</b>	<b>1,894</b>	<b>14.6</b>	<b>12,970</b>	<b>2,848,632</b>	<b>78.9</b>	<b>762,468</b>	<b>21.1</b>	<b>3,611,100</b>
Open-End Home Mortgage										
2019	911	39.1	1,421	60.9	2,332	94,689	43.3	124,230	56.7	218,919
2020	930	60.9	598	39.1	1,528	130,585	68.8	59,350	31.2	189,935
2021	796	92.0	69	8.0	865	145,820	95.1	7,548	4.9	153,368
<b>Subtotal</b>	<b>2,637</b>	<b>55.8</b>	<b>2,088</b>	<b>44.2</b>	<b>4,725</b>	<b>371,095</b>	<b>66.0</b>	<b>191,127</b>	<b>34.0</b>	<b>562,222</b>
Small Business										
2019	1,147	89.5	135	10.5	1,282	348,902	86.7	53,439	13.3	402,341
2020	4,926	91.4	462	8.6	5,388	767,771	88.2	102,280	11.8	870,051
2021	3,081	91.3	295	8.7	3,376	523,976	87.1	77,891	12.9	601,867
<b>Subtotal</b>	<b>9,154</b>	<b>91.1</b>	<b>892</b>	<b>8.9</b>	<b>10,046</b>	<b>1,640,649</b>	<b>87.5</b>	<b>233,610</b>	<b>12.5</b>	<b>1,874,259</b>
Small Farm										
2019	101	75.9	32	24.1	133	18,940	76.8	5,726	23.2	24,666
2020	194	82.6	41	17.4	235	27,504	82.0	6,051	18.0	33,555
2021	237	84.9	42	15.1	279	26,403	77.9	7,509	22.1	33,912
<b>Subtotal</b>	<b>532</b>	<b>82.2</b>	<b>115</b>	<b>17.8</b>	<b>647</b>	<b>72,847</b>	<b>79.1</b>	<b>19,286</b>	<b>20.9</b>	<b>92,133</b>
<b>Total</b>	<b>23,399</b>	<b>82.4</b>	<b>4,989</b>	<b>17.6</b>	<b>28,388</b>	<b>4,933,223</b>	<b>80.3</b>	<b>1,206,490</b>	<b>19.7</b>	<b>6,139,713</b>

Source: Bank Data. Due to rounding, totals may not equal 100.0%

## **Geographic Distribution**

The geographic distribution of loans reflects adequate penetration throughout the assessment areas. While results were stronger within the St. Louis and Indiana rated areas, this conclusion is supported by performance in the remaining rated areas, including the most heavily-weighted area. Refer to the separate assessment area sections of this evaluation for more detailed information.

## **Borrower Profile**

The distribution of borrowers reflects adequate penetration among retail customers of differing income levels and businesses and farms of different sizes. Borrower performance was generally adequate throughout, with performance considered good within the Indiana rated area and poor within the Florida rated area. Refer to the separate assessment area sections of this evaluation for more detailed information.

## **Innovative or Flexible Lending Practices**

The bank uses innovative and flexible lending practices to serve assessment area credit needs. The bank originated innovative and flexible loans totaling more than \$403 million during the evaluation period. Moreover, this figure excludes the roughly \$1 billion in Paycheck Protection Program (PPP) loan originations that were originated by the bank, which are noted below.

The bank's innovative and flexible loan product offerings include both internal and government-sponsored loan programs that help to meet the credit needs of low- and moderate-income borrowers. Below are brief descriptions of each of these loan programs that the bank offers.

- MyCommunity Home Loan – The MyCommunity Home Loan program is Busey's primary home mortgage product for low- and moderate-income borrowers. The Bank of Edwardsville initially developed this product, and Busey began offering the product after the acquisition of that institution in 2019. MyCommunity Home Loans are targeted to low- and moderate-income borrowers and borrowers that reside in low- and moderate-income areas. The program offers low down payments, no mortgage insurance requirements, and flexible underwriting standards. During the evaluation period, the largest number of these loans were originated in the St. Louis MSA assessment area (191 loans) and the Indianapolis MSA assessment area (104 loans).
- Federal National Mortgage Association (Fannie Mae)/Federal Home Loan Mortgage Corporation (Freddie Mac) loan programs – The bank offers flexible loan programs in conjunction with Fannie Mae and the Freddie Mac. For example, the bank originates loans through Fannie Mae's HomeReady program and Freddie Mac's Home Possible programs. These programs help low- and moderate-income borrowers achieve homeownership by allowing high loan-to-value ratios and flexible underwriting standards. These programs are denoted as "Fannie/Freddie programs" throughout this evaluation.
- Government-guaranteed mortgage loans – The bank continues to offer home mortgage loans guaranteed by the Federal Housing Administration (FHA), United States Department of Veterans Affairs (VA), and United States Department of Agriculture (USDA). These programs can be particularly helpful in supporting low- and moderate-income families achieve

homeownership by offering flexible underwriting standards, competitive rates, and low down payments.

- State/other programs – The bank originates home mortgage loans in conjunction with various state and local housing programs throughout the assessment areas. For example, the bank helps connect borrowers with programs offered by state housing agencies like the Illinois Housing Development Authority and the Missouri Housing Development Commission. These programs include down payment assistance and other loan programs targeted toward low- and moderate-income borrowers as well as first-time homebuyers. Similarly, the bank helps low- and moderate-income borrowers obtain down payment and closing cost assistance through the Federal Home Loan Bank’s Down Payment Plus program. These types of programs are denoted as “state/other programs” throughout this evaluation.
- Small Business Administration (SBA) loans – The bank continues to originate SBA loans for commercial borrowers. SBA lending programs, namely the 504 and 7A programs, provide access to financing for small businesses meeting certain size and eligibility requirements. The bank receives a guaranty from the SBA for portions of such loans. The bank also originated PPP loans through the SBA. The federal government established PPP to provide emergency assistance to businesses during the COVID-19 pandemic. These PPP loans are described in greater detail below and are not included in the SBA portion of the following table.

The following table details these innovative and flexible loan originations by type and year. Some loan originations involve multiple programs: for example, a borrower might obtain an FHA loan originated in conjunction with a specific state housing agency program. In these cases, the loans are only reflected once in the following totals. Additionally, although not reflected in the table below, Busey originated nearly 400 innovative and flexible loans totaling more than \$109 million outside of its assessment areas. Refer to the separate assessment area sections of this evaluation for more information on the bank’s innovative and flexible lending through these programs.

<b>Innovative and Flexible Lending Programs</b>									
<b>Loan Type</b>	<b>Loan Program</b>	<b>2019</b>		<b>2020</b>		<b>2021</b>		<b>Totals</b>	
		<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Home Mortgage	MyCommunity Home Loan	13	1,363	159	18,208	195	28,315	<b>367</b>	<b>47,886</b>
	Fannie/Freddie programs	195	28,287	198	23,461	96	12,012	<b>489</b>	<b>63,760</b>
	FHA	202	36,922	122	19,782	68	9,227	<b>392</b>	<b>65,931</b>
	VA	97	22,793	109	26,233	30	6,560	<b>236</b>	<b>55,586</b>
	USDA	41	4,925	46	6,220	13	1,589	<b>100</b>	<b>12,734</b>
	State/other programs	32	2,651	106	7,338	136	7,681	<b>274</b>	<b>17,670</b>
Small Business	SBA (non-PPP)	51	39,803	41	44,121	47	56,333	<b>139</b>	<b>140,257</b>
<b>Totals</b>		<b>631</b>	<b>136,744</b>	<b>781</b>	<b>145,363</b>	<b>585</b>	<b>121,717</b>	<b>1,997</b>	<b>403,824</b>

*Source: Bank Records*

In addition to the programs included in the previous table, the bank originated approximately \$1 billion in PPP loans to assist businesses facing financial strain during the COVID-19 pandemic in 2020 and 2021. PPP loans allowed businesses to retain or rehire employees during the pandemic.

The SBA provides loan forgiveness to PPP borrowers that use loan funds for eligible expenses and meet employee retention criteria. The following table presents a breakdown of Busey’s PPP loan originations by assessment area. Although not reflected in the table below, Busey also originated 580 PPP loans totaling \$112.6 million outside of its assessment areas. Given the unique nature of this program, PPP totals are noted here but not mentioned further throughout this evaluation as an innovative or flexible loan.

<b>PPP Loan Originations in 2020 and 2021</b>		
<b>Assessment Area</b>	<b>#</b>	<b>\$(000s)</b>
Champaign MSA	1,018	106,253
Chicago MD	1,314	252,391
Peoria MSA	581	78,311
Illinois Non-MSA	27	714
Bloomington MSA	399	30,040
Decatur MSA	195	31,521
St. Louis MSA	2,254	354,212
Cape Coral MSA	405	64,083
Sarasota MSA	54	5,579
Punta Gorda MSA	68	3,500
Indianapolis MSA	176	21,293
<b>Total</b>	<b>6,491</b>	<b>947,897</b>
<i>Source: Bank Records</i>		

### **Community Development Loans**

The institution has made a relatively high level of community development loans. During the evaluation period, Busey Bank originated 230 qualifying community development loans totaling \$533.4 million within the bank’s assessment areas, and an additional 65 community development loans totaling more than \$164.8 million outside the bank’s assessment areas but benefiting the greater statewide or regional area. As the bank addressed the community development needs within the assessment areas, these loans were also considered.

This level of community development represents a 52.6 percent increase by number and an increase of 31.5 percent by dollar volume over the bank’s prior performance, as well as accounts for 1.0 percent of the banks’ lending by dollar amount over the review period. The bank’s total community development lending represented 10.7 percent of average net loans, 7.0 percent of average total assets, as well as 5.5 percent of total assets as of December 31, 2021. This level of activity represents a decrease by percentage from the prior evaluation where the bank’s community development lending comprised 9.7 percent of average total assets and 13.6 percent of average net loans. Comparatively, peer institutions’ ratio of community development lending to overall lending ranged from 6.0 to 15.3 percent, while community development lending as a percentage of total assets ranged from 1.9 percent to 25.3 percent. Busey Banks performance is consistent with other institutions with a relatively high volume of qualified lending.

Busey Bank originated community development loans in nine of their eleven assessment areas. The community development loans met the needs of the bank’s assessment areas and included loans for affordable housing, community service, economic development, and loans to revitalize and stabilize low and moderate-income areas. The following table details Busey Banks community development lending by year and purpose. Refer to the separate assessment area sections of this evaluation for more specific information on the bank’s community development lending.

<b>Community Development Lending</b>										
<b>Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Total</b>	
	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>
2019 (Partial)	31	39,767	11	52,572.8585	28	110,101	31	107,941	<b>101</b>	<b>310,382</b>
2020	21	27,347	59	37,292	26	92,858	14	38,066	<b>120</b>	<b>195,563</b>
2021	20	32,698	15	53,878	13	30,760	18	57,930	<b>66</b>	<b>175,267</b>
2022 (YTD)	2	1,750	0	0	2	7,683	4	7,593	<b>8</b>	<b>17,026</b>
<b>Total</b>	<b>74</b>	<b>101,562</b>	<b>85</b>	<b>143,743</b>	<b>69</b>	<b>241,402</b>	<b>67</b>	<b>211,531</b>	<b>295</b>	<b>698,238</b>

*Source: Bank Data*

## **INVESTMENT TEST**

The Investment Test rating is High Satisfactory. An excellent overall level of investment and grant activity coupled with good responsiveness and occasional complexity across most rated areas supports this rating.

### **Investment and Grant Activity**

The institution has an excellent level of qualified community development investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors. The bank’s total investments and donations during the evaluation period totaled \$236.0 million, which represents an increase of more than 200 percent since the prior evaluation. The bank made 107 new investments within the bank’s assessment area totaling \$124.4 million, while retaining 85 prior period investments totaling \$61.9 million. The bank also made 537 donations totaling nearly \$1.2 million.

As Busey Bank addressed needs within its assessment areas, examiners also considered various investments that the bank made that benefitted broader statewide and regional areas. The bank made 73 qualified investments totaling nearly \$48.6 million outside of the bank’s assessment area. This includes 6 investments totaling nearly \$1.5 million made to minority and women-owned depository institutions nationwide.

Total investments represent 10.9 percent of average total securities and 2.4 percent of average total assets throughout the evaluation period. The bank’s investments represent 1.8 percent of total assets. Examiners compared this performance against the performance of five similarly situated institutions which maintained investments compared to total assets ranging from 0.6 percent to 1.3 percent. Busey Bank’s performance exceeded that of these large regional banks whose level of community development investments ranged from adequate to excellent at their most recent CRA

performance evaluation. While the bank’s investment activity within the various assessment areas is not as strong, the addition of investments made outside of these assessment areas raises the bank’s overall performance.

The bank’s investments and donations supported all four community development categories, with the largest dollar volume of investments in affordable housing initiatives and the largest number of investments within community service initiatives. The following table details the bank’s investments by year and purpose. Refer to the separate assessment area sections of this evaluation for more information.

<b>Qualified Investments and Donations by Year</b>										
<b>Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Total</b>	
	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>
Prior Period	23	11,878	57	41,359	15	11,052	22	11,472	<b>117</b>	<b>75,762</b>
2019 (Partial)	2	10,738	13	8,132	4	3,201	6	5,207	<b>25</b>	<b>27,279</b>
2020	12	7,135	22	9,866	13	12,142	-	-	<b>47</b>	<b>29,143</b>
2021	21	48,984	16	7,772	11	13,435	5	11,048	<b>53</b>	<b>81,239</b>
2022 (YTD)	8	5,841	3	8,027	6	4,252	6	3,253	<b>23</b>	<b>21,374</b>
<b>Subtotal</b>	<b>66</b>	<b>84,576</b>	<b>111</b>	<b>75,157</b>	<b>49</b>	<b>44,082</b>	<b>39</b>	<b>30,978</b>	<b>265</b>	<b>234,796</b>
Grants & Donations	25	63	463	946	31	104	18	56	<b>537</b>	<b>1,169</b>
<b>Total</b>	<b>91</b>	<b>84,640</b>	<b>574</b>	<b>76,103</b>	<b>80</b>	<b>44,186</b>	<b>57</b>	<b>31,034</b>	<b>802</b>	<b>235,966</b>

*Source: Bank Data*

### **Responsiveness to Credit and Community Development Needs**

The institution exhibits good responsiveness to credit and community development needs. Busey Bank’s qualified investments addressed identified community development needs throughout the bank’s various assessment areas, with performance in the Illinois, St. Louis, and Indiana supporting this rating. Refer to the separate assessment area sections of this evaluation for more information.

### **Community Development Initiatives**

The institution occasionally uses innovative or complex investments to support community development initiatives. Some of the bank’s investments exhibited complex characteristics, such as investments in Small Business Investment Companies that support economic development by financing small businesses and investments in tax credit funds that support an affordable housing development. Refer to the separate assessment area sections of this evaluation for more information.

### **SERVICE TEST**

The Service Test rating is Low Satisfactory. The bank’s performance under the retail banking criteria primarily support this rating.

### **Accessibility of Delivery Systems**

Delivery systems are reasonably accessible to essentially all portions of the institution's assessment areas. Performance under this criterion is generally consistent across all assessment areas. The bank's offices are not particularly well positioned to serve the needs of low- and moderate-income communities in several assessment areas; however, the bank's performance within the St. Louis MSA is outstanding, given the bank's branch locations and capacity to serve the low- and moderate-income tracts.

The bank's alternate delivery systems also promote the availability of banking services to its entire customer base, including low- and moderate-income customers. In 2021, Busey Bank launched the Busey Bank Bridge, a community center and collective within the Peoria MSA assessment area, wherein the bank uses the location to offer a wide variety of outreach events including affordable housing education and the financial pathways curriculum, as well as originate loans for attendees of events. Additional information is within the Peoria MSA assessment area section of this evaluation.

The bank also participates in the MoneyPass Automated Teller Machine (ATM) Network, which consists of a nationwide branch network encompassing more than 37,000 surcharge-free ATMs. The bank's online banking platform includes a variety of ways in which customers can interact with their accounts including providing for external transfers, bill pay, loan applications, and the use of Zelle. The bank also offers mobile banking and participates in Apple Pay and Google Pay. With the exception of the Busey Bank Bridge in the Peoria MSA, the availability of these alternative delivery systems are otherwise consistent throughout all assessment areas.

Refer to the separate assessment area sections of this evaluation for more information on accessibility of bank delivery systems.

### **Changes in Branch Locations**

To the extent changes have been made, the bank's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals. Since the prior evaluation, Busey opened multiple branches within the bank's various assessment areas, largely through the acquisition of other institutions. Busey Bank also closed a considerable number of branches throughout various assessment areas, reducing the number of overall branches by three.

Net Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Income Level of Census Tract (+/-)			
			Low	Moderate	Middle	Upper
Champaign MSA	0	3	-1		-2	
Chicago MD	11	5			-2	+8
Peoria MSA	2	8	-1	-2	-2	-1
Illinois Non-MSA	0	4			-4	
Bloomington MSA	0	1			-1	
Decatur MSA	0	0				
St. Louis MSA	16	9	+1	+2	+3	+1
Cape Coral MSA	0	0				
Sarasota MSA	0	0				
Punta Gorda MSA	0	2			-2	
Indianapolis MSA	0	0				
<b>Total</b>	<b>29</b>	<b>32</b>	<b>-1</b>	<b>0</b>	<b>-10</b>	<b>+8</b>

*Source: 2015 ACS; Bank Records*

Refer to the separate assessment area sections of this evaluation for more information on the opening and closing of branches.

### **Reasonableness of Business Hours and Services**

Services and business hours do not vary in a way that inconveniences portions of the assessment areas, particularly within low- and moderate-income geographies and to low- and moderate-income individuals. Variances within services and hours among the bank’s branches are minimal and do not disproportionately affect low- or moderate-income geographies or individuals, and the bank offers a Start Fresh Checking program aimed at helping customers qualify for and open traditional accounts. Refer to the separate assessment area sections of this evaluation for more information.

### **Community Development Services**

The institution provides a relatively high level of community development services. Over the course of the evaluation period, Busey Bank employees provided 595 instances of financial expertise or technical assistance to community development-related organizations throughout the combined assessment areas. The bank’s community development service performance is consistent with similarly-situated banks whose performance was similarly considered relatively high.

The following table details Busey Bank’s community development services throughout each assessment since the previous evaluation. Many of the bank’s qualified community development services involve extensive employee involvement, such as serving as an officer or director of a community development organization. These types of services are counted as one service per calendar year but receive greater qualitative weight when arriving at overall performance conclusions.

<b>Community Development Services by Assessment Area</b>					
<b>Assessment Area</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
Champaign	35	127	19	-	<b>181</b>
Chicago	2	58	7	0	<b>67</b>
Peoria	5	38	14	2	<b>59</b>
IL Non-MSA	0	0	3	0	<b>3</b>
Bloomington	1	43	2	0	<b>46</b>
Decatur	2	19	2	0	<b>23</b>
St. Louis	33	92	32	4	<b>161</b>
Cape Coral	0	33	4	0	<b>37</b>
Sarasota	0	6	1	0	<b>7</b>
Punta Gorda	0	4	0	0	<b>4</b>
Indianapolis	2	5	0	0	<b>7</b>
<b>Total</b>	<b>80</b>	<b>425</b>	<b>84</b>	<b>6</b>	<b>595</b>
<i>Source: Bank Records</i>					

Refer to the separate assessment area sections of this evaluation for more information.

## **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's overall CRA rating.

## ILLINOIS

**CRA RATING FOR (RATED AREA #1): SATISFACTORY**

**The Lending Test is rated: Low Satisfactory**

**The Investment Test is rated: High Satisfactory**

**The Service Test is rated: Low Satisfactory**

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN ILLINOIS

The Illinois rated area contains the largest portion of bank operations among the four rated areas. Of the bank's 68 offices, 44 (64.7 percent) are located within Illinois rated area. This rated area contains more than sixty percent of the bank's deposits, and nearly half of the bank's overall lending. Within the rated area, the bank has delineated six separate assessment areas: Champaign MSA, Chicago MD, Peoria MSA, Decatur MSA, Bloomington MSA, and the Illinois Non-MSA area.

### SCOPE OF EVALUATION – ILLINOIS

The scope of the evaluation in the Illinois rated area is identical to the overall scope of evaluation for the institution. Examiners conducted full-scope reviews of the Champaign MSA, Chicago MD, Peoria MSA, and the Illinois Non-MSA assessment area. Of all the assessment areas in the rated area, the Champaign MSA contains the largest portion of bank activity, followed by the Chicago MD. As such, performance in these assessment areas carried the most weight in arriving at overall conclusions for the rated area.

### CONCLUSIONS ON PERFORMANCE CRITERIA IN ILLINOIS

#### LENDING TEST

The Lending Test rating is Low Satisfactory for the Illinois rated area.

#### Lending Activity

Lending levels reflect adequate responsiveness to assessment area credit needs. The bank demonstrated good responsiveness within the Chicago assessment area, while results in additional assessment areas showed adequate responsiveness. Lending levels have remained consistently high throughout the evaluation period, with the most lending occurring within 2020. Refer to the separate assessment area sections of this rated area for additional information.

#### Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the Illinois rated area. With respect to the full-scope assessment areas, the bank demonstrated adequate performance throughout the assessment areas with the exception of more modest results in the Chicago MD.

Collectively, the limited scope areas were consistent with this conclusion. Refer to the separate assessment area sections of this evaluation for more detailed information.

**Borrower Profile**

The distribution of borrowers reflects adequate penetration among individuals of different income levels and business and farms of different sizes. The bank demonstrated adequate performance under this criterion throughout the full-scope areas and performance within the limited-scope assessment areas remained consistent with this conclusion. Refer to the separate assessment area sections of this evaluation for more detailed information.

**Innovative or Flexible Lending Practices**

The institution uses innovative and flexible lending practices in order to serve assessment area credit needs. All innovative and flexible loan programs described previously are offered throughout the Illinois rated area. As shown in the following table, the bank originated 1,099 loans totaling \$206.9 million through innovative and flexible programs during the evaluation period. Refer to the separate assessment area sections of this evaluation for more detailed information.

<b>Innovative and Flexible Lending Programs – Illinois Rated Area</b>			
<b>Loan Type</b>	<b>Loan Program</b>	<b>Totals</b>	
		<b>#</b>	<b>\$(000s)</b>
Home Mortgage	MyCommunity Home Loan	72	9,617
	Fannie/Freddie programs	355	43,271
	FHA	221	31,680
	VA	108	21,324
	USDA	81	9,480
	State/other programs	197	11,251
Small Business	SBA (non-PPP)	65	80,240
<b>Totals</b>		<b>1,099</b>	<b>206,863</b>
<i>Source: Bank Records</i>			

**Community Development Loans**

The institution is a leader in making community development loans within the Illinois rated area. Busey Bank originated 187 community development loans totaling \$439.4 million within the rated area, accounting for 62.9 percent of the bank’s total community development loans by dollar. The following table details the bank’s community development loans by assessment area and purpose. Refer to the separate assessment area sections of this evaluation for more information.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
Champaign MSA	5	1,928	17	8,085	13	61,782	7	36,375	42	108,170
Chicago MD	19	12,659	15	53,168	21	74,772	11	37,315	66	177,914
Peoria MSA	3	10,768	5	2,120	4	6,995	4	11,625	16	31,508
IL Non-MSA	-	-	-	-	-	-	-	-	-	-
Bloomington MSA	7	9,261	4	302	3	4,320	2	7,070	16	20,953
Decatur	-	-	4	4,366	1	2,773	6	10,002	11	17,141
<b>Subtotal</b>	<b>34</b>	<b>34,617</b>	<b>45</b>	<b>68,040</b>	<b>42</b>	<b>150,643</b>	<b>30</b>	<b>102,387</b>	<b>151</b>	<b>355,687</b>
Statewide/Regional	7	9,287	13	24,260	8	26,495	8	23,685	36	83,727
<b>Total</b>	<b>41</b>	<b>43,903</b>	<b>58</b>	<b>92,300</b>	<b>50</b>	<b>177,138</b>	<b>38</b>	<b>126,072</b>	<b>187</b>	<b>439,413</b>

Source: Bank Data

## INVESTMENT TEST

Busey Bank demonstrated good performance under the Investment Test in the Illinois rated area. The bank's significant level of qualified investments and good responsiveness to community development needs supports this rating.

### Investment and Grant Activity

The institution has a significant level of qualified investments, particularly those that are not routinely provided by private investors, occasionally in a leadership position. The bank made a total of \$100.3 million in qualified investments in the Illinois rated area, including prior period investments and qualified donations. The dollar volume of qualified investments and donations increased from \$34.3 million at the prior evaluation. In addition to investments within the assessment areas, the bank made investments totaling \$16.1 million that benefitted a broader statewide area. The following table details the bank's qualified investments and donations by assessment area and purpose. Refer to the separate assessment area sections of this evaluation for more information.

Qualified Investments and Donations by Assessment Area – Illinois Rated Area										
Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
Champaign MSA	5	7,754	98	6,942	12	7,939	10	3,426	125	26,062
Chicago MD	16	24,920	91	7,573	15	9,230	5	3,516	127	45,238
Peoria MSA	3	2,957	72	2,525	4	15	14	9,611	93	15,107
Illinois Non-MSA	-	-	4	229	3	1	-	-	7	231
Bloomington MSA	4	7,533	46	478	6	21	3	1,038	59	9,070
Decatur MSA	3	2,241	35	2,355	5	21	2	10	45	4,626
<b>Subtotal</b>	<b>31</b>	<b>45,404</b>	<b>346</b>	<b>20,102</b>	<b>45</b>	<b>17,226</b>	<b>34</b>	<b>17,602</b>	<b>456</b>	<b>100,335</b>
Statewide/Regional	5	870	15	7,036	4	6,014	4	2,130	28	16,051
<b>Total</b>	<b>36</b>	<b>46,274</b>	<b>361</b>	<b>27,138</b>	<b>49</b>	<b>23,241</b>	<b>38</b>	<b>19,732</b>	<b>484</b>	<b>116,385</b>

Source: Bank Data

## **Responsiveness to Credit and Community Development Needs**

The institution exhibits good responsiveness to credit and community development needs. Busey Bank's qualified investments generally addressed identified community development needs throughout the rated area, particularly within the Champaign and Chicago assessment areas. As discussed in the various assessment areas for Illinois, affordable housing, economic development and community development services were cited as community needs. Refer to the separate assessment area sections of this evaluation for more information.

## **Community Development Initiatives**

The institution occasionally uses innovative or complex investments to support community development initiatives. Some of the bank's investments exhibit complex characteristics, such as investment funds structured to achieve specific community development purposes. Refer to the separate assessment area sections of this evaluation for more information.

## **SERVICE TEST**

The Service Test rating is Low Satisfactory for the Illinois rated area. Performance was generally consistent across all assessment areas, and the bank's performance under each Service Test criterion supports the overall rating.

## **Accessibility of Delivery Systems**

Delivery systems are reasonably accessible to essentially all portions of the assessment areas. The bank's alternative delivery systems also include the accessibility of bank services to low- and moderate-income individuals. Refer to the separate assessment area sections of this evaluation for more information.

## **Changes in Branch Locations**

To the extent changes have been made, the institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals. Busey Bank closed numerous branches throughout the Illinois rated area during the evaluation period; however, the majority of these closures were in middle-and upper-income census tracts.

## **Reasonableness of Business Hours and Services**

Services and business hours do not vary in a way that inconveniences portions of the assessment areas, particularly low- and moderate-income geographies and individuals. Services and business hours are generally consistent throughout the rated area, and most locations offer both Saturday hours and drive-up services. Variations in the services or hours are generally minor.

**Community Development Services**

The institution provided a relatively high level of community development services. Almost half of the bank’s community development services within this rated area occurred within the Champaign MSA assessment area, where the bank maintains its main office. Of the services provided, more than 75 percent supported the provision of community services for low- and moderate-income individuals, as reflected in the following table.

<b>Community Development Services by Assessment Area - Illinois Rated Area</b>					
<b>Assessment Area</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Total</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
Champaign MSA	35	127	19	-	<b>181</b>
Chicago MD	2	58	7	-	<b>67</b>
Peoria MSA	5	38	14	2	<b>59</b>
Illinois Non-MSA	-	-	3	-	<b>3</b>
Bloomington MSA	1	43	2	-	<b>46</b>
Decatur MSA	2	19	2	-	<b>23</b>
<b>Total</b>	<b>45</b>	<b>285</b>	<b>47</b>	<b>2</b>	<b>379</b>

*Source: Bank Data*

**CHAMPAIGN-URBANA, IL MSA– Full-Scope Review**

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN CHAMPAIGN, IL MSA**

The Champaign MSA assessment area includes the entirety of Champaign County in East-Central Illinois. This area covers the entirety of Champaign, IL and its outlying area. Busey Bank operates twelve offices within this assessment area. Among the assessment areas in the Illinois rated area, the Champaign MSA carried the most weight in arriving at overall conclusions based on the bank’s operations and lending activity.

**Economic and Demographic Data**

The assessment area contains all 43 tracts within Champaign County. According to 2015 ACS data, these tracts reflect the following income designations:

- 8 low-income tracts
- 7 moderate-income tracts
- 17 middle-income tracts
- 9 upper-income tracts
- 2 tracts with no income designation (NA)

The majority of low- and moderate-income tracts are in and around the city of Champaign, IL, while additional moderate-income tracts encompass the city of Rantoul, IL. The two NA tracts are

also within Champaign, IL and house the University of Illinois. The following table details select economic and demographic characteristics of the assessment area.

<b>Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Champaign MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	43	18.6	16.3	39.5	20.9	4.7
Population by Geography	205,766	14.3	16.8	43.6	20.0	5.4
Housing Units by Geography	88,981	15.1	17.6	46.7	18.7	1.9
Owner-Occupied Units by Geography	43,897	5.5	12.1	57.6	24.7	0.1
Occupied Rental Units by Geography	36,015	25.4	23.1	34.8	12.7	4.0
Vacant Units by Geography	9,069	20.7	22.0	41.6	13.4	2.3
Businesses by Geography	13,446	10.9	18.3	42.0	26.4	2.3
Farms by Geography	715	3.1	6.9	67.0	22.9	0.1
Family Distribution by Income Level	42,424	22.5	16.6	20.4	40.5	0.0
Household Distribution by Income Level	79,912	28.9	14.5	15.2	41.5	0.0
Median Family Income MSA - 16580 Champaign-Urbana, IL MSA		\$70,634	Median Housing Value			\$137,528
			Median Gross Rent			\$838
			Families Below Poverty Level			10.6%
<i>Source: 2015 ACS and 2021 D&amp;B Data. Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Unemployment within Champaign County rose from 3.2 percent in 2019 to 6.4 percent in 2020 due to the COVID-19 Pandemic and ensuing national and state shutdowns. As economic conditions improved, Champaign returned to 3.2 percent unemployment as of December 2021.

According to November 2021 data from Moody's Analytics, the Champaign MSA's economy is the strongest in the state. The area has strengths in both the private and public sector, anchored by record enrollment at the University of Illinois. The economy continues to be well-diversified. Major employers include University of Illinois, The Carle Foundation, Kraft Foods, and Parkland College.

The median family income level is used to analyze home mortgage lending performance under the Borrower Profile criterion. The following table presents the Champaign MSA median family income ranges for 2019 through 2021, as provided by the Federal Financial Institutions Examination Council (FFIEC).

<b>Median Family Income Ranges – Champaign MSA</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2019 (\$77,800)	<\$38,900	\$38,900 to <\$62,240	\$62,240 to <\$93,360	≥\$93,360
2020 (\$80,200)	<\$40,100	\$40,100 to <\$64,160	\$64,160 to <\$96,240	≥\$96,240
2021 (\$82,600)	<\$41,300	\$41,300 to <\$66,080	\$66,080 to <\$99,120	≥\$99,120
<i>Source: FFIEC</i>				

## **Competition**

The assessment area is highly competitive in the market for financial services. According to FDIC Deposit Market Share data as of June 30, 2021, 33 banks operated out of 85 locations within the assessment area. Out of these banks, Busey Bank dominated the market with a deposit market share of 37.1 percent. The next five banks combined amounted to 30.7 percent of the total market share.

According to 2020 HMDA aggregate data, Busey Bank ranked first with a market share of 13.0 percent by number of loans among institutions that reported home mortgage originations or purchases in the assessment area. According to 2020 CRA aggregate data, Busey Bank again ranked first with 20.6 percent of the market share.

## **Community Contact**

As part of the evaluation process, examiners contact external third parties active in the assessment area to assist in identifying credit and community development needs in the assessment area. This information helps determine what credit and community development needs are available, and whether local financial institutions are responsive to those needs.

Examiners reviewed a recent contact with a small business development organization within the MSA. The contact emphasized an increased need for start-up and small business funding throughout the MSA and noted that loans for small businesses in the \$100,000-\$200,000 range are difficult to obtain. The contact stated that local financial institutions are doing well providing residential real estate lending and the credit needs of the community are being met.

## **Credit and Community Development Needs and Opportunities**

Considering information from the community contact, as well as demographic and economic data, examiners determined that small business funding is a significant need in the assessment area. Opportunities for investment, revitalization, and stabilization continue to exist in the assessment area's low- and moderate-income census tracts. Additionally, small business financial literacy education is a significant need in the assessment area.

## CONCLUSIONS ON PERFORMANCE CRITERIA IN CHAMPAIGN, IL MSA

### LENDING TEST

Busey Bank demonstrated adequate performance under the Lending Test within the Champaign MSA assessment area.

#### Lending Activity

Lending levels reflect adequate responsiveness to assessment area credit needs. While this area makes up approximately 29.2 percent of total deposits, the area accounts for 18.6 percent of all reported lending. Despite this variance, Busey Bank is the market leader among all home mortgage and small business lenders in the assessment area, with more than double the market share of the next closest home mortgage and CRA reporting institution. Additionally, origination levels in reported data have increased since the prior review period. Busey Bank also originated a substantial number of community development loans within the assessment area. The following table demonstrates the bank's lending within the assessment area.

<b>Lending Activity – Champaign MSA</b>				
<b>Loan Product</b>	<b>2020 #</b>	<b>2020 \$(000s)</b>	<b>2021 #</b>	<b>2021 \$(000s)</b>
Closed-End Home Mortgage	875	182,249	816	313,165
Open-End Home Mortgage	168	32,130	138	10,322
<b>Subtotal: Home Mortgage</b>	<b>1,043</b>	<b>214,379</b>	<b>954</b>	<b>323,487</b>
Small Business	636	74,616	419	54,036
Small Farm	34	4,183	42	5,103
<b>TOTAL</b>	<b>1,713</b>	<b>293,178</b>	<b>1,415</b>	<b>382,626</b>
<i>Source: Bank Data</i>				

#### Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment area. Adequate performance with respect to closed-end home mortgage lending, open-end home mortgage lending, and small business lending primarily support this conclusion.

#### ***Closed-End Home Mortgage Loans***

The geographic distribution of closed-end home mortgage loans reflects adequate penetration throughout the assessment area. In 2020, Busey Banks' lending within low-income tracts was comparable to the aggregate performance, while lending in moderate-income tracts slightly exceeded the aggregate performance. The bank's performance in 2021 remained similar within low-income tracts, while the bank's performance declined slightly within moderate-income tracts. The following table details the geographic distribution of closed-end home mortgage lending.

Geographic Distribution of Closed-End Home Mortgage Loans						
Assessment Area: Champaign MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	5.5	3.4	28	3.2	19,225	10.5
2021	5.5	--	27	3.3	166,803	53.3
Moderate						
2020	12.1	7.9	78	8.9	8,247	4.5
2021	12.1	--	63	7.7	6,796	2.2
Middle						
2020	57.6	59.6	510	58.3	88,046	48.3
2021	57.6	--	474	58.1	82,441	26.3
Upper						
2020	24.7	28.8	257	29.4	53,526	29.4
2021	24.7	--	251	30.8	56,246	18.0
Not Available						
2020	0.1	0.3	2	0.2	13,206	7.2
2021	0.1	--	1	0.1	880	0.3
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>875</b>	<b>100.0</b>	<b>182,249</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>816</b>	<b>100.0</b>	<b>313,165</b>	<b>100.0</b>

*Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

### ***Small Business Loans***

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. The bank's 2020 lending in low-income tracts was below the aggregate performance of other institutions, rising slightly in 2021. Performance within the moderate-income tracts was above that of aggregate in 2020, before declining 2.6 percent in 2021. The following table details the geographic distribution of small business lending.

<b>Geographic Distribution of Small Business Loans</b>						
<b>Assessment Area: Champaign MSA</b>						
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2020	10.7	11.7	69	10.8	8,723	11.7
2021	10.9	--	48	11.5	8,225	15.2
Moderate						
2020	18.4	17.1	127	20.0	19,524	26.2
2021	18.3	--	73	17.4	9,002	16.7
Middle						
2020	41.6	42.9	248	39.0	24,918	33.4
2021	42.0	--	181	43.2	20,800	38.5
Upper						
2020	26.7	27.4	181	28.5	19,639	26.3
2021	26.4	--	112	26.7	15,521	28.7
Not Available						
2020	2.6	0.9	11	1.7	1,812	2.4
2021	2.3	--	5	1.2	488	0.9
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>636</b>	<b>100.0</b>	<b>74,616</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>419</b>	<b>100.0</b>	<b>54,036</b>	<b>100.0</b>

*Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

### ***Open-End Home Mortgage Loans***

The geographic distribution of open-end home mortgage loans reflects adequate penetration throughout the assessment area. Within both low- and moderate-income tracts, the bank's 2020 performance slightly exceeded the aggregate performance. In 2021, the bank's lending within low-income tracts dropped significantly, while performance nearly doubled within moderate-income tracts. The following table details the geographic distribution of open-end home mortgage lending.

Geographic Distribution of Open-End Home Mortgage Loans						
Assessment Area: Champaign MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	5.5	5.4	11	6.5	8,172	25.4
2021	5.5	--	3	2.2	144	1.4
Moderate						
2020	12.1	3.3	6	3.6	155	0.5
2021	12.1	--	11	8.0	662	6.4
Middle						
2020	57.6	58.3	93	55.4	7,099	22.1
2021	57.6	--	85	61.6	6,292	61.0
Upper						
2020	24.7	32.6	57	33.9	15,736	49.0
2021	24.7	--	39	28.3	3,224	31.2
Not Available						
2020	0.1	0.4	1	0.6	967	3.0
2021	0.1	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>168</b>	<b>100.0</b>	<b>32,130</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>138</b>	<b>100.0</b>	<b>10,322</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Small Farm Loans***

The distribution of small farm loans reflects poor penetration throughout the assessment area. Busey Bank originated just two total loans to farms within moderate-income tracts in 2020, with no other originations in low- or moderate-income tracts in either year. While the bank's lending was below that of aggregate, just 22 total farms exist in low- income tracts, and 43 farms within moderate income tracts as of 2020 data, limiting the potential opportunities to lend.

Geographic Distribution of Small Farm Loans						
Assessment Area: Champaign MSA						
Tract Income Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	3.5	1.8	0	0.0	0	0.0
2021	3.1	--	0	0.0	0	0.0
Moderate						
2020	6.9	4.7	2	5.9	22	0.5
2021	6.9	--	0	0.0	0	0.0
Middle						
2020	68.0	72.9	27	79.4	3,624	86.6
2021	67.0	--	28	66.7	3,862	75.7
Upper						
2020	21.4	20.6	5	14.7	537	12.8
2021	22.9	--	14	33.3	1,241	24.3
Not Available						
2020	0.2	0.0	0	0.0	0	0.0
2021	0.1	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>34</b>	<b>100.0</b>	<b>4,183</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>42</b>	<b>100.0</b>	<b>5,103</b>	<b>100.0</b>
<i>Source: 2020 &amp; 2021 D&amp;B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

## **Borrower Profile**

The distribution of borrowers reflects adequate penetration to individuals of different income levels and business and farms of different sizes. This conclusion is supported by a variety of performance levels within each category, including good closed-end home mortgage performance and adequate open-end home mortgage performance.

### ***Closed-End Home Mortgage Loans***

The distribution of closed-end home mortgage loans reflects good penetration to retail customers of different income levels. As shown in the following table, Busey Bank's 2020 lending to low-income borrowers exceeded the aggregate performance by 3.0 percentage points, and exceeded the aggregate lending to moderate-income borrowers by 4.5 percentage points. The bank's performance in 2021 remained relatively similar. These levels of lending reflect excellent performance under this criterion.

<b>Distribution of Closed-End Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: Champaign MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2020	22.5	7.5	92	10.5	8,860	4.9
2021	22.5	--	73	8.9	6,645	2.1
<b>Moderate</b>						
2020	16.6	17.4	192	21.9	24,634	13.5
2021	16.6	--	186	22.8	22,464	7.2
<b>Middle</b>						
2020	20.4	20.5	177	20.2	28,269	15.5
2021	20.4	--	189	23.2	29,214	9.3
<b>Upper</b>						
2020	40.5	39.6	337	38.5	78,171	42.9
2021	40.5	--	302	37.0	76,966	24.6
<b>Not Available</b>						
2020	0.0	15.0	77	8.8	42,314	23.2
2021	0.0	--	66	8.1	177,877	56.8
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>875</b>	<b>100.0</b>	<b>182,249</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>816</b>	<b>100.0</b>	<b>313,165</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Small Business Loans***

The distribution of small business loans reflects poor penetration among businesses of different sizes. Busey Bank's lending performance to business with revenues of \$1 million or less lagged aggregate data, as well as the business demographics in each year. Examiners took into account the high number of PPP loans originated by the bank, for which not all revenues were reported. Excluding the PPP loans, the bank originated 26.6 percent of 2020 small business loans and 21.3 percent of 2021 small business loans to businesses with revenues of \$1 million or less. This adjusted performance remains well below aggregate performance in 2020, and decreased in 2021.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>						
<b>Assessment Area: Champaign MSA</b>						
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;=\$1,000,000</b>						
2020	79.8	34.4	78	12.3	8,066	10.8
2021	81.8	--	71	16.9	6,419	11.9
<b>&gt;\$1,000,000</b>						
2020	4.8	--	146	23.0	46,936	62.9
2021	4.3	--	113	27.0	36,946	68.4
<b>Revenue Not Available</b>						
2020	15.4	--	412	64.8	19,614	26.3
2021	13.9	--	235	56.1	10,671	19.7
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>636</b>	<b>100.0</b>	<b>74,616</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>419</b>	<b>100.0</b>	<b>54,036</b>	<b>100.0</b>

*Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%*

### ***Open-End Home Mortgage Loans***

The distribution of open-end home mortgage loans reflects adequate penetration to retail customers of different income levels. As shown in the following table, the bank's lending to low-income borrowers was below aggregate levels in 2020, trending upwards in 2021. Lending to moderate-income borrowers in 2020 was slightly above aggregate, while performance also increased in 2021. Overall, this level of lending reflects adequate performance.

<b>Distribution of Open-End Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: Champaign MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2020	22.5	8.7	8	4.8	412	1.3
2021	22.5	--	12	8.7	536	5.2
<b>Moderate</b>						
2020	16.6	15.3	27	16.1	1,128	3.5
2021	16.6	--	23	16.7	1,493	14.5
<b>Middle</b>						
2020	20.4	22.7	37	22.0	1,889	5.9
2021	20.4	--	29	21.0	1,449	14.0
<b>Upper</b>						
2020	40.5	44.2	80	47.6	8,862	27.6
2021	40.5	--	65	47.1	5,836	56.5
<b>Not Available</b>						
2020	0.0	9.1	16	9.5	19,840	61.7
2021	0.0	--	9	6.5	1,008	9.8
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>168</b>	<b>100.0</b>	<b>32,130</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>138</b>	<b>100.0</b>	<b>10,322</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Small Farm Loans***

The distribution of small farm loans reflects excellent penetration to farms of different sizes. Busey Bank originated a high number of PPP loans, including numerous PPP loans to small farms within the assessment area. These loans had no revenue reporting requirement and generally fall under the “Revenue Not Available” category. Excluding these loans, the bank originated 78.9 percent of small farm loans to farms with revenues under \$1 million in 2020, significantly exceeding the aggregate data. Performance in 2021 was similar, with the bank originating 71.4 percent of loans to farms in this revenue category. The following table details the bank’s small farm lending by revenue level.

Distribution of Small Farm Loans by Gross Annual Revenue Category						
Assessment Area: Champaign MSA						
Gross Revenue Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
<b>&lt;=\$1,000,000</b>						
2020	95.8	43.5	15	44.1	3,126	74.7
2021	96.1	--	18	42.9	3,440	67.4
<b>&gt;\$1,000,000</b>						
2020	1.4	--	0	0.0	0	0.0
2021	1.3	--	6	14.3	909	17.8
<b>Revenue Not Available</b>						
2020	2.7	--	19	55.9	1,057	25.3
2021	2.7	--	18	42.9	754	14.8
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>34</b>	<b>100.0</b>	<b>4,183</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>42</b>	<b>100.0</b>	<b>5,103</b>	<b>100.0</b>

*Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%*

### **Innovative or Flexible Lending Practices**

The institution makes extensive use of innovative and flexible lending practices in order to serve assessment area credit needs. Busey Bank originated 363 total innovative or flexible loans within the Champaign MSA over the evaluation period, accounting for 33.0 percent of the bank's innovative and flexible lending within the rated area. This level of activity represents a 17.5 percent increase since the last evaluation, when Busey Bank originated 309 total innovative and flexible loans.

Innovative or Flexible Lending Programs – Champaign MSA								
Type of Program	2019		2020		2021		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Home Mortgage	91	11,140	137	17,859	126	16,245	<b>354</b>	<b>45,244</b>
Small Business	4	5,540	4	3,407	1	129	<b>9</b>	<b>9,076</b>
<b>Totals</b>	<b>95</b>	<b>16,680</b>	<b>141</b>	<b>21,266</b>	<b>127</b>	<b>16,374</b>	<b>363</b>	<b>54,320</b>

*Source: Bank Records*

### **Community Development Loans**

The institution is a leader in making community development loans. Within the assessment area, 42 community development loans totaling \$108.2 million were originated during this evaluation period. This volume represents increases of 50.0 percent by number and 33.9 percent by dollar amount since the prior evaluation, while representing 15.5 percent of all community development

lending over the evaluation period by dollar volume. The following table depicts the community development loans originated during the evaluation period.

<b>Community Development Lending - Champaign MSA</b>										
<b>Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Total</b>	
	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>
2019 (Partial)	4	1,791	2	3,208	5	24,533	4	22,575	15	52,107
2020	1	137	14	3,627	5	26,750	1	8,500	21	39,013
2021	-	-	1	1,250	2	6,500	2	5,300	5	13,050
2022 (YTD)	-	-	-	-	1	4,000	-	-	1	4,000
<b>Total</b>	<b>5</b>	<b>1,928</b>	<b>17</b>	<b>8,085</b>	<b>13</b>	<b>61,782</b>	<b>7</b>	<b>36,375</b>	<b>42</b>	<b>108,170</b>

*Source: Bank Data*

The following are some examples of notable qualified lending activities in the assessment area:

- A 13.5 million loan for a restaurant group that operates locations in low- and moderate-income tracts and employs area residents.
- A 3.1 million loan for a local school district in which 71 percent of students receive free or reduced lunch.

## **INVESTMENT TEST**

Busey Bank demonstrated good performance under the Investment Test in the Champaign-Urbana MSA assessment area. The bank’s significant level of qualified investments and good responsiveness to community development needs supports this rating.

### **Investment and Grant Activity**

The institution made a significant level of qualified investments, particularly those that are not routinely provided by private investors, occasionally in a leadership position. In total, the bank made or maintained 28 qualified investments totaling \$25.8 million in the assessment area. The bank also made 97 qualified donations totaling \$254 thousand in the assessment area. This level of activity represents 11.0 percent by dollar volume of the bank’s total qualified investment and donation activity. While the total number of investments and donations decreased from the prior evaluation, wherein the bank originated 167 qualified activities, the total dollar volume increased from \$16.2 million. The following table shows the bank’s community development investments and donations by purpose and year in the assessment area.

Qualified Investments by Year: Champaign MSA										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$	#	\$	#	\$	#	\$	#	\$
Prior Period	-	-	2	1,626	5	4,904	9	3,416	16	9,947
2019 (Partial)	1	7,566	3	3,399	-	-	-	-	4	10,965
2020	1	171	1	447	-	-	-	-	2	617
2021	-	-	4	1,278	1	2,500	-	-	5	3,778
2022 (YTD)	-	-	-	-	1	500	-	-	1	500
<b>Subtotal</b>	<b>2</b>	<b>7,737</b>	<b>10</b>	<b>6,750</b>	<b>7</b>	<b>7,904</b>	<b>9</b>	<b>3,416</b>	<b>28</b>	<b>25,808</b>
Grants & - Donations	3	17	88	193	5	35	1	10	97	254
<b>Total</b>	<b>5</b>	<b>7,754</b>	<b>98</b>	<b>6,942</b>	<b>12</b>	<b>7,939</b>	<b>10</b>	<b>3,426</b>	<b>125</b>	<b>26,062</b>

Source: Bank Data

Notable examples of community development investments made by the bank in the assessment area include the following:

- Invested \$7.6 million in a housing tax credit fund allocated to the rehabilitation of a low- and moderate-income apartment complex containing 137 family units.
- Invested \$1.1 million in a Recovery Zone Economic Development bond for a school district that primarily serves low- and moderate-income students.
- Maintained a \$2.5 million investment in a Small Business Investment Company that promotes economic development with a focus on small businesses primarily located in underserved areas.

### **Responsiveness to Credit and Community Development Needs**

The institution exhibits good responsiveness to credit and community development needs. Examiners identified small business funding and investments in low- and moderate-income tracts as needs in this assessment area, and the bank's investments supported those initiatives.

### **Community Development Initiatives**

The institution occasionally uses innovative and/or complex investments to support community development initiatives. Some of the bank's investments exhibited complex characteristics, such as an investment in a Small Business Investment Company that supports economic development by financing small businesses.

### **SERVICE TEST**

Busey Bank demonstrated good performance under the Service Test within the Champaign MSA.

### **Accessibility of Delivery Systems**

Delivery systems are accessible to essentially all portions of the institutions assessment area. As shown in the following table, the bank operates four offices within the moderate-income tracts, and this percentage of the bank's branches exceeds the percentage of assessment area residents who

reside in those tracts. The table does not reflect the fact that of the remaining eight branches, six of those branches are within two miles of a low- or- moderate income tract, with multiple locations within a block of these tracts.

<b>Branch and ATM Distribution by Geography Income Level</b>												
<b>Assessment Area: Champaign MSA</b>												
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>		<b>Open Branches</b>		<b>Closed Branches</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	8	18.6	29,352	14.3	0	0.0	3	11.5	0	0.0	1	33.3
Moderate	7	16.3	34,512	16.8	4	33.3	8	30.8	0	0.0	0	0.0
Middle	17	39.5	89,681	43.6	4	33.3	8	30.8	0	0.0	2	66.7
Upper	9	20.9	41,133	20.0	4	33.3	7	26.9	0	0.0	0	0.0
NA	2	4.7	11,088	5.4	0	0.0	0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>43</b>	<b>100.0</b>	<b>205,766</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>	<b>26</b>	<b>100.0</b>	<b>0</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>

*Source: 2015 ACS & Bank Data. Due to rounding, totals may not equal 100.0%*

### **Changes in Branch Locations**

To the extent that changes have been made, the institution’s record of opening and closing branches has adversely affected the accessibility of its delivery systems, particularly within low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period, the bank closed three offices in this assessment area. One closure was the bank’s sole low-income branch in the assessment area, while two of these locations were in middle-income tracts (of which one was immediately adjacent to a low-income tract). This closure in a low-income tract adversely affected the accessibility of banking services within the low-income tracts.

### **Reasonableness of Business Hours and Services**

Services and business hours do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and individuals. While not all locations offer a drive-up or Saturday hours, most locations do, including all locations in moderate-income tracts described above. Variations in services or hours are minor and do not affect low- and moderate-income areas.

### **Community Development Services**

Busey Bank is a leader in providing community development services. Over the evaluation period, Busey Bank provided 181 instances of community development services within this assessment area. This level of activity represents 30.4 percent of the bank’s total community development services and 47.8 percent of the bank’s services within the rated area. Busey Bank’s level of services provided significantly exceeds that of peer institutions, where the most competitive

institutions generated less than half of the number of services. The following table illustrates community development services provided since the previous evaluation.

<b>Community Development Services - Champaign MSA</b>					
<b>Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Total</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2019 (Partial)	1	29	9	-	39
2020	8	36	2	-	46
2021	23	35	4	-	62
2022 (YTD)	3	27	4	-	34
<b>Total</b>	<b>35</b>	<b>127</b>	<b>19</b>	<b>-</b>	<b>181</b>
<i>Source: Bank Data</i>					

The following are examples of community development services provided by the bank in this assessment area:

- Six bank employees served as a Board or other committee member for a qualified organization that provides court-appointed advocates for children whose parents are unable to take care of them. This advocacy ensure that the children do not get lost in the overburdened legal and social service system, or languish in an inappropriate group or foster home.
- Ten bank employees participated in fundraising activities for an organization that provides housing and supportive services for individuals experiencing homelessness.
- One employee served as a Board member for an affordable housing organization that builds free homes for low- and moderate-income families. Another employee provided 11 instances of financial literacy training to low- and moderate-income individuals through this organization.
- Two bank employees provided Volunteer Income Tax Assistance to low- and moderate-income individuals on ten different occasions during the review period. The service was provided in a moderate-income census tract near downtown Champaign. The organization encouraged low- and moderate-income individuals, elderly residents, limited English-speaking taxpayers, and those with disabilities to come and receive free assistance in preparing tax returns.

## **CHICAGO-NAPERVILLE-EVANSTON, ILLINOIS MD – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE CHICAGO MD**

The Chicago MD assessment area includes Cook, DuPage, Grundy, and Will County. This area encompasses all of Chicago and most of the surrounding metropolitan area. Busey Bank operates 15 branches in this assessment area. Among the assessment areas within the Illinois rated area, the Chicago MD carried the second most weight in arriving at overall conclusions. This determination is based on the level of bank operating and lending activity in this assessment area.

#### **Economic and Demographic Data**

The assessment area contains 1,697 census tracts across the four counties. According to 2015 ACS data, these tracts reflect the following income designations:

- 263 low-income tracts
- 412 moderate-income tracts
- 469 middle-income tracts
- 539 upper-income tracts
- 14 tracts with no income designation

A substantial majority of the low- and moderate-income tracts within the assessment area are located in Cook County, in and around the city of Chicago and its outlying areas. The following details select economic and demographic characteristics of the assessment area.

<b>Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Chicago MD</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	1,697	15.5	24.3	27.6	31.8	0.8
Population by Geography	6,901,077	11.5	24.3	30.1	33.8	0.3
Housing Units by Geography	2,793,046	11.7	23.2	29.7	34.9	0.4
Owner-Occupied Units by Geography	1,552,133	5.2	18.6	33.9	42.1	0.2
Occupied Rental Units by Geography	971,041	18.6	29.3	24.8	26.5	0.8
Vacant Units by Geography	269,872	24.3	27.8	23.4	24.0	0.5
Businesses by Geography	626,109	6.9	17.6	27.1	47.8	0.6
Farms by Geography	7,519	4.9	16.6	33.8	44.6	0.1
Family Distribution by Income Level	1,608,573	24.5	16.3	18.2	41.0	0.0
Household Distribution by Income Level	2,523,174	26.3	15.3	16.8	41.5	0.0
Median Family Income MD - 16984 Chicago-Naperville-Evanston, IL		\$75,024	Median Housing Value			\$248,567
			Median Gross Rent			\$1,049
			Families Below Poverty Level			11.2%

*Source: 2015 ACS and 2021 D&B Data. Due to rounding, totals may not equal 100.0%*  
 (\*) The NA category consists of geographies that have not been assigned an income classification.

Unemployment rates spiked at the beginning of the COVID-19 Pandemic, with 2020 unemployment rising sharply in each county within the assessment area. Unemployment rates declined substantially over 2021, to near pre-pandemic levels. The following table illustrates the unemployment level within each County throughout the review period.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2019</b>	<b>2020</b>	<b>December 2021</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Cook	4.0	11.1	5.0
DuPage	3.1	7.9	3.0
Grundy	4.7	8.8	3.9
Will	4.0	9.5	4.1
State	4.0	9.2	6.1
National Average	3.7	8.3	4.8

*Source: Bureau of Labor Statistics*

According to Moody’s Analytics data from February 2022, the Chicago MD is seeing a strong recovery from the pandemic and is outpacing most other metropolitan areas nationwide. The area has strengths in transportation and warehousing, as well as within tourism, leisure, and hospitality. The local economy continues to be well-diversified. Major employers include Advocate Healthcare System, Northwestern Memorial Healthcare, Amita Health, and University of Chicago. The following table presents the FFIEC median family income levels for 2019 through 2021 for the Chicago MD.

<b>Median Family Income Ranges – Chicago MD</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2019 (\$82,000)	<\$41,000	\$41,000 to <\$65,600	\$65,600 to <\$98,400	≥\$98,400
2020 (\$84,800)	<\$42,400	\$42,400 to <\$67,840	\$67,840 to <\$101,760	≥\$101,760
2021 (\$87,100)	<\$43,550	\$43,550 to <\$69,680	\$69,680 to <\$104,520	≥\$104,520

*Source: FFIEC*

### **Competition**

The assessment area is highly competitive in the market for financial services. According to June 30, 2021 FDIC Deposit Market Share data, 125 banks operated 1,705 locations in the assessment area. Of these banks, Busey Bank ranked 32<sup>nd</sup> with a 0.2 percent market share. At the time of the publishing of this data, Busey Bank had not yet acquired Glenview State Bank, which operated within the assessment area. Glenview’s market share ranked 29<sup>th</sup> with 0.3 percent of deposits.

According to 2020 HMDA aggregate data, Busey Bank ranked 80<sup>th</sup> with a market share of 0.2 percent by number of loans among institutions that reported home mortgage originations and purchases within the assessment area. According to 2020 CRA aggregate data, the bank ranked 30<sup>th</sup> with a market share of 0.5 percent in small business loans.

### **Community Contacts**

Examiners reviewed two recent contacts conducted within the assessment area. Examiners previously contacted a small business organization and an economic development organization active in the assessment area. The economic development contact cited a need for banking products tailored to youth in low- and moderate-income communities. Specifically, there is a need for

accounts with no overdraft opt-ins, low fees, and minimal balance requirements. The contact noted that there is a specific need for youth accounts which do not require parents as co-owners.

Furthermore, the small business contact cited a need for small dollar business loans. The contact noted that many businesses were unprepared to obtain financing prior to COVID-19, and have had trouble receiving financing due to inadequate financials, a lack of financing knowledge, and the absence of existing banking relationships.

**Credit and Community Development Needs and Opportunities**

Examiners determined affordable housing, small business support, community services for low- and moderate-income families, and financial education are significant needs in the assessment area. Opportunities for investment, revitalization, and stabilization continue to exist in the assessment area’s low- and moderate-income communities. Additionally, financial education and services remain needed for the more than 600,000 low- and moderate-income families in the assessment area.

**CONCLUSIONS ON PERFORMANCE CRITERIA IN THE CHICAGO MD**

**LENDING TEST**

Busey Bank demonstrated adequate performance under the Lending Test in the Chicago MD assessment area.

**Lending Activity**

Lending levels reflect good responsiveness to assessment areas credit needs. With respect to closed-end and small business lending, Busey Bank’s lending volumes increased significantly since the prior evaluation, rising from 663 total closed-end home mortgage and small business loans totaling approximately \$172.0 million at the prior evaluation when the bank was a new entrant into the market. The bank takes 12.2 percent of deposits from this assessment area, while the area accounted for 23.4 percent of total reported lending. The following table details Busey Bank’s’ 2020 and 2021 originations by loan type in the Chicago MD assessment area.

<b>Lending Activity – Chicago MD</b>				
<b>Loan Product</b>	<b>2020 #</b>	<b>2020 \$(000s)</b>	<b>2021 #</b>	<b>2021 \$(000s)</b>
Closed-End Home Mortgage	572	201,341	326	144,234
Open-End Home Mortgage	225	35,217	228	46,453
<b><i>Subtotal: Home Mortgage</i></b>	<b>797</b>	<b>236,558</b>	<b>554</b>	<b>190,687</b>
Small Business	1,066	212,222	725	166,012
Small Farm	12	1,414	30	2,956
<b>TOTAL</b>	<b>1,875</b>	<b>450,194</b>	<b>1,309</b>	<b>359,655</b>

*Source: Bank Data*

**Geographic Distribution**

The geographic distribution of loans reflects poor penetration throughout the assessment area. Adequate performance within closed-end mortgage loans accompanied by otherwise poor

performance supports this conclusion. The concentration of low- and moderate-income census tracts in Cook County is a compelling factor in assessing this performance factor for this assessment area. Cook County contains 94 percent of the assessment area’s low- and moderate-income census tracts. While the bank did not have branches in Cook County until the acquisition of Glenview State Bank in August 2021, the bank has considered the county as part of its assessment area since the prior examination.

***Closed-End Home Mortgage Loans***

The geographic distribution of closed-end home mortgage loans reflects adequate penetration throughout the assessment area. Within both low- and moderate-income tracts in 2020, the bank’s lending lagged aggregate performance. The bank saw marked improvement in 2021, with lending increasing substantially in both low- and moderate-income tracts. Considering the majority of low- and moderate- income census tracts are in Cook County where the bank has just recently acquired branches and the upward trend in lending to low- and moderate-income tracts, this performance is considered adequate. The following table details the geographic distribution of closed-end home mortgage lending.

<b>Geographic Distribution of Closed-End Home Mortgage Loans</b>						
<b>Assessment Area: Chicago MD</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2020	5.2	3.3	7	1.2	3,171	1.6
2021	5.2	--	11	3.4	16,979	11.8
Moderate						
2020	18.6	13.0	31	5.4	28,511	14.2
2021	18.6	--	36	11.0	24,585	17.0
Middle						
2020	33.9	30.6	232	40.6	63,297	31.4
2021	33.9	--	138	42.3	28,875	20.0
Upper						
2020	42.1	52.9	301	52.6	106,293	52.8
2021	42.1	--	141	43.3	73,794	51.2
Not Available						
2020	0.2	0.1	1	0.2	70	0.0
2021	0.2	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>572</b>	<b>100.0</b>	<b>201,341</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>326</b>	<b>100.0</b>	<b>144,234</b>	<b>100.0</b>

*Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

**Small Business Loans**

The geographic distribution of small business loans reflects poor penetration throughout the assessment area. The bank’s lending performance in low-income tracts was slightly below aggregate performance in 2020, remaining within a percent of the businesses within low-income tracts in each year and improving slightly in 2021. Performance within moderate-income tracts was consistently well below both the percentage of businesses and the aggregate in 2020. In 2021, the bank’s performance improved slightly; however, it remained significantly below the percentage of businesses. These areas are highly competitive for financial services including small business lending, with low- and moderate-income tracts existing in close proximity to each other.

<b>Geographic Distribution of Small Business Loans</b>						
<b>Assessment Area: Chicago MD</b>						
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2020	5.5	5.7	57	5.3	16,441	7.7
2021	6.9	--	44	6.1	13,379	8.1
Moderate						
2020	16.1	16.9	90	8.4	19,810	9.3
2021	17.6	--	63	8.7	17,892	10.8
Middle						
2020	27.6	28.9	390	36.6	75,197	35.4
2021	27.1	--	268	37.0	62,093	37.4
Upper						
2020	50.2	48.1	525	49.2	99,834	47.0
2021	47.8	--	347	47.9	71,452	43.0
Not Available						
2020	0.6	0.3	4	0.4	940	0.4
2021	0.6	--	3	0.4	1,196	0.7
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>1,066</b>	<b>100.0</b>	<b>212,222</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>725</b>	<b>100.0</b>	<b>166,012</b>	<b>100.0</b>

*Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

**Open-End Home Mortgage Loans**

The geographic distribution of open-end home mortgage loans reflects poor penetration throughout the assessment area. Within lending to low-income tracts, the bank’s performance was slightly below aggregate performance in 2020, improving slightly through the origination of one additional loan in 2021. Within moderate-income tracts, the bank’s 2020 performance was slightly more than half of aggregate performance by number of originations, declining in 2021.

<b>Geographic Distribution of Open-End Home Mortgage Loans</b>						
<b>Assessment Area: Chicago MD</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2020	5.2	2.1	2	0.9	880	2.5
2021	5.2	--	3	1.3	955	2.1
<b>Moderate</b>						
2020	18.6	9.6	12	5.3	1,967	5.6
2021	18.6	--	8	3.5	1,537	3.3
<b>Middle</b>						
2020	33.9	27.3	80	35.6	10,541	29.9
2021	33.9	--	61	26.8	10,871	23.4
<b>Upper</b>						
2020	42.1	60.8	130	57.8	21,751	61.8
2021	42.1	--	156	68.4	33,090	71.2
<b>Not Available</b>						
2020	0.2	0.2	1	0.4	78	0.2
2021	0.2	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>225</b>	<b>100.0</b>	<b>35,217</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>228</b>	<b>100.0</b>	<b>46,453</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Small Farm Loans***

The geographic distribution of small farm lending is poor. Busey Bank originated just one loan within a low-income tract in 2020, and no loans within moderate-income tracts in 2020. While opportunities for small farm lending are limited and this product is not weighted heavily, the bank did not originate any small farm loans within low- or moderate-income tracts in 2021 despite the bank originating more than double the number of overall small farm loan originations in 2021.

Geographic Distribution of Small Farm Loans						
Assessment Area: Chicago MD						
Tract Income Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	4.3	1.3	0	0.0	0	0.0
2021	4.9	--	1	3.3	21	0.7
Moderate						
2020	15.3	6.4	0	0.0	0	0.0
2021	16.6	--	0	0.0	0	0.0
Middle						
2020	34.7	52.6	11	91.7	1,314	92.9
2021	33.8	--	24	80.0	2,104	71.2
Upper						
2020	45.7	39.7	1	8.3	100	7.1
2021	44.6	--	5	16.7	831	28.1
Not Available						
2020	0.1	0.0	0	0.0	0	0.0
2021	0.1	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>	<b>1,414</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>30</b>	<b>100.0</b>	<b>2,956</b>	<b>100.0</b>

Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

## **Borrower Profile**

The distribution of borrowers reflects adequate penetration throughout the Chicago MD. Adequate performance within closed-end mortgage, small business, and small farm lending primarily supports this conclusion.

### ***Closed-End Home Mortgage Loans***

The distribution of closed-end home mortgage loans reflects adequate penetration to retail customers of different income levels. As shown in the following table, the bank's 2020 performance was generally consistent with aggregate data within lending to low- and moderate-income borrowers. In 2021, performance nearly doubled within the low-income segment, while declining somewhat for the moderate-income segment in 2021. Performance is adequate considering coverage of each segment in both years.

<b>Distribution of Closed-End Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: Chicago MD</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2020	24.5	4.0	16	2.8	1,452	0.7
2021	24.5	--	19	5.8	2,263	1.6
<b>Moderate</b>						
2020	16.3	13.8	70	12.2	10,825	5.4
2021	16.3	--	32	9.8	4,818	3.3
<b>Middle</b>						
2020	18.2	20.1	110	19.2	23,309	11.6
2021	18.2	--	50	15.3	9,324	6.5
<b>Upper</b>						
2020	41.0	46.3	295	51.6	104,478	51.9
2021	41.0	--	152	46.6	63,495	44.0
<b>Not Available</b>						
2020	0.0	15.8	81	14.2	61,278	30.4
2021	0.0	--	73	22.4	64,334	44.6
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>572</b>	<b>100.0</b>	<b>201,341</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>326</b>	<b>100.0</b>	<b>144,234</b>	<b>100.0</b>

*Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

### ***Small Business Loans***

The distribution of small business loans reflects adequate penetration to businesses of different sizes. The bank originated a high number of PPP loans within the assessment area, for which not all revenues were reported. Excluding these PPP loans, the bank originated 30.6 percent of loans to businesses with revenues at or below \$1 million in 2020, as compared to aggregate data of 37.0 percent. The bank's performance excluding PPP loans then declined slightly in 2021, as lending to these businesses dropped to 28.9 percent. The following table illustrates the bank's performance including PPP loans.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: Chicago MD						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2020	85.0	37.0	172	16.1	31,238	14.7
2021	86.9	--	150	20.7	34,563	20.8
>\$1,000,000						
2020	6.0	--	414	38.8	130,173	61.3
2021	5.0	--	337	46.5	108,690	65.5
Revenue Not Available						
2020	9.0	--	480	45.0	50,811	23.9
2021	8.2	--	238	32.8	22,759	13.7
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>1,066</b>	<b>100.0</b>	<b>212,222</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>725</b>	<b>100.0</b>	<b>166,012</b>	<b>100.0</b>
<i>Source: 2020 &amp; 2021 D&amp;B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Open-End Home Mortgage Loans***

The distribution of open-end home mortgage loans reflects poor penetration to retail customers of different income levels. As shown in the following table, the bank's lending was below aggregate data for both low- and moderate-income borrowers in 2020, declining further within each income category in 2021.

<b>Distribution of Open-End Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: Chicago MD</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2020	24.5	6.1	8	3.6	432	1.2
2021	24.5	--	5	2.2	477	1.0
Moderate						
2020	16.3	10.7	19	8.4	1,774	5.0
2021	16.3	--	15	6.6	1,697	3.7
Middle						
2020	18.2	18.5	25	11.1	2,343	6.7
2021	18.2	--	35	15.4	3,844	8.3
Upper						
2020	41.0	59.3	156	69.3	25,653	72.8
2021	41.0	--	150	65.8	27,416	59.0
Not Available						
2020	0.0	5.3	17	7.6	5,014	14.2
2021	0.0	--	23	10.1	13,019	28.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>225</b>	<b>100.0</b>	<b>35,217</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>228</b>	<b>100.0</b>	<b>46,453</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Small Farm Loans***

The distribution of small farm loans reflects adequate penetration to farms of different sizes. The following table includes PPP loans, for which the bank did not report revenues for the majority of these loans. Excluding PPP loans, the bank originated 80.0 percent of small farm loans by number to farms with revenues at or below \$1 million in 2020, which exceeds the aggregate data. The bank's performance in 2021 declined, with the bank originating 44.4 percent of non-PPP small farm loans by number within this revenue category.

Distribution of Small Farm Loans by Gross Annual Revenue Category						
Assessment Area: Chicago MD						
Gross Revenue Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2020	93.8	62.1	4	33.3	925	65.4
2021	94.6	--	5	16.7	1,004	34.0
>\$1,000,000						
2020	3.3	--	2	16.7	415	29.3
2021	2.9	--	5	16.7	1,121	37.9
Revenue Not Available						
2020	2.9	--	6	50.0	74	5.2
2021	2.5	--	20	66.7	831	28.1
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>	<b>1,414</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>30</b>	<b>100.0</b>	<b>2,956</b>	<b>100.0</b>

*Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%*

### **Innovative or Flexible Lending Practices**

Busey Bank uses innovative and flexible lending practices in order to serve assessment area credit needs. As shown in the following table, Busey Bank funded 175 innovative and flexible loans totaling more than \$80.3 million during the evaluation period, representing 15.9 percent of the bank's activity in the Illinois rated area. These loans provided credit to individuals and businesses that may not have otherwise qualified for traditional bank financing.

Innovative or Flexible Lending Programs – Chicago MD								
Type of Program	2019		2020		2021		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Home Mortgage	78	15,970	29	5,409	25	4,485	132	25,864
Small Business	13	6,872	10	15,748	20	31,889	43	54,509
<b>Totals</b>	<b>91</b>	<b>22,842</b>	<b>39</b>	<b>21,157</b>	<b>45</b>	<b>36,374</b>	<b>175</b>	<b>80,373</b>

*Source: Bank Records*

### **Community Development Loans**

The institution is a leader in making community development loans. Since the prior examination, Busey Bank originated 66 community development loans totaling \$177.9 million in this area. This represents a significant increase by both number and dollar volume over the last examination, where the bank was a recent entrant into the Chicago MD market. This level of lending represents more than 25 percent of overall and half of the rated area's community development lending.

Community Development Lending – Chicago MD										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
2019 (Partial)	5	2,206	5	28,100	9	32,514	4	15,170	23	77,989
2020	5	1,355	7	14,428	5	22,179	2	5,790	19	43,752
2021	7	7,349	3	10,640	6	16,397	3	14,185	19	48,571
2022 (YTD)	2	1,750	-	-	1	3,683	2	2,170	5	7,602
<b>Total</b>	<b>19</b>	<b>12,659</b>	<b>15</b>	<b>53,168</b>	<b>21</b>	<b>74,772</b>	<b>11</b>	<b>37,315</b>	<b>66</b>	<b>177,914</b>

*Source: Bank Data*

The following are some examples of the qualified lending activities in the assessment area:

- Over the evaluation period, the bank originated loans totaling more than \$10 million to an area affordable housing non-profit whose primary purpose is supporting the homeless and poverty-stricken by providing housing, job training, education, and behavioral health services.
- In 2019, the bank originated a \$3.5 million loan to a vocational school, wherein more than 80.0 percent of the students receive federal aid.

## INVESTMENT TEST

Busey Bank demonstrated good performance under the Investment Test in the Chicago MD assessment area. The bank’s significant level of qualified investments and good responsiveness to community development needs supports this rating.

### Investment and Grant Activity

The institution made a significant level of qualified investments, particularly those that are not routinely provided by private investors, occasionally in a leadership position. In total, the bank made or maintained 38 qualified investments totaling \$44.8 million in the assessment area. The bank also made 89 qualified donations totaling \$398,000 in the assessment area. This level of activity represents 19.9 percent by dollar volume of the bank’s total qualified investment and donation activity. The number and dollar volume of community development investments and donations in this assessment area increased since the last evaluation, where the bank made 15 investments totaling \$8.3 million and 28 donations totaling \$41,000. The following table shows the bank’s community development investments and donations by purpose and year in the assessment area.

Qualified Investments by Year : Chicago MD										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$	#	\$	#	\$	#	\$	#	\$
Prior Period	3	2,997	8	3,923	4	1,024	-	-	15	7,943
2019 (Partial)	-	-	1	595	1	1,200	-	-	2	1,795
2020	2	1,133	-	-	1	1,200	-	-	3	2,333
2021	5	20,476	2	2,688	6	4,536	1	2,877	14	30,578
2022 (YTD)	1	294	-	-	2	1,269	1	628	4	2,191
<b>Subtotal</b>	<b>11</b>	<b>24,899</b>	<b>11</b>	<b>7,207</b>	<b>14</b>	<b>9,229</b>	<b>2</b>	<b>3,506</b>	<b>38</b>	<b>44,840</b>
Grants & Donations	5	21	80	366	1	0	3	11	89	398
<b>Total</b>	<b>16</b>	<b>24,920</b>	<b>91</b>	<b>7,573</b>	<b>15</b>	<b>9,230</b>	<b>5</b>	<b>3,516</b>	<b>127</b>	<b>45,238</b>

*Source: Bank Data*

Notable examples of community development investments made by the bank in the assessment area include the following:

- Invested \$2.0 million in a New Market Tax Credit to finance land remediation on six acres and construct a new athletic facility for a school that primarily serves low- and moderate-income students.
- Invested \$5.0 million to finance a 67-unit apartment complex located in a moderate-income census tract in which residents qualify for the housing based on need.
- Invested \$5.0 million in a fund formed to preserve affordable housing by acquiring interests in residential rental properties to be occupied by low- and moderate-income tenants.

### **Responsiveness to Credit and Community Development Needs**

The institution exhibits good responsiveness to credit and community development needs. Examiners identified affordable housing, small business support, and community services for low- and moderate-income families as needs in this assessment area, and the majority of the bank's investments supported those initiatives.

### **Community Development Initiatives**

The institution occasionally uses innovative and/or complex investments to support community development initiatives. Some of the bank's investments exhibited complex characteristics, such as an investment in a tax credit fund that supported an affordable housing development.

### **SERVICE TEST**

Busey Bank demonstrated poor performance under the Service Test in the Chicago MD assessment area.

### **Accessibility of Delivery Systems**

Delivery systems are accessible to limited portions of the assessment area. Busey Bank has no branches, limited service facilities, or ATMs within low- and moderate-income areas. The bank has three branches located in census tracts that are contiguous or near to low- or moderate-income

tracts, providing some accessibility for those area residents. In August, 2021, the bank acquired Glenview State Bank and its corresponding seven branches, closing two of the acquired locations in November 2021.

<b>Branch and ATM Distribution by Geography Income Level</b>												
<b>Assessment Area: Chicago MD</b>												
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>		<b>Open Branches</b>		<b>Closed Branches</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	263	15.5	791,474	11.5	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	412	24.3	1,678,517	24.3	0	0.0	0	0.0	0	0.0	0	0.0
Middle	469	27.6	2,077,107	30.1	5	33.3	7	25.9	1	9.1	3	60.0
Upper	539	31.8	2,333,684	33.8	10	66.7	20	74.1	10	90.9	2	40.0
NA	14	0.8	20,295	0.3	0	0.0	0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>1,697</b>	<b>100.0</b>	<b>6,901,077</b>	<b>100.0</b>	<b>15</b>	<b>100.0</b>	<b>27</b>	<b>100.0</b>	<b>11</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>

*Source: 2015 ACS & Bank Data. Due to rounding, totals may not equal 100.0%*

### **Changes in Branch Locations**

To the extent changes have been made, the institution’s opening and closing of branches has adversely affected the accessibility of its delivery systems, particularly in low- and moderate geographies or to low- and moderate- income individuals. While the bank did not open or close any branch locations in low- or moderate-income tracts during the review period, the bank’s acquisition of Glenview State Bank and its corresponding branch locations served to further concentrate the banks offices within middle- and upper income tracts, while doing little to increase access to low- and moderate-income communities.

### **Reasonableness of Business Hours and Services**

Services and business hours do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and individuals. Services and business hours are generally consistent across all office locations in this assessment area. Most locations have Saturday hours, and the bank has Interactive Teller Machines at five of the locations. As previously discussed, the bank has no branch or ATM locations within low- or moderate-income tracts and offers few services aimed at low- and moderate-income customers.

### **Community Development Services**

Busey Bank provided an adequate level of community development services. Most of these activities supported the provisions of community services throughout the assessment area for low- and moderate-income individuals. The following table details the bank’s community development services in the assessment area by year and purpose. The bank conducted 17.7 percent of rated area

services and 11.3 percent of total services within this assessment area, which significantly trails the 12.2 percent of deposits and 23.4 percent of loans in this assessment area. Due to the large population and significant volume of low- and moderate-income tracts, this area has a high need for community development services.

<b>Community Development Services - Chicago MD</b>					
<b>Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Total</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2019 (Partial)	-	3	2	-	<b>5</b>
2020	-	2	-	-	<b>2</b>
2021	2	33	3	-	<b>38</b>
2022 (YTD)	-	20	2	-	<b>22</b>
<b>Total</b>	<b>2</b>	<b>58</b>	<b>7</b>	<b>-</b>	<b>67</b>

*Source: Bank Data*

The following are examples of community development services provided by the bank in the Chicago MD:

- One employee maintains a position on the Board of a local community development organization that provides needed services to students living in poverty. Specifically, the organization partnered with three schools in the Chicago area, all which have at least 89 percent of all students living below the poverty line.
- Six employees provided eighteen instances of financial services to elderly, low- and moderate-income individuals residing at an affordable assisted living community that is open to seniors 65 years of age and older. Seniors on Medicaid who only receive minimum Social Security income can qualify for the financial assistance program. Bank volunteers periodically visit the facility to provide needed banking services onsite.
- A bank employee serves on the Board of an affordable housing group that provides comfortable, affordable accommodations for patients and their families throughout medical treatment. The group never turns away families for financial reasons; in 2019, 60 percent of housing guests received subsidies to help make their stay more affordable.
- In 2020, a bank employee founded a non-profit organization, which serves some of Chicago’s most underserved neighborhoods with after school programs. The community center provides a safe place and needed structure for at-risk youth.

## **PEORIA, ILLINOIS MSA– Full-Scope Review**

### **DESCRIPTION OF INSTITUTION’S OPERATIONS IN PEORIA MSA**

The Peoria MSA assessment area includes the entirety of Peoria, Tazewell, Marshall, and Woodford Counties. These four contiguous counties are located in central Illinois, surrounding the Illinois River. Busey Bank operates eleven branch locations in this assessment area, in Peoria and Tazewell County. At the prior evaluation, only Peoria and Tazewell counties were included in this assessment area, with the bank adding Marshall and Woodford County as part of this assessment area for this evaluation period.

**Economic and Demographic Data**

The assessment area contains 92 census tracts across the four counties. According to 2015 ACS data, these tracts reflect the following income designations:

- 12 low-income tracts
- 13 moderate-income tracts
- 46 middle-income tracts
- 21 upper-income tracts

The following table illustrates select economic and demographic characteristics of the assessment area.

<b>Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Peoria MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	92	13.0	14.1	50.0	22.8	0.0
Population by Geography	374,088	7.8	13.4	49.3	29.5	0.0
Housing Units by Geography	162,671	8.3	14.6	49.6	27.5	0.0
Owner-Occupied Units by Geography	106,615	3.6	12.9	52.2	31.3	0.0
Occupied Rental Units by Geography	43,149	16.6	18.2	45.0	20.3	0.0
Vacant Units by Geography	12,907	19.6	16.8	42.8	20.7	0.0
Businesses by Geography	22,784	10.9	11.7	46.0	31.4	0.0
Farms by Geography	1,386	1.9	4.7	60.2	33.2	0.0
Family Distribution by Income Level	97,446	20.5	17.9	21.3	40.3	0.0
Household Distribution by Income Level	149,764	23.2	16.3	18.4	42.1	0.0
Median Family Income MSA - 37900 Peoria, IL MSA		\$67,308	Median Housing Value			\$134,914
			Median Gross Rent			\$711
			Families Below Poverty Level			9.1%
<i>Source: 2015 ACS and 2021 D&amp;B Data. Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to the United State Bureau of Labor, unemployment rose sharply due to the onset of the COVID-19 Pandemic before falling near or below pre-Pandemic levels within each county in the assessment area as of December 2021. The following table shows the unemployment rate within each county in the assessment area over the evaluation period.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2019</b>	<b>2020</b>	<b>December 2021</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Peoria	4.9	10.4	5.3
Tazewell	4.2	8.1	3.6
Marshall	4.6	7.4	4.2
Woodford	3.6	6.1	2.9
State	4.0	9.2	6.1
National Average	3.7	8.3	4.8

*Source: Bureau of Labor Statistics*

According to data obtained from Moody’s Analytics, the assessment area consists of a diverse economy predominately supported by service industries. The area has seen a better recovery than most areas in the Midwest. The largest employers in the area include OSF Healthcare, Caterpillar Inc., Unity Point Health, and Illinois Central College.

The table below presents the Peoria MSA median family income levels for 2019-2021 as provided by the FFIEC.

<b>Median Family Income Ranges – Peoria MSA</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2019 (\$73,300)	<\$36,650	\$36,650 to <\$58,640	\$58,640 to <\$87,960	≥\$87,960
2020 (\$75,400)	<\$37,700	\$37,700 to <\$60,320	\$60,320 to <\$90,480	≥\$90,480
2021 (\$76,000)	<\$38,000	\$38,000 to <\$60,800	\$60,800 to <\$91,200	≥\$91,200

*Source: FFIEC*

### **Competition**

The assessment area is moderately competitive in the market for financial services. According to FDIC Deposit Market Share data as of June 30, 2021, 34 banks operated out of 127 locations within the assessment area. Of these banks, Busey Bank ranked third with 8.2 percent of the deposit market share. The top two banks combined commanded 51.6 percent of the market share.

According to 2020 HMDA aggregate data, Busey Bank ranked eighth out of 347 lenders that reported home mortgage originations or purchases in the assessment area. Busey Bank had a market share of 3.0 percent, while the top five institutions had a combined market share of 42.2 percent. According to 2020 CRA aggregate data, 96 lenders reported small business loans within the assessment area, of which Busey Bank ranked fourth with 5.4 percent of the market share. The largest reporter, a local community bank, had 44.1 percent of the market share.

### **Community Contacts**

Examiners reviewed two recent contacts conducted within the MSA. Examiners previously contacted a community and economic development organization active in the assessment area. The

economic development contact cited a need for commercial development, but felt that local financial institutions are meeting the needs of the community. The community development contact stated that the credit needs of the community are being met and that there is a shortage of initiatives for financial institutions to support.

**Credit and Community Development Needs and Opportunities**

As stated above, examiners determined that commercial development is a significant need within the assessment area. Opportunities for revitalization and stabilization continue to be present in low- and moderate-income census tracts.

**CONCLUSIONS ON PERFORMANCE CRITERIA IN PEORIA MSA**

**LENDING TEST**

Busey Bank demonstrated adequate performance under the Lending Test within the Peoria MSA assessment area. The bank’s performance within the geographic distribution and borrower profile criterion primarily supports this conclusion.

**Lending Activity**

Lending levels reflect adequate responsiveness to assessment area credit needs. The bank derives 8.2 percent of its deposits and 6.1 percent of total reported lending from this assessment area. With respect to closed-end lending and small business lending, Busey Bank’s lending levels have increased significantly since the prior review period, when the bank originated 144 closed-end home mortgage loans and 42 small business loans in 2017. Busey Bank did not report open-end home mortgage loans prior to 2018, and these were not considered at the prior evaluation. The following table details the bank’s lending activity within the Peoria MSA.

<b>Lending Activity – Peoria MSA</b>				
<b>Loan Product</b>	<b>2020 #</b>	<b>2020 \$(000s)</b>	<b>2021 #</b>	<b>2021 \$(000s)</b>
Closed-End Home Mortgage	367	59,770	356	52,067
Open-End Home Mortgage	88	5,210	71	5,573
<b><i>Subtotal: Home Mortgage</i></b>	<b>455</b>	<b>64,980</b>	<b>427</b>	<b>57,640</b>
Small Business	428	60,308	233	32,147
Small Farm	4	927	2	296
<b>TOTAL</b>	<b>887</b>	<b>126,215</b>	<b>662</b>	<b>90,083</b>
<i>Source: Bank Data</i>				

**Geographic Distribution**

The geographic distribution of loans reflects adequate penetration throughout the assessment area. Adequate performance within the home mortgage lending categories primarily supports this conclusion.

***Closed-End Home Mortgage Loans***

The geographic distribution of closed-end home mortgage loans reflect adequate penetration throughout the assessment area. The bank’s level of lending within both low- and moderate-income

tracts was consistently comparable to peer performance. Performance in both tract types in 2021 was similar to 2020. The following table details the geographic distribution of closed-end home mortgage lending.

<b>Geographic Distribution of Closed-End Home Mortgage Loans</b>						
<b>Assessment Area: Peoria MSA</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2020	3.6	1.1	5	1.4	448	0.7
2021	3.6	--	9	2.5	578	1.1
<b>Moderate</b>						
2020	12.9	9.8	34	9.3	2,521	4.2
2021	12.9	--	34	9.6	2,185	4.2
<b>Middle</b>						
2020	52.2	49.8	168	45.8	26,881	45.0
2021	52.2	--	178	50.0	21,518	41.3
<b>Upper</b>						
2020	31.3	39.3	160	43.6	29,921	50.1
2021	31.3	--	135	37.9	27,786	53.4
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>367</b>	<b>100.0</b>	<b>59,770</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>356</b>	<b>100.0</b>	<b>52,067</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Small Business Loans***

The geographic distribution of small business loans reflects good penetration throughout the assessment area. The bank’s lending within low- and moderate-income tracts exceeded aggregate performance in 2020, as well as the business population within these tracts in each year. Performance in 2021 fluctuated slightly, but overall remained consistent. The following table details the geographic distribution of small business lending within the assessment area.

<b>Geographic Distribution of Small Business Loans</b>						
<b>Assessment Area: Peoria MSA</b>						
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2020	10.7	9.5	64	15.0	8,930	14.8
2021	10.9	--	38	16.3	5,630	17.5
Moderate						
2020	11.5	10.4	73	17.1	9,213	15.3
2021	11.7	--	37	15.9	4,625	14.4
Middle						
2020	46.3	48.1	172	40.2	20,305	33.7
2021	46.0	--	90	38.6	12,098	37.6
Upper						
2020	31.5	32.0	119	27.8	21,860	36.2
2021	31.4	--	68	29.2	9,794	30.5
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>428</b>	<b>100.0</b>	<b>60,308</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>233</b>	<b>100.0</b>	<b>32,147</b>	<b>100.0</b>

*Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%*

### ***Open-End Home Mortgage Loans***

The geographic distribution of open-end home mortgage loans reflects adequate penetration throughout the assessment area. The bank's 2020 performance lagged aggregate performance within both low- and moderate income tracts in 2020, improving in each area in 2021. Overall, this performance is considered adequate. The following table details the geographic distribution of open-end home mortgage loans.

Geographic Distribution of Open-End Home Mortgage Loans						
Assessment Area: Peoria MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	3.6	2.1	1	1.1	27	0.5
2021	3.6	--	3	4.2	110	2.0
Moderate						
2020	12.9	8.9	6	6.8	261	5.0
2021	12.9	--	5	7.0	172	3.1
Middle						
2020	52.2	45.4	39	44.3	1,550	29.8
2021	52.2	--	22	31.0	1,212	21.8
Upper						
2020	31.3	43.6	42	47.7	3,373	64.7
2021	31.3	--	41	57.7	4,079	73.2
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>88</b>	<b>100.0</b>	<b>5,210</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>71</b>	<b>100.0</b>	<b>5,573</b>	<b>100.0</b>

*Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

## **Borrower Profile**

The distribution of borrowers reflects adequate penetration to individuals of different income levels and business and farms of different sizes. The bank's performance varied greatly within each product line, and is discussed in each section. Performance under this criterion is supported by the results in the product with the greatest weight, closed-end home mortgage loans.

### ***Closed-End Home Mortgage Loans***

The distribution of closed-end home mortgage loans reflects adequate penetration to retail customers of differing income levels. As shown in the following table, the bank's lending to low-income borrowers lagged the aggregate data in 2020, but more than doubled in 2021. Lending to moderate-income borrowers was slightly above the aggregate level and the percentage of moderate-income families in 2020, before declining in 2021 to a level comparable with the demographic ratio. Overall, this distribution of lending reflects adequate performance.

<b>Distribution of Closed-End Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: Peoria MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2020	20.5	8.8	19	5.2	1,349	2.3
2021	20.5	--	43	12.1	3,159	6.1
Moderate						
2020	17.9	17.9	78	21.3	7,464	12.5
2021	17.9	--	63	17.7	5,475	10.5
Middle						
2020	21.3	19.2	87	23.7	10,791	18.1
2021	21.3	--	83	23.3	9,518	18.3
Upper						
2020	40.3	36.1	159	43.3	29,863	50.0
2021	40.3	--	157	44.1	31,321	60.2
Not Available						
2020	0.0	18.0	24	6.5	10,303	17.2
2021	0.0	--	10	2.8	2,593	5.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>367</b>	<b>100.0</b>	<b>59,770</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>356</b>	<b>100.0</b>	<b>52,067</b>	<b>100.0</b>

*Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%*

### ***Small Business Loans***

The distribution of small business loans reflects poor penetration to businesses of different sizes. Busey Bank's performance was significantly below the aggregate performance in 2020, slightly increasing in 2021. As the bank originated a high volume of PPP loans, for which revenues were not consistently reported, examiners also analyzed the bank's performance without PPP loans. Without the PPP loans, the bank originated 36.4 percent of small business loans in 2020, decreasing to 29.5 percent of small business loans in 2021 to businesses with revenues of \$1 million or less.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: Peoria MSA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<b>&lt;=\$1,000,000</b>						
2020	78.6	46.2	76	17.8	8,595	14.3
2021	80.4	--	49	21.0	6,000	18.7
<b>&gt;\$1,000,000</b>						
2020	6.4	--	114	26.6	35,531	58.9
2021	5.7	--	65	27.9	19,938	62.0
<b>Revenue Not Available</b>						
2020	15.0	--	238	55.6	16,182	26.8
2021	13.9	--	119	51.1	6,209	19.3
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>428</b>	<b>100.0</b>	<b>60,308</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>233</b>	<b>100.0</b>	<b>32,147</b>	<b>100.0</b>
<i>Source: 2020 &amp; 2021 D&amp;B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Open-End Home Mortgage Loans***

The distribution of open-end home mortgage loans reflects excellent penetration to retail customers of different income levels. As shown in the following table, the bank's lending to low- and moderate-income families exceeded aggregate data for low-income customers, and substantially exceeded aggregate data with performance more than double that of the aggregate for moderate-income borrowers in 2020. In 2021, the bank's performance to low-income borrowers decreased, while performance among moderate-income borrowers increased. Overall, this distribution reflects excellent performance.

Distribution of Open-End Home Mortgage Loans by Borrower Income Level						
Assessment Area: Peoria MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	20.5	3.9	8	9.1	235	4.5
2021	20.5	--	4	5.6	96	1.7
Moderate						
2020	17.9	8.7	19	21.6	762	14.6
2021	17.9	--	19	26.8	721	12.9
Middle						
2020	21.3	10.3	22	25.0	1,243	23.8
2021	21.3	--	10	14.1	780	14.0
Upper						
2020	40.3	21.3	32	36.4	2,281	43.8
2021	40.3	--	36	50.7	3,396	60.9
Not Available						
2020	0.0	55.8	7	8.0	690	13.2
2021	0.0	--	2	2.8	580	10.4
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>88</b>	<b>100.0</b>	<b>5,210</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>71</b>	<b>100.0</b>	<b>5,573</b>	<b>100.0</b>

Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

### Innovative or Flexible Lending Practices

The institution uses innovative and flexible lending practices in order to serve assessment area credit needs. As shown in the following table, Busey Bank originated 125 total innovative or flexible loans over the evaluation period, with the vast majority of these loans consisting of various home mortgage products. These loans provided financing to individuals and small businesses that may not have otherwise qualified for traditional bank financing.

Innovative or Flexible Lending Programs – Peoria MSA								
Type of Program	2019		2020		2021		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Home Mortgage	33	3,700	42	4,851	48	5,034	123	13,585
Small Business	0	0	2	415	0	0	2	415
<b>Totals</b>	<b>33</b>	<b>3,700</b>	<b>44</b>	<b>5,266</b>	<b>48</b>	<b>5,034</b>	<b>125</b>	<b>14,000</b>

Source: Bank Records

**Community Development Loans**

Busey Bank has made a relatively high level of community development loans. Busey Bank originated 16 community development loans totaling \$31.5 million within the assessment area over the evaluation period, with activities covering all applicable areas of community development. This activity represents 4.5 percent of the bank’s total community development lending by dollar amount and an increase from the prior examination, where the bank had six total community development loans totaling \$7.0 million.

<b>Community Development Lending - Peoria</b>										
<b>Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Total</b>	
	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>
2019 (Partial)	2	10,730	-	-	-	-	2	6,000	4	16,730
2020	1	38	5	2,120	3	5,408	1	3,975	10	11,540
2021	-	-	-	-	1	1,588	1	1,650	2	3,238
2022 (YTD)	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3</b>	<b>10,768</b>	<b>5</b>	<b>2,120</b>	<b>4</b>	<b>6,995</b>	<b>4</b>	<b>11,625</b>	<b>16</b>	<b>31,508</b>
<i>Source: Bank Data</i>										

**INVESTMENT TEST**

Busey Bank demonstrated good performance under the Investment Test in the Peoria MSA assessment area. The bank’s significant level of qualified investments and adequate responsiveness to community development needs supports this rating.

**Investment and Grant Activity**

The institution has a significant level of qualified community development investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors. In total, the bank made or maintained 19 qualified investments totaling \$15.0 million in the assessment area. The bank also made 74 qualified donations totaling \$88,000 in the assessment area. This level of activity represents 6.4 percent by dollar volume of the bank’s total qualified investment and donation activity. The dollar volume of community development investments and donations in this assessment area increased since the last evaluation, when investments totaled \$3.2 million and donations totaled \$85,000. The following table shows the bank’s community development investments and donations by purpose and year in the assessment area.

Qualified Investments by Year: Peoria MSA										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
Prior Period	-	-	6	1,967	-	-	3	1,220	9	3,188
2019 (Partial)	-	-	2	95	-	-	3	2,388	5	2,483
2020	-	-	1	400	-	-	-	-	1	400
2021	1	2,951	-	-	-	-	3	5,998	4	8,948
2022 (YTD)	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>1</b>	<b>2,951</b>	<b>9</b>	<b>2,462</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>9,606</b>	<b>19</b>	<b>15,019</b>
Grants & Donations	2	6	63	63	4	15	5	6	74	88
<b>Total</b>	<b>3</b>	<b>2,957</b>	<b>72</b>	<b>2,525</b>	<b>4</b>	<b>15</b>	<b>14</b>	<b>9,611</b>	<b>93</b>	<b>15,107</b>

*Source: Bank Data*

Notable examples of community development investments made by the bank in the assessment area include the following:

- Invested \$4.1 million in a historic tax credit fund to rehabilitate a century-old building located in a distressed low-income census tract. The building will serve as the headquarters for a health care company employing over 500 employees and housing two restaurant tenants.
- Invested \$1.9 million for the funding of a city grant to assist in renovating a hotel as part of a Hospitality Improvement Zone Tax Incremental Financing redevelopment project.
- Invested \$1.6 million in financing for a school district that primarily serves low- and moderate-income students.

### **Responsiveness to Credit and Community Development Needs**

The institution exhibits adequate responsiveness to credit and community development needs. Examiners identified commercial development as a need in this assessment area. While some of the bank's investments benefited commercial development needs through revitalization and stabilization efforts, the bank made no economic development investments focused on the creation and retention of permanent jobs outside of donations.

### **Community Development Initiatives**

The institution occasionally uses innovative and/or complex investments to support community development initiatives. Some of the bank's investments exhibited complex characteristics, such as an investment in a tax credit fund that supported revitalization and stabilization through development of a distressed low-income census tract.

### **SERVICE TEST**

Busey Bank demonstrated good performance within the Peoria MSA assessment area. The bank's performance under the accessibility and community development service criteria supports this conclusion.

**Accessibility of Delivery Systems**

Delivery systems are accessible to essentially all portions of the institution’s assessment area. As shown in the following table, Busey Bank has branches throughout the assessment area, including two branches in low-income tracts. The bank also has three other branches within one mile of low- and moderate-income tracts. Therefore, nearly half of the branches are in or near the low- and moderate-income census tracts. Five locations are full-service, while six of the locations are limited service facilities. The following table illustrate the bank’s branch and ATM locations by tract-income level. As previously mentioned, the bank established Busey Bank Bridge in early 2022. This bank-sponsored community center provides a variety of educational programs and community resources, and loan officers from the nearby branch location are available to help borrowers looking to originate loans.

<b>Branch and ATM Distribution by Geography Income Level</b>												
<b>Assessment Area: Peoria MSA</b>												
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>		<b>Open Branches</b>		<b>Closed Branches</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	12	13.0	29,184	7.8	2	18.2	2	16.7	1	50.0	2	25.0
Moderate	13	14.1	50,284	13.4	0	0.0	3	25.0	0	0.0	2	25.0
Middle	46	50.0	184,306	49.3	3	9.0	5	41.7	1	50.0	3	37.5
Upper	21	22.8	110,314	29.5	6	54.5	2	16.7	0	0.0	1	12.5
<b>Totals</b>	<b>92</b>	<b>100.0</b>	<b>374,088</b>	<b>100.0</b>	<b>11</b>	<b>100.0</b>	<b>12</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>

*Source: 2015 ACS & Bank Data. Due to rounding, totals may not equal 100.0%*

**Changes in Branch Locations**

To the extent that changes have been made, the institutions record of opening and closing branches has adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals. Busey Bank closed eight total branches in this assessment area over the review period, half of which were in low- and moderate-income tracts. Those branches closed within low-income tracts were within three-quarters of a mile of a remaining branch in an adjacent low-income tract, while branches closed in moderate-income tracts were over 1.5 miles from the closest remaining branches. Further mitigating the closures is that one of the two branches opened during the evaluation period was located in a low-income tract.

**Reasonableness of Business Hours and Services**

Services and business hours do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and individuals. Services and business hours are generally consistent across all offices. All full-service offices offer drive-up and Saturday hours.

**Community Development Services**

The institution provides a relatively high level of community development services. The following table details the bank’s community development services in this assessment area by year and purpose. Over the course of the evaluation period, Busey Bank contributed to 59 services, with the majority of these services supporting the provision of community services for low- and moderate-income individuals. This activity level accounts for nearly 10 percent of the bank’s overall provided services, which is consistent with the level of deposits in this assessment area.

<b>Community Development Services - Peoria MSA</b>					
<b>Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Total</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2019 (Partial)	-	6	4	1	<b>11</b>
2020	-	4	3	-	<b>7</b>
2021	4	22	2	-	<b>28</b>
2022 (YTD)	1	6	5	1	<b>13</b>
<b>Total</b>	<b>5</b>	<b>38</b>	<b>14</b>	<b>2</b>	<b>59</b>

*Source: Bank Data*

The following are examples of community development services provided by the bank in this assessment area:

- Two bank employees serve on the Board of a welfare organization that benefits women and children in need. The organization operates three branches of service; a nursery, a child development center, and educational and support services. All services aim to protect and nurture low- and moderate-income children and families.
- Four bank employees presented various financial literacy and homebuyer education seminars to low- and moderate-income adults on eight separate occasions. Topics included, “Building Your Financial Future” to inmates who would soon be released from a correctional institute; “Credit Cards and Credit Reports” to unemployed individuals; and speaking at a Financial Health Seminar.
- Two bank employees serve on the Board of a housing and community services agency that helps individuals and families become homeowners. The agency is located in a low-income tract and helps low- and moderate-income individuals create budgets, reduce debt, and make sound financial decisions.

**ILLINOIS NON-MSA– Full-Scope Review**

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN ILLINOIS NON-MSA**

The Illinois Non-MSA assessment area includes the entirety of contiguous Ford and Livingston County, as well as nearby Shelby County within East-Central Illinois. As these counties are in relatively close proximity and have similar performance context, these areas are presented collectively as one assessment area for the purposes of this evaluation. Busey Bank has no offices within this area, but operates two deposit-taking ATMs.

## **Economic and Demographic Data**

The assessment area contains a total of 21 census tracts across the three counties. According to 2015 ACS data, these tracts reflect the following income designations:

- 1 moderate-income tract
- 18 middle-income tracts
- 2 upper-income tracts

There are no low-income tracts, nor tracts with no income designations within the assessment area. The sole moderate-income tract is located within Livingston County, including and north of the city of Pontiac, Illinois. The following table details select economic and demographic characteristics of the assessment area.

<b>Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Illinois Non-MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	21	0.0	4.8	85.7	9.5	0.0
Population by Geography	73,639	0.0	3.8	82.5	13.7	0.0
Housing Units by Geography	32,599	0.0	4.3	84.7	10.9	0.0
Owner-Occupied Units by Geography	22,167	0.0	3.2	85.9	10.9	0.0
Occupied Rental Units by Geography	6,967	0.0	8.6	78.0	13.4	0.0
Vacant Units by Geography	3,465	0.0	2.7	90.9	6.4	0.0
Businesses by Geography	4,303	0.0	8.5	82.3	9.2	0.0
Farms by Geography	711	0.0	1.3	96.1	2.7	0.0
Family Distribution by Income Level	19,654	18.8	18.0	22.3	40.9	0.0
Household Distribution by Income Level	29,134	21.5	14.8	18.0	45.7	0.0
Median Family Income Non-MSAs - IL		\$59,323	Median Housing Value			\$99,551
			Median Gross Rent			\$625
			Families Below Poverty Level			8.2%
<i>Source: 2015 ACS and 2021 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to United States Bureau of Labor Statistics data, unemployment rates throughout the assessment area increased at the onset of the COVID-19 Pandemic, before declining to a rate lower than pre-pandemic levels as of December 2021. The following table illustrates unemployment rates throughout the assessment area.

<b>Unemployment Rates</b>			
<b>County</b>	<b>2019</b>	<b>2020</b>	<b>December 2021</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Ford	4.1	6.4	3.1
Livingston	3.9	6.7	3.4
Shelby	3.7	6.4	3.1
State	4.0	9.2	6.1
National Average	3.7	8.3	4.8

*Source: Bureau of Labor Statistics*

The table below presents the Illinois Non-MSA median family income levels for 2019-2021, as updated by the FFIEC.

<b>Median Family Income Ranges – Illinois Non-MSA</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2019 (\$64,200)	<\$32,100	\$32,100 to <\$51,360	\$51,360 to <\$77,040	≥\$77,040
2020 (\$65,800)	<\$32,900	\$32,900 to <\$52,640	\$52,640 to <\$78,960	≥\$78,960
2021 (\$66,700)	<\$33,350	\$33,350 to <\$53,360	\$53,360 to <\$80,040	≥\$80,040

*Source: FFIEC*

### **Competition**

The assessment area is moderately competitive in the market for financial services. According to FDIC Deposit Market Share data as of June 30, 2021, 9 institutions operated 17 offices within the three counties. Busey Bank ranked third with 10.1 percent of the market share at the time, before closing their four locations in the assessment area on November 19, 2021.

According to 2020 HMDA aggregate data, Busey Bank ranked fourth with a market share of 5.6 percent by number of loans among the 206 institutions that reported home mortgage originations or purchases in the assessment area. The top three institutions combined for 29.9 percent of the market share. According to 2020 CRA aggregate data, the bank ranked fourth with a market share of 7.5 percent by number of loans. The top three institutions combined for 31.0 percent of the market share.

### **Community Contact**

Examiners contacted a representative of a local economic development organization operating in the assessment area. The contact did not identify any significant personal or business credit needs within the community. The contact stated that the community is well banked, credit is widely available, and local banks are active in the assessment area.

## **Credit and Community Development Needs and Opportunities**

Examiners determined that commercial lending remains a significant need despite continued commercial development investment in the assessment area. Opportunities for commercial revitalization and stabilization continue to be present in low- and moderate-income census tracts.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN ILLINOIS NON-MSA**

### **LENDING TEST**

Busey Bank demonstrated adequate performance under the Lending Test within the Illinois Non-MSA assessment area. The bank's performance within geographic distribution, borrower profile, and within innovative and flexible lending primarily supports this conclusion.

### **Lending Activity**

Lending levels reflect adequate responsiveness to assessment area credit needs. As shown in the table on page 7, the percentages of lending and deposits in this assessment area are roughly similar. The following table details the lending activity within this assessment area.

<b>Lending Activity – Illinois Non-MSA</b>				
<b>Loan Product</b>	<b>2020 #</b>	<b>2020 \$(000s)</b>	<b>2021 #</b>	<b>2021 \$(000s)</b>
Closed-End Home Mortgage	109	13,749	72	8,852
Open-End Home Mortgage	15	796	14	900
<b><i>Subtotal: Home Mortgage</i></b>	<b>124</b>	<b>14,545</b>	<b>86</b>	<b>9,752</b>
Small Business	56	3,794	37	4,318
Small Farm	20	3,245	39	3,984
<b>TOTAL</b>	<b>200</b>	<b>21,584</b>	<b>162</b>	<b>18,054</b>
<i>Source: Bank Data</i>				

### **Geographic Distribution**

The geographic distribution of loans reflects adequate penetration in the assessment area. Busey Bank did not originate any home mortgage, small business, or small farm loans in 2020 or 2021 in the single moderate-income census tract, which is located in central Livingston County. However, the location of prior bank offices, competitive factors, demographic information, and low or non-existent lending by aggregate reporters in the tract support this conclusion for the bank's performance.

The bank closed all branches within the assessment area in November 2021. Prior to the closures, the closest branch was a considerable distance (12 miles) from the tract to the southwest in Livingston County. There are ten competitor banks between the tract and this former branch. Six of the competitor banks are located within a mile of the tract. The remaining three former bank branches were further south in adjacent Ford and distant Shelby Counties. As indicated in the demographics table, the percentages of owner-occupied housing, businesses, and farms in the tract were consistently low. The relatively low loan counts, as shown in the Lending Activity table, and low aggregate ratios, as shown in the tables that follow, create a parallel low expectation of lending

in the moderate-income tract. Geographical comparisons of the bank's lending show that the bank has similar difficulties in lending to the upper-income tracts immediately south of the moderate-income tract, as well as other middle-income tracts equidistant from the bank's location. These factors support the adequacy of performance.

### **Borrower Profile**

The distribution of borrowers reflects adequate penetration to individuals of different income levels and business and farms of different sizes. Excellent performance for small farm lending, accompanied by adequate performance for all other lending products, supports this assessment.

### ***Closed-End Home Mortgage Loans***

The distribution of closed-end home mortgage loans reflects adequate penetration to retail customers of different income levels. As shown in the following table, the bank's lending to low-income borrowers exceeded that of aggregate data in 2020, declining slightly in 2021. For lending to moderate-income borrowers, the bank's lending was generally similar to aggregate data in 2020, and remained consistent in 2021. Overall, this distribution of lending reflects adequate performance.

<b>Distribution of Closed-End Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: Illinois Non-MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2020	18.8	6.5	11	10.1	728	5.3
2021	18.8	--	6	8.3	387	4.4
Moderate						
2020	18.0	18.1	19	17.4	1,649	12.0
2021	18.0	--	13	18.1	1,190	13.4
Middle						
2020	22.3	24.4	29	26.6	2,980	21.7
2021	22.3	--	23	31.9	2,450	27.7
Upper						
2020	40.9	39.8	45	41.3	7,425	54.0
2021	40.9	--	29	40.3	4,698	53.1
Not Available						
2020	0.0	11.1	5	4.6	966	7.0
2021	0.0	--	1	1.4	127	1.4
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>109</b>	<b>100.0</b>	<b>13,749</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>72</b>	<b>100.0</b>	<b>8,852</b>	<b>100.0</b>

*Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

### ***Small Business Loans***

The distribution of small business loans reflects adequate penetration to businesses of different sizes. The bank originated a high volume of PPP loans within the assessment area in 2020 and 2021. As previously stated, revenue for PPP loans were not consistently obtained or reported by the bank, limiting the usefulness of performance data with PPP loans included in bank performance. The bank's performance without the PPP loans included shows a performance closer to the aggregate performance, as the bank lending performance to businesses with gross annual revenues of \$1 million or less was 50.0 percent in 2020, exceeding the aggregate performance of 42.3 percent in 2020 before declining to one loan accounting for 14.3 percent of the bank's lending in 2021. The following table details the bank's small business lending by revenue level.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>						
<b>Assessment Area: Illinois Non-MSA</b>						
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;=\$1,000,000</b>						
2020	76.3	42.3	10	17.9	407	10.7
2021	77.6	--	7	18.9	372	8.6
<b>&gt;\$1,000,000</b>						
2020	5.9	--	8	14.3	1,109	29.2
2021	5.5	--	4	10.8	705	16.3
<b>Revenue Not Available</b>						
2020	17.7	--	38	67.9	2,278	60.0
2021	16.9	--	26	70.3	3,241	75.1
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>56</b>	<b>100.0</b>	<b>3,794</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>37</b>	<b>100.0</b>	<b>4,318</b>	<b>100.0</b>

*Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%*

### ***Open-End Home Mortgage Loans***

The distribution of open-end home mortgage loans reflects adequate penetration to retail customers of differing income levels. As shown in the following table, the bank's lending to low-income borrowers was above aggregate data in 2020; however, the bank did not originate any loans to low-income borrowers in 2021. Lending to moderate-income borrowers was in line with aggregate data in 2020, and remained consistent in 2021. The bank originated relatively few open-end home mortgage loans within this assessment area and, overall, this lending distribution reflects adequate performance.

<b>Distribution of Open-End Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: Illinois Non-MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2020	18.8	9.1	2	13.3	70	8.8
2021	18.8	--	0	0.0	0	0.0
<b>Moderate</b>						
2020	18.0	13.6	2	13.3	166	20.8
2021	18.0	--	2	14.3	50	5.6
<b>Middle</b>						
2020	22.3	22.7	2	13.3	40	5.1
2021	22.3	--	5	35.7	180	19.9
<b>Upper</b>						
2020	40.9	34.1	8	53.3	475	59.7
2021	40.9	--	7	50.0	671	74.5
<b>Not Available</b>						
2020	0.0	20.5	1	6.7	45	5.7
2021	0.0	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>15</b>	<b>100.0</b>	<b>796</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>14</b>	<b>100.0</b>	<b>900</b>	<b>100.0</b>

*Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

### ***Small Farm Loans***

The distribution of small farm borrowers reflects excellent penetration among farms of different sizes. The bank originated numerous PPP loans to small farms within the assessment area over the review period. These loans generally appear as loans for which revenues were not available. Considering the volume of these loans originated in the assessment area, the bank's performance for non-PPP loans exceeds aggregate performance in 2020 with 66.7 percent of loans, and rose further in 2021 to 87.5 percent of the bank's loans. The following table details the bank's small farm lending by revenue level and includes the PPP loans.

Distribution of Small Farm Loans by Gross Annual Revenue Category						
Assessment Area: Illinois Non-MSA						
Gross Revenue Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2020	98.9	55.7	9	45.0	1,810	55.8
2021	98.7	--	15	38.5	2,867	72.0
>\$1,000,000						
2020	0.6	--	4	20.0	1,350	41.6
2021	0.6	--	3	7.7	735	18.4
Revenue Not Available						
2020	0.5	--	7	35.0	85	2.6
2021	0.7	--	21	53.8	382	9.6
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>3,245</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>39</b>	<b>100.0</b>	<b>3,984</b>	<b>100.0</b>

Source: 2020 & 2021 D&B Data; Bank Data; 2019 & 2020 CRA Aggregate Data; "--" data not available.  
Due to rounding, totals may not equal 100.0%

### Innovative or Flexible Lending Practices

The institution makes limited use of flexible lending practices in order to serve assessment area credit needs. Over the evaluation period, Busey Bank originated seven total flexible home mortgage loans, of which the majority were the bank's USDA loan offering. These loans provided credit to individuals who may not otherwise have qualified for traditional home mortgage products. The bank's annual distribution of flexible loans are shown in the following table.

Innovative or Flexible Lending Programs – Illinois Non-MSA								
Type of Program	2019		2020		2021		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Home Mortgage	4	522	3	193	0	0	7	715
Small Business	0	0	0	0	0	0	0	0
<b>Totals</b>	<b>4</b>	<b>522</b>	<b>3</b>	<b>193</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>715</b>

Source: Bank Records

### Community Development Loans

Busey Bank did not originate any community development loans within the assessment area over the review period.

## INVESTMENT TEST

Busey Bank demonstrated poor performance under the Investment Test in the Illinois Non-MSA assessment area. The bank’s poor level of qualified investments and poor responsiveness to community development needs supports this rating.

### Investment and Grant Activity

The institution made a poor level of qualified investments, particularly those that are not routinely provided by private investors. In total, the bank maintained one qualified investment totaling \$228,000 in the assessment area. The bank also made six qualified donations totaling \$2,000 in the assessment area. This level of activity represents 0.1 percent by dollar volume of the bank’s total qualified investment and donation activity inside the assessment area. The following table shows the bank’s community development investments and donations by purpose and year in the assessment area.

Qualified Investments by Year: Illinois Non-MSA										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$(000s)	#	\$ (000s)
Prior Period	-	-	1	228	-	-	-	-	1	228
2019 (Partial)	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-
2022 (YTD)	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	-	-	<b>1</b>	<b>228</b>	-	-	-	-	<b>1</b>	<b>228</b>
Grants & Donations	-	-	3	1	3	2	-	-	6	3
<b>Total</b>	-	-	<b>4</b>	<b>229</b>	<b>3</b>	<b>2</b>	-	-	<b>7</b>	<b>231</b>

*Source: Bank Data*

Notable examples of community development investments and donations made by the bank in the assessment area include the following:

- Maintained a prior-period municipal school bond totaling approximately \$228,000 for a school district that primarily serves low- and moderate-income students.
- Donated \$500 to an economic development council that provides meaningful opportunities to local county business communities.
- Donated \$1,000 to a community fund that provides funds to organizations that supply services to low- and moderate-income individuals.

### Responsiveness to Credit and Community Development Needs

The institution exhibits poor responsiveness to credit and community development needs. Examiners identified commercial development as a need in this assessment area, and the bank made limited donations to support those initiatives.

**Community Development Initiatives**

The institution rarely uses innovative and/or complex investments to support community development initiatives. The institution maintained one municipal school bond and donated to economic development and community service organizations.

**SERVICE TEST**

Busey Bank demonstrated poor performance under the Service Test within the Illinois Non-MSA assessment area. Poor performance within the Accessibility of Delivery Systems, Changes in Branch Locations, and Community Development Services primarily supports this conclusion.

**Accessibility of Delivery Systems**

Delivery systems are accessible to limited portions of the assessment area. As shown in the following table, the bank closed all four of its offices in the assessment area over the review period, leaving just four deposit-taking ATMs within the assessment area, each of which is located in a middle-income tract.

<b>Branch and ATM Distribution by Geography Income Level</b>												
<b>Assessment Area: Illinois Non-MSA</b>												
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>		<b>Open Branches</b>		<b>Closed Branches</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Moderate	1	4.8	2,769	3.8	0	0.0	0	0.0	0	0.0	0	0.0
Middle	18	85.7	60,784	82.5	0	0.0	4	100.0	0	0.0	4	100.0
Upper	2	9.5	10,086	13.7	0	0.0	0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>21</b>	<b>100.0</b>	<b>73,639</b>	<b>100.0</b>	<b>0</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>	<b>0</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>

*Source: 2015 ACS & Bank Data. Due to rounding, totals may not equal 100.0%*

**Changes in Branch Locations**

To the extent changes have been made, the institution’s opening and closing of branches has adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Over the review period, Busey Bank closed all four branch locations within the Non-MSA assessment area. While each of these branches was located in a middle-income tract, their closure limited the accessibility of delivery systems throughout the assessment area.

**Reasonableness of Business Hours and Services**

Services do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate geographies and individuals. While the bank closed all of their branch locations over

the review period, other services as previously described remain available to all areas and individuals within the assessment area.

**Community Development Services**

The institution provides a limited level of community development services. Busey Bank contributed to three services aimed at economic development since the prior evaluation, an increase from the last evaluation, where the bank participated in just one activity. The following table details the bank’s community development services in this assessment area by year and purpose.

<b>Community Development Services - Illinois Non-MSA</b>					
<b>Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Total</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2019 (Partial)	-	-	1	-	<b>1</b>
2020	-	-	1	-	<b>1</b>
2021	-	-	1	-	<b>1</b>
2022 (YTD)	-	-	-	-	-
<b>Total</b>	-	-	<b>3</b>	-	<b>3</b>

*Source: Bank Data*

**OTHER ILLINOIS ASSESSMENT AREAS – Limited-Scope Reviews**

**CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE REVIEW ASSESSMENT AREAS**

The following table summarizes the conclusions for the two Illinois assessment areas reviewed using limited-scope examination procedures. Examiners drew conclusions regarding the institution’s CRA performance from reviewing available facts and data, including performance figures, aggregate lending data comparisons, and demographic information. Performance in each limited-scope assessment area was generally consistent with bank performance in the State of Illinois. These conclusions did not alter the bank’s overall performance rating.

<b>Assessment Area</b>	<b>Lending Test</b>	<b>Investment Test</b>	<b>Service Test</b>
Bloomington, IL MSA	Consistent	Consistent	Consistent
Decatur, IL MSA	Consistent	Consistent	Consistent

Facts and data that support conclusions for the limited-scope assessment areas are included in this section, beginning with a summary of Busey Bank’s operations and activities in each area, and including geographic distribution and borrower profile tables by loan type. Additional demographic data and market share information for the limited-scope assessment areas is included in the appendices.

**Bloomington, IL MSA**

The Bloomington MSA assessment area consists of the entirety of Mclean County, Illinois. Busey Bank operates three branches in this assessment area, having closed one branch in a middle-income tract over the evaluation period. While all three branches are in middle-income tracts, locations are relatively accessible to low- and moderate-income areas, with two locations immediately outside of moderate-income tracts. The table below summarizes the bank's lending and community development activities in this assessment area during the evaluation period.

<b>Activity</b>	<b>#</b>	<b>\$</b>
Closed-End HMDA Loans (2020-2021)	779	\$149.4 million
Open-End HMDA Loans (2020-2021)	95	\$6.3 million
Small Business Loans (2020-2021)	585	\$41.1 million
Small Farm Loans (2020-2021)	156	\$20.3 million
Innovative/Flexible Loans	228	\$42.4 million
Community Development Loans	16	\$21.0 million
Investments (New)	2	\$7.6 million
Investments (Prior Period)	3	\$1.4 million
Donations	54	\$110,000
Community Development Services	46	-

*Source: Bank Data*

## Geographic Distribution and Borrower Profile

Geographic Distribution of Closed-End Home Mortgage Loans						
Assessment Area: Bloomington MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	2.3	1.9	5	0.9	601	0.6
2021	2.3	--	7	2.9	2,039	4.3
Moderate						
2020	14.3	10.6	60	11.1	7,883	7.7
2021	14.3	--	32	13.4	5,025	10.6
Middle						
2020	53.9	47.1	253	46.9	40,990	40.3
2021	53.9	--	108	45.2	24,796	52.1
Upper						
2020	29.5	40.5	222	41.1	52,251	51.4
2021	29.5	--	92	38.5	15,769	33.1
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>540</b>	<b>100.0</b>	<b>101,725</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>239</b>	<b>100.0</b>	<b>47,628</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available.            Due to rounding, totals may not equal 100.0%</i>						

Geographic Distribution of Open-End Home Mortgage Loans						
Assessment Area: Bloomington MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	2.3	0.8	1	1.8	30	0.9
2021	2.3	--	0	0.0	0	0.0
Moderate						
2020	14.3	11.3	6	10.9	316	9.1
2021	14.3	--	6	15.0	491	17.5
Middle						
2020	53.9	50.0	26	47.3	1,318	38.1
2021	53.9	--	21	52.5	1,218	43.3
Upper						
2020	29.5	37.9	22	40.0	1,795	51.9
2021	29.5	--	13	32.5	1,104	39.2
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>55</b>	<b>100.0</b>	<b>3,459</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>40</b>	<b>100.0</b>	<b>2,813</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available.            Due to rounding, totals may not equal 100.0%</i>						

<b>Geographic Distribution of Small Business Loans</b>						
<b>Assessment Area: Bloomington MSA</b>						
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2020	8.3	9.1	13	5.9	1,474	6.7
2021	8.4	--	10	6.9	2,834	14.8
Moderate						
2020	12.6	12.8	29	13.2	3,152	14.3
2021	12.6	--	21	14.5	3,284	17.2
Middle						
2020	55.2	51.5	120	54.5	12,575	57.2
2021	54.2	--	80	55.2	7,933	41.4
Upper						
2020	23.8	26.5	58	26.4	4,802	21.8
2021	24.7	--	34	23.4	5,091	26.6
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>220</b>	<b>100.0</b>	<b>22,003</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>145</b>	<b>100.0</b>	<b>19,142</b>	<b>100.0</b>

*Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%*

<b>Geographic Distribution of Small Farm Loans</b>						
<b>Assessment Area: Busey Bank Bloomington MSA</b>						
<b>Tract Income Level</b>	<b>% of Farms</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2020	1.8	0.2	0	0.0	0	0.0
2021	1.7	--	0	0.0	0	0.0
<b>Moderate</b>						
2020	6.9	0.7	0	0.0	0	0.0
2021	7.1	--	0	0.0	0	0.0
<b>Middle</b>						
2020	69.5	84.0	76	90.5	10,429	92.4
2021	68.6	--	60	83.3	7,460	82.6
<b>Upper</b>						
2020	21.8	15.1	8	9.5	861	7.6
2021	22.6	--	12	16.7	1,568	17.4
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>84</b>	<b>100.0</b>	<b>11,290</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>72</b>	<b>100.0</b>	<b>9,028</b>	<b>100.0</b>

*Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%*

<b>Distribution of Closed-End Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: Bloomington MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2020	19.4	11.7	102	18.9	9,430	9.3
2021	19.4	--	32	13.4	3,121	6.6
Moderate						
2020	17.3	18.4	129	23.9	16,913	16.6
2021	17.3	--	48	20.1	6,545	13.7
Middle						
2020	22.2	22.8	150	27.8	24,933	24.5
2021	22.2	--	71	29.7	10,358	21.7
Upper						
2020	41.1	27.4	140	25.9	33,788	33.2
2021	41.1	--	83	34.7	17,171	36.1
Not Available						
2020	0.0	19.8	19	3.5	16,662	16.4
2021	0.0	--	5	2.1	10,433	21.9
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>540</b>	<b>100.0</b>	<b>101,725</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>239</b>	<b>100.0</b>	<b>47,628</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

<b>Distribution of Open-End Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: Bloomington MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2020	19.4	11.7	9	16.4	347	10.0
2021	19.4	--	3	7.5	142	5.0
<b>Moderate</b>						
2020	17.3	11.7	9	16.4	555	16.1
2021	17.3	--	3	7.5	105	3.7
<b>Middle</b>						
2020	22.2	16.3	16	29.1	1,003	29.0
2021	22.2	--	10	25.0	717	25.5
<b>Upper</b>						
2020	41.1	22.9	20	36.4	1,531	44.3
2021	41.1	--	23	57.5	1,835	65.2
<b>Not Available</b>						
2020	0.0	37.5	1	1.8	23	0.7
2021	0.0	--	1	2.5	15	0.5
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>55</b>	<b>100.0</b>	<b>3,459</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>40</b>	<b>100.0</b>	<b>2,813</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>						
<b>Assessment Area: Bloomington MSA</b>						
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;=\$1,000,000</b>						
2020	80.2	38.0	33	15.0	3,205	14.6
2021	81.6	--	31	21.4	5,373	28.1
<b>&gt;\$1,000,000</b>						
2020	5.3	--	40	18.2	11,021	50.1
2021	4.8	--	37	25.5	10,049	52.5
<b>Revenue Not Available</b>						
2020	14.5	--	147	66.8	7,777	35.3
2021	13.5	--	77	53.1	3,720	19.4
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>220</b>	<b>100.0</b>	<b>22,003</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>145</b>	<b>100.0</b>	<b>19,142</b>	<b>100.0</b>
<i>Source: 2020 &amp; 2021 D&amp;B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Distribution of Small Farm Loans by Gross Annual Revenue Category						
Assessment Area: Bloomington MSA						
Gross Revenue Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
<b>&lt;=\$1,000,000</b>						
2020	96.8	61.6	46	54.8	8,023	71.1
2021	96.9	--	42	58.3	6,564	72.7
<b>&gt;\$1,000,000</b>						
2020	1.6	--	12	14.3	2,466	21.8
2021	1.5	--	10	13.9	2,065	22.9
<b>Revenue Not Available</b>						
2020	1.6	--	26	31.0	801	7.1
2021	1.5	--	20	27.8	399	4.4
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>84</b>	<b>100.0</b>	<b>11,290</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>72</b>	<b>100.0</b>	<b>9,028</b>	<b>100.0</b>

*Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%*

## Decatur MSA

The Decatur MSA assessment area includes the entirety of Macon County, Illinois. Busey Bank operates three branches within this assessment area, of which one branch is located in a low-income tract and one branch is located in a moderate-income tract. Lending, investment, and service activity is consistent with overall bank performance. The table below summarizes the bank's lending and community development activities in this assessment area during the evaluation period.

Activity	#	\$
Closed-End HMDA Loans (2020-2021)	157	\$19.0 million
Open-End HMDA Loans (2020)	31	\$2.1 million
Small Business Loans (2020)	227	\$33.0 million
Small Farm Loans (2020)	6	\$584,000
Innovative/Flexible Loans	201	\$15.1 million
Community Development Loans	11	\$17.1 million
Investments (New)	6	\$2.3 million
Investments (Prior Period)	1	\$2.2 million
Donations	38	\$63,000
Community Development Services	23	-

*Source: Bank Data*

## Geographic Distribution and Borrower Profile

Geographic Distribution of Closed-End Home Mortgage Loans						
Assessment Area: Decatur MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	9.4	3.7	4	2.7	275	1.6
2021	9.4	--	12	6.3	670	4.0
Moderate						
2020	9.5	3.4	2	1.4	138	0.8
2021	9.5	--	18	9.4	826	4.9
Middle						
2020	37.9	34.2	67	45.6	6,301	37.5
2021	37.9	--	79	41.1	6,536	38.5
Upper						
2020	43.2	58.7	74	50.3	10,105	60.1
2021	43.2	--	83	43.2	8,928	52.6
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>147</b>	<b>100.0</b>	<b>16,819</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>192</b>	<b>100.0</b>	<b>16,960</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

<b>Geographic Distribution of Open-End Home Mortgage Loans</b>						
<b>Assessment Area: Decatur MSA</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2020	9.4	2.4	0	0.0	0	0.0
2021	9.4	--	0	0.0	0	0.0
<b>Moderate</b>						
2020	9.5	4.9	0	0.0	0	0.0
2021	9.5	--	0	0.0	0	0.0
<b>Middle</b>						
2020	37.9	37.8	10	47.6	965	62.9
2021	37.9	--	5	50.0	234	44.9
<b>Upper</b>						
2020	43.2	54.9	11	52.4	568	37.1
2021	43.2	--	5	50.0	288	55.1
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>21</b>	<b>100.0</b>	<b>1,534</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>10</b>	<b>100.0</b>	<b>522</b>	<b>100.0</b>

*Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%*

<b>Geographic Distribution of Small Business Loans</b>						
<b>Assessment Area: Decatur MSA</b>						
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2020	28.0	32.6	48	30.2	12,239	53.3
2021	27.2	--	16	23.5	4,892	48.8
Moderate						
2020	11.2	9.3	21	13.2	2,203	9.6
2021	11.9	--	5	7.4	200	2.0
Middle						
2020	27.2	28.2	41	25.8	2,732	11.9
2021	27.9	--	16	23.5	2,528	25.2
Upper						
2020	33.6	29.9	49	30.8	5,773	25.2
2021	33.0	--	31	45.6	2,400	24.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>159</b>	<b>100.0</b>	<b>22,947</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>68</b>	<b>100.0</b>	<b>10,020</b>	<b>100.0</b>

*Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%*

<b>Distribution of Closed-End Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: Decatur MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2020	22.9	9.3	19	12.9	1,285	7.6
2021	22.9	--	40	20.8	2,057	12.1
<b>Moderate</b>						
2020	16.9	20.1	51	34.7	4,288	25.5
2021	16.9	--	66	34.4	4,254	25.1
<b>Middle</b>						
2020	20.1	19.4	41	27.9	4,442	26.4
2021	20.1	--	41	21.4	3,528	20.8
<b>Upper</b>						
2020	40.1	34.8	34	23.1	6,452	38.4
2021	40.1	--	40	20.8	6,257	36.9
<b>Not Available</b>						
2020	0.0	16.5	2	1.4	352	2.1
2021	0.0	--	5	2.6	865	5.1
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>147</b>	<b>100.0</b>	<b>16,819</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>192</b>	<b>100.0</b>	<b>16,960</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

<b>Distribution of Open-End Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: Decatur MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2020	22.9	6.1	2	9.5	25	1.6
2021	22.9	--	0	0.0	0	0.0
<b>Moderate</b>						
2020	16.9	12.2	4	19.0	86	5.6
2021	16.9	--	2	20.0	66	12.6
<b>Middle</b>						
2020	20.1	23.2	3	14.3	196	12.8
2021	20.1	--	3	30.0	114	21.9
<b>Upper</b>						
2020	40.1	30.5	10	47.6	1,122	73.2
2021	40.1	--	5	50.0	342	65.6
<b>Not Available</b>						
2020	0.0	28.0	2	9.5	105	6.8
2021	0.0	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>21</b>	<b>100.0</b>	<b>1,534</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>10</b>	<b>100.0</b>	<b>522</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>						
<b>Assessment Area: Decatur MSA</b>						
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;=\$1,000,000</b>						
2020	76.5	39.8	16	10.1	1,129	4.9
2021	79.2	--	17	25.0	1,393	13.9
<b>&gt;\$1,000,000</b>						
2020	6.2	--	42	26.4	15,410	67.2
2021	5.4	--	22	32.4	7,623	76.1
<b>Revenue Not Available</b>						
2020	17.3	--	101	63.5	6,408	27.9
2021	15.4	--	29	42.6	1,004	10.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>159</b>	<b>100.0</b>	<b>22,947</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>68</b>	<b>100.0</b>	<b>10,020</b>	<b>100.0</b>

*Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%*

## ST. LOUIS MISSOURI – ILLINOIS MULTISTATE MSA

CRA RATING FOR (RATED AREA #2): **SATISFACTORY**

The Lending Test is rated: **High Satisfactory**

The Investment Test is rated: **High Satisfactory**

The Service Test is rated: **High Satisfactory**

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE ST. LOUIS MSA

The St. Louis MSA assessment area includes portions of Missouri and Illinois including the city of St. Louis, Missouri and its outlying areas. The assessment area is comprised of all fifteen counties within the Multistate MSA, of which seven are located in Missouri and eight are located within Illinois. Busey Bank operates 20 offices within this assessment area, encompassing both states.

#### **Economic and Demographic Data**

This multistate assessment area consists of 615 census tracts. According to 2015 ACS census data, these tracts reflect the following income designations:

- 79 low-income tracts
- 131 moderate-income tracts
- 229 middle-income tracts
- 172 upper-income tracts
- 4 tracts with no income designation

The low- and moderate-income tracts are generally centered around the city of St. Louis within the geographical center of the MSA; however, moderate-income tracts exist in some outlying areas throughout the assessment area. The following table details select economic and demographic characteristics of the assessment area.

<b>Demographic Information of the Assessment Area</b>						
<b>Assessment Area: St. Louis MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	615	12.8	21.3	37.2	28.0	0.7
Population by Geography	2,801,914	8.7	20.1	40.1	30.9	0.3
Housing Units by Geography	1,234,148	10.0	21.2	39.9	28.5	0.3
Owner-Occupied Units by Geography	766,918	4.9	17.9	42.7	34.4	0.1
Occupied Rental Units by Geography	337,754	16.5	27.0	36.1	19.8	0.6
Vacant Units by Geography	129,476	23.5	26.0	33.5	16.8	0.3
Businesses by Geography	226,470	6.5	19.5	35.8	37.3	0.8
Farms by Geography	7,217	2.6	14.7	51.5	30.9	0.3
Family Distribution by Income Level	719,326	21.6	17.4	20.0	40.9	0.0
Household Distribution by Income Level	1,104,672	24.1	16.1	17.5	42.3	0.0
Median Family Income MSA - 41180 St. Louis, MO-IL MSA		\$70,718	Median Housing Value			\$163,474
			Median Gross Rent			\$829
			Families Below Poverty Level			9.6%
<i>Source: 2015 ACS and 2021 D&amp;B Data. Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to data obtained from the U.S. Bureau of Labor, similar to other assessment areas, unemployment within the MSA rose sharply due to the COVID-19 Pandemic and ensuing economic shutdowns, before declining in 2021 to pre-pandemic or improved levels. The table below includes the unemployment rate for each county in the assessment area over the review period.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2019</b>	<b>2020</b>	<b>December 2021</b>
	<b>%</b>	<b>%</b>	<b>%</b>
<u>Illinois</u>	4.0	9.2	6.1
Bond	3.7	6.8	3.2
Calhoun	4.4	7.6	3.4
Clinton	3.0	5.8	2.4
Jersey	4.2	7.4	3.1
Macoupin	4.1	6.9	3.3
Madison	3.7	7.7	3.3
Monroe	2.9	5.6	2.1
St. Clair	4.2	9.0	4.2
<u>Missouri</u>	3.1	6.1	3.4
Franklin	3.2	6.2	2.5
Jefferson	3.1	6.1	2.5
Lincoln	3.3	6.3	3.9
St. Charles	2.5	5.2	2.5
St. Louis (city)	3.9	8.5	3.9
St. Louis (county)	3.0	6.3	2.8
National Average	3.7	8.3	4.8

*Source: Bureau of Labor Statistics*

According to data obtained from Moody’s analytics, the St. Louis MSA has recovered slower than most areas, with tepid improvements in education, healthcare, and factory employment. The largest employers in the region are BJC Healthcare, Walmart, Mercy Healthcare, and Washington University in St. Louis.

The table below presents the St. Louis MSA median family income levels for 2019-2021 and updated by the FFIEC.

<b>Median Family Income Ranges – St. Louis MSA</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2019 (\$81,200)	<\$40,600	\$40,600 to <\$64,960	\$64,960 to <\$97,440	≥\$97,440
2020 (\$82,600)	<\$41,300	\$41,300 to <\$66,080	\$66,080 to <\$99,120	≥\$99,120
2021 (\$84,700)	<\$42,350	\$42,350 to <\$67,760	\$67,760 to <\$101,640	≥\$101,640

*Source: FFIEC*

### **Competition**

The assessment area is highly competitive in the market for financial services. According to FDIC Deposit Market Share data as of June 30, 2021, 116 banks operates 843 offices across the 15 counties in the assessment area. At 2.4 percent of the deposit market share, Busey Bank ranked ninth. The top five institutions comprised 52.7 percent of the deposit market share.

According to 2020 HMDA aggregate data, Busey Bank ranked 28<sup>th</sup> with a market share of 1.1 percent by number of loans among institutions that reported home mortgage originations and purchases within the assessment area. In addition to FDIC-insured banks, Busey Bank competes with numerous non-bank mortgage lenders and credit unions. The top five institutions, of which three are non-bank lenders, comprised 21.8 percent of the market share. According to 2020 CRA aggregate data, Busey Bank 13<sup>th</sup> with a market share of 2.8 percent by number for reported small business and small farm loans. The top five institutions combined for 40.7 percent of the market share.

### **Community Contacts**

Examiners reviewed three recent contacts within the MSA. Examiners previously contacted an economic development organization and two community development organizations active in the assessment area. The contacts noted that there are opportunities for financial institutions to support local development through direct financing and collaborating with local governments to support affordable housing projects and small businesses. One community development organization stated that there is a need for financial education in the assessment area. All contacts stated that, overall, local financial institutions are meeting the credit needs of the community and that credit is widely available in the MSA.

### **Credit and Community Development Needs and Opportunities**

As discussed above, examiners determined that affordable housing and financial education remain significant needs in the assessment area. Opportunities are present for local development and affordable housing projects. Additionally, financial education in low- and moderate-income tracts is needed.

## **SCOPE OF EVALUATION – ST. LOUIS MSA**

The scope of the evaluation in the St. Louis Multistate MSA rated area is identical to the overall scope of the evaluation for the institution. Examiners conducted a full-scope review of the St. Louis MSA assessment area, which is the only assessment area in this rated area.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN ST. LOUIS MULTISTATE MSA**

### **LENDING TEST**

The Lending Test is rated High Satisfactory for the St. Louis MSA. Performance under lending activity, geographic distribution, borrower profile, and innovative and flexible lending criteria primarily supports this conclusion.

### **Lending Activity**

Lending levels reflect adequate responsiveness to assessment area credit needs. Despite facing significant competition in this assessment area, especially from large national banks, Busey Bank originated a high volume of home mortgage and small business loans in both 2020 and 2021.

However, the bank acquired Bank of Edwardsville within this assessment area in 2019, increasing the bank’s capacity and lending outreach. The bank takes a high percentage of overall deposits from this assessment area at 31.4 percent, while this area accounts for a proportional 33.0 percent of lending. These similar percentages reflect adequate performance.

The following table details Busey Bank’s 2020 and 2021 originations by loan type within the assessment area.

<b>Lending Activity – St. Louis MSA</b>				
<b>Loan Product</b>	<b>2020#</b>	<b>2020 \$ (000s)</b>	<b>2021 #</b>	<b>2021 \$ (000s)</b>
Closed-End Home Mortgage	1,816	440,675	988	248,417
Open-End Home Mortgage	249	37,121	173	57,799
<b><i>Subtotal: Home Mortgage</i></b>	<b>2,065</b>	<b>477,796</b>	<b>1,161</b>	<b>306,216</b>
Small Business	1,783	292,039	1,130	182,494
Small Farm	33	5,993	49	4,471
<b>TOTAL</b>	<b>3,881</b>	<b>775,828</b>	<b>2,340</b>	<b>493,181</b>
<i>Source: Bank Data</i>				

**Geographic Distribution**

The geographic distribution of loans reflects good penetration throughout the assessment area. This conclusion is supported primarily through good performance for home mortgage lending.

***Closed-End Home Mortgage Loans***

The geographic distribution of closed-end home mortgage loans reflects good penetration throughout the assessment area. Busey Bank’s lending activity within low-income tracts exceeded aggregate performance in 2020, with a similar ratio in 2021. Within moderate-income tracts, the bank’s performance was slightly below aggregate in 2020, rising to equal the percentage of owner-occupied housing in 2021. Although bank performance in the low-income segment exceeded aggregate by a relatively small percentage amount, performance is good considering the high level of lending for this product. The following table details the geographic distribution of closed-end home mortgage lending.

Geographic Distribution of Closed-End Home Mortgage Loans						
Assessment Area: St. Louis MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	4.9	1.2	48	2.6	8,596	2.0
2021	4.9	--	25	2.5	4,353	1.8
Moderate						
2020	17.9	11.8	207	11.4	28,121	6.4
2021	17.9	--	177	17.9	24,620	9.9
Middle						
2020	42.7	41.3	758	41.7	150,756	34.2
2021	42.7	--	411	41.6	68,395	27.5
Upper						
2020	34.4	45.5	801	44.1	252,816	57.4
2021	34.4	--	375	38.0	151,048	60.8
Not Available						
2020	0.1	0.1	2	0.1	386	0.1
2021	0.1	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>1,816</b>	<b>100.0</b>	<b>440,675</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>988</b>	<b>100.0</b>	<b>248,417</b>	<b>100.0</b>

*Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

### ***Small Business Loans***

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. Busey Bank’s lending performance slightly exceeded peer performance within both low- and moderate-income tracts in 2020, while performance increased slightly across low- and moderate-income tracts in 2021. The following table details the geographic distribution of small business lending.

<b>Geographic Distribution of Small Business Loans</b>						
<b>Assessment Area: St. Louis MSA</b>						
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2020	5.9	5.2	105	5.9	20,104	6.9
2021	6.5	--	69	6.1	13,440	7.4
Moderate						
2020	19.1	17.6	326	18.3	57,920	19.8
2021	19.5	--	235	20.8	41,368	22.7
Middle						
2020	36.2	35.8	585	32.8	94,139	32.2
2021	35.8	--	367	32.5	64,478	35.3
Upper						
2020	38.0	40.5	739	41.4	113,032	38.7
2021	37.3	--	442	39.1	59,057	32.4
Not Available						
2020	0.9	0.9	28	1.6	6,844	2.3
2021	0.8	--	17	1.5	4,151	2.3
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>1,783</b>	<b>100.0</b>	<b>292,039</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>1,130</b>	<b>100.0</b>	<b>182,494</b>	<b>100.0</b>
<i>Source: 2020 &amp; 2021 D&amp;B Data; Bank Data; 2019 &amp; 2020 CRA Aggregate Data. "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Open-End Home Mortgage Loans***

The geographic distribution of open-end home mortgage loans reflects good penetration throughout the assessment area. Busey Bank's performance within both low- and moderate-income tracts was solidly above the aggregate in 2020, and performance was generally consistent in 2021, with a slight drop in loans as percentages of overall lending. The following table details the geographic distribution of open-end home mortgage lending.

<b>Geographic Distribution of Open-End Home Mortgage Loans</b>							
<b>Assessment Area: St. Louis MSA</b>							
<b>Tract Income Level</b>		<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low							
	2020	4.9	0.8	5	2.0	517	1.4
	2021	4.9	--	2	1.2	111	0.2
Moderate							
	2020	17.9	8.7	31	12.5	2,218	6.0
	2021	17.9	--	19	11.0	1,179	2.0
Middle							
	2020	42.7	34.4	95	38.2	7,479	20.1
	2021	42.7	--	66	38.2	4,789	8.3
Upper							
	2020	34.4	56.1	118	47.4	26,908	72.5
	2021	34.4	--	86	49.7	51,721	89.5
Not Available							
	2020	0.1	0.0	0	0.0	0	0.0
	2021	0.1	--	0	0.0	0	0.0
<b>Totals</b>							
	<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>249</b>	<b>100.0</b>	<b>37,121</b>	<b>100.0</b>
	<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>173</b>	<b>100.0</b>	<b>57,799</b>	<b>100.0</b>

*Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%*

### ***Small Farm Loans***

The geographic distribution of small farm loans reflects poor penetration throughout the assessment area. As shown in the following table, the bank did not originate any small farm loans in low-income tracts in either 2020 or 2021, and originated just two loans in a moderate-income tract in 2021.

<b>Geographic Distribution of Small Farm Loans</b>						
<b>Assessment Area: St. Louis MSA</b>						
<b>Tract Income Level</b>	<b>% of Farms</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2020	2.2	0.5	0	0.0	0	0.0
2021	2.6	--	0	0.0	0	0.0
<b>Moderate</b>						
2020	14.2	8.8	0	0.0	0	0.0
2021	14.7	--	2	4.1	54	1.2
<b>Middle</b>						
2020	52.1	67.2	22	66.7	3,915	65.3
2021	51.5	--	34	69.4	3,457	77.3
<b>Upper</b>						
2020	31.2	23.5	11	33.3	2,078	34.7
2021	30.9	--	13	26.5	960	21.5
<b>Not Available</b>						
2020	0.3	0.0	0	0.0	0	0.0
2021	0.3	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>33</b>	<b>100.0</b>	<b>5,993</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>49</b>	<b>100.0</b>	<b>4,471</b>	<b>100.0</b>

*Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%*

### **Borrower Profile**

The distribution of borrowers reflects adequate penetration to individuals of different income levels and business and farms of different sizes. Performance within all home mortgage lending and small farm lending primarily supports this conclusion.

### ***Closed-End Home Mortgage Loans***

The distribution of closed-end home mortgage loans reflects adequate penetration to retail customers of different income levels. As shown in the following table, Busey Bank's performance to low-income borrowers exceeded that of aggregate performance in 2020 and increased in 2021. Performance for moderate-income borrowers was on par with aggregate in 2020, and slightly increased in 2021.

<b>Distribution of Closed-End Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: St. Louis MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2020	21.6	6.7	165	9.1	14,147	3.2
2021	21.6	--	131	13.3	11,717	4.7
Moderate						
2020	17.4	16.7	283	15.6	44,409	10.1
2021	17.4	--	164	16.6	19,292	7.8
Middle						
2020	20.0	19.7	394	21.7	77,096	17.5
2021	20.0	--	197	19.9	28,952	11.7
Upper						
2020	40.9	36.8	804	44.3	222,065	50.4
2021	40.9	--	370	37.4	113,384	45.6
Not Available						
2020	0.0	20.0	170	9.4	82,958	18.8
2021	0.0	--	126	12.8	75,072	30.2
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>1,816</b>	<b>100.0</b>	<b>440,675</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>988</b>	<b>100.0</b>	<b>248,417</b>	<b>100.0</b>

*Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

### ***Small Business Loans***

The distribution of small business loans reflects poor penetration to businesses of different sizes. The majority of Busey Bank's assessment area small business lending in 2020 and 2021 consisted of PPP loans, for which revenues were not consistently reported. This level of lending shows up predominately as loans to businesses with revenue not available. Coverage of this lower-revenue segment without PPP loans was 28.3 percent in 2020 and 24.4 percent in 2021. These ratios are closer to, but still significantly below, aggregate performance.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: St. Louis MSA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<b>&lt;=\$1,000,000</b>						
2020	83.4	40.9	288	16.2	44,217	15.1
2021	85.0	--	221	19.6	33,500	18.4
<b>&gt;\$1,000,000</b>						
2020	5.9	--	569	31.9	188,323	64.5
2021	5.2	--	404	35.8	119,742	65.6
<b>Revenue Not Available</b>						
2020	10.7	--	926	51.9	59,499	20.4
2021	9.8	--	505	44.7	29,252	16.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>1,783</b>	<b>100.0</b>	<b>292,039</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>1,130</b>	<b>100.0</b>	<b>182,494</b>	<b>100.0</b>
<i>Source: 2020 &amp; 2021 D&amp;B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Open-End Home Mortgage Loans***

The distribution of open-end home mortgage loans reflects adequate penetration to retail customers of different income levels. As shown in the following table, Busey Bank's lending to low- and moderate-income borrowers within the assessment area was comparable to or slightly exceeded aggregate performance for open-end home mortgage products.

<b>Distribution of Open-End Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: St. Louis MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2020	21.6	8.3	24	9.6	939	2.5
2021	21.6	--	14	8.1	857	1.5
<b>Moderate</b>						
2020	17.4	14.5	35	14.1	1,955	5.3
2021	17.4	--	29	16.8	1,668	2.9
<b>Middle</b>						
2020	20.0	20.6	37	14.9	2,313	6.2
2021	20.0	--	34	19.7	2,637	4.6
<b>Upper</b>						
2020	40.9	51.7	128	51.4	23,924	64.4
2021	40.9	--	76	43.9	10,502	18.2
<b>Not Available</b>						
2020	0.0	4.9	25	10.0	7,991	21.5
2021	0.0	--	20	11.6	42,136	72.9
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>249</b>	<b>100.0</b>	<b>37,121</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>173</b>	<b>100.0</b>	<b>57,799</b>	<b>100.0</b>

*Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%*

***Small Farm Loans***

The distribution of small farm loans reflects adequate penetration to farms of different sizes. As with other small business and small farm lending, Busey Bank originated a high volume of PPP loans, for which revenues were not consistently obtained or reported. In 2020, eight of the loans the institution originated were PPP loans. Considering the PPP loans, Busey Bank originated 68.0 percent of 2020 small farm lending in this assessment area to those farms with revenues of \$1 million or less. In 2021, 30 of the bank’s total loans in this area were PPP loans, and the bank’s performance without these loans declined to 52.6 percent.

Distribution of Small Farm Loans by Gross Annual Revenue Category						
Assessment Area: St. Louis MSA						
Gross Revenue Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2020	96.5	63.3	17	51.5	4,029	67.2
2021	96.8	--	13	26.5	1,844	41.2
>\$1,000,000						
2020	2.2	--	4	12.1	1,113	18.6
2021	2.0	--	4	8.2	823	18.4
Revenue Not Available						
2020	1.4	--	12	36.4	851	14.2
2021	1.2	--	32	65.3	1,804	40.3
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>33</b>	<b>100.0</b>	<b>5,993</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>49</b>	<b>100.0</b>	<b>4,471</b>	<b>100.0</b>

*Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%*

### **Innovative or Flexible Lending Practices**

The institution makes extensive use of innovative and flexible lending practices in order to serve assessment area credit needs. As shown in the following table. Busey Bank originated nearly 700 innovative or flexible loans, of which the majority fell within the bank's various home mortgage products. The bank's most popular loan program within this area was the bank's MyCommunity Home Loan, where the bank originated 191 of these loans within the assessment area. These innovative and flexible loans provided credit to individuals and businesses that may not have otherwise qualified for traditional bank financing.

Innovative or Flexible Lending Programs – St. Louis MSA								
Type of Program	2019		2020		2021		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Home Mortgage	206	45,250	294	44,638	151	19,196	<b>651</b>	<b>109,084</b>
Small Business	20	12,825	15	12,416	12	12,571	<b>47</b>	<b>37,812</b>
<b>Totals</b>	<b>226</b>	<b>58,075</b>	<b>309</b>	<b>57,054</b>	<b>163</b>	<b>31,767</b>	<b>698</b>	<b>146,896</b>

*Source: Bank Records*

### **Community Development Loans**

Busey Bank has made a relatively high level of community development loans. The bank originated 68 community development loans totaling \$129.1 million in the assessment area since the prior evaluation, representing a slight increase of loans by number since the prior evaluation where Busey Bank originated 66 loans within the assessment area. While this volume of lending

encompassed 18.5 percent of the bank’s overall community development lending, it also serves as a significant decrease in overall performance from the prior evaluation. More specifically, the bank originated loans totaling \$149 million and encompassing 44.6 percent of overall bank community development lending and was considered a leader in community development lending at the prior examination. These loans met a variety of community development needs within the assessment area, with loans to revitalize and stabilize low- and moderate-income areas representing the largest amount by dollar volume.

<b>Community Development Lending - St. Louis MSA</b>										
<b>Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Total</b>	
	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>	<b>#</b>	<b>\$ (000s)</b>
2019 (Partial)	10	9,142	-	-	2	5,875	11	37,591	<b>23</b>	<b>52,608</b>
2020	5	16,582	17	10,010	3	10,362	4	9,637	<b>29</b>	<b>46,592</b>
2021	5	4,314	5	9,218	1	1,200	5	15,161	<b>16</b>	<b>29,894</b>
2022 (YTD)	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>20</b>	<b>30,038</b>	<b>22</b>	<b>19,229</b>	<b>6</b>	<b>17,438</b>	<b>20</b>	<b>62,389</b>	<b>68</b>	<b>129,094</b>
<i>Source: Bank Data</i>										

The following are examples of qualified lending originated in the assessment area:

- The bank made a \$13.9 million loan to a firm that provided for 124 affordable housing units for senior citizens.
- The bank made four loans totaling \$7.6 million to a housing agency providing 50 units with below-market rents to area residents.

In addition to loans made within the assessment area, Busey Bank also originated eight additional qualified community development loans, totaling \$26.0 million within the greater statewide and regional area within Missouri. These loans predominately provided low- and moderate-income affordable housing assistance, as well as economic development through low- and moderate-income job creation.

## **INVESTMENT TEST**

Busey Bank demonstrated good performance under the Investment Test in the St. Louis MSA. The bank’s significant level of qualified investments and good responsiveness to community development needs supports this rating.

### **Investment and Grant Activity**

The institution has a significant level of qualified investments, occasionally in a leadership position, particularly those that are not routinely provided by private investors. The bank made a total of \$71.0 million in qualified investments in the St. Louis MSA, including prior period investments and qualified donations. The bank also made 11 investments totaling \$8.4 million in the surrounding areas of Missouri outside of the bank’s assessment area. This level of activity represents 33.6 percent by dollar volume of the bank’s total qualified investment and donation activity. The number and dollar volume of community development investments and donations in this assessment area increased since the last evaluation, when the bank made 17 investments totaling \$26.8 million

and 49 donations totaling \$97,000. The following table details the bank’s qualified investments and donations by purpose and year.

<b>Qualified Investments by Year</b>										
<b>Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Total</b>	
	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>
Prior Period	16	6,452	16	25,372	4	4,347	6	2,871	<b>42</b>	<b>39,043</b>
2019 (Partial)	1	3,172	2	1,434	3	2,001	-	-	<b>6</b>	<b>6,607</b>
2020	5	2,836	12	4,979	2	1,258	-	-	<b>19</b>	<b>9,073</b>
2021	4	14,695	1	1,000	-	-	-	-	<b>5</b>	<b>15,695</b>
2022 (YTD)	4	226	2	5,522	2	2,422	1	577	<b>9</b>	<b>8,748</b>
<b>Subtotal</b>	<b>30</b>	<b>27,382</b>	<b>33</b>	<b>38,307</b>	<b>11</b>	<b>10,029</b>	<b>7</b>	<b>3,448</b>	<b>81</b>	<b>79,166</b>
Grants & Donations	7	3	125	181	7	11	5	18	<b>144</b>	<b>213</b>
<b>Total</b>	<b>37</b>	<b>27,385</b>	<b>158</b>	<b>38,489</b>	<b>18</b>	<b>10,040</b>	<b>12</b>	<b>3,466</b>	<b>225</b>	<b>79,379</b>

*Source: Bank Data*

Notable examples of community development investments made by the bank in the assessment area include the following:

- Invested \$6.4 million in a Low Income Housing Tax Credit project that also included New Market Tax Credits and multiple grants and loans to build a 50-unit housing facility for those in emergency situations.
- Maintained a prior-period Qualified Zone Academy Bond totaling \$11.8 million for a school that primarily serves low- and moderate-income students.
- Invested \$1.0 million in a Small Business Investment Company that makes equity and debt investments in qualified small businesses.

### **Responsiveness to Credit and Community Development Needs**

The institution exhibits good responsiveness to credit and community development needs. Examiners identified affordable housing as a need in this assessment area, and a number of the bank’s investments supported affordable housing initiatives.

### **Community Development Initiatives**

The institution occasionally uses innovative and/or complex investments to support community development initiatives. Some of the bank’s investments exhibited complex characteristics, such as the investments in the Qualified Zone Academy Bond and Small Business Investment Company.

### **SERVICE TEST**

The Service Test rating is High Satisfactory for the St. Louis MSA rated area. Performance under the various retail performance criteria supports this conclusion.

**Accessibility of Delivery Systems**

Delivery systems are readily accessible to all portions of the institutions assessment area. Busey Bank has branches throughout the assessment area, with branches concentrated in the most populous areas near the city of St. Louis. In 2019, Busey Bank acquired Bank of Edwardsville, as previously described, and this acquisition included the addition of 16 new branch locations and corresponding ATMs for the bank. The bank’s concentration of branches in low- and moderate-income tracts exceeds the area population within those tracts, and branches are generally located near the most populated areas of the St. Louis metropolitan area. Eight branch locations are located outside, but within two miles of a low- or moderate-income tract. Busey also offers other alternative delivery systems such as telephone banking, mobile banking, and online banking, as well as participates in an ATM network that gives customer access to ATMs not owned by the bank.

<b>Branch and ATM Distribution by Geography Income Level</b>												
<b>Assessment Area: St. Louis MSA</b>												
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>		<b>Open Branches</b>		<b>Closed Branches</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	79	12.8	243,189	8.7	2	10.0	2	7.1	1	6.3	0	0.0
Moderate	131	21.3	562,662	20.1	6	30.0	7	25.0	3	18.8	1	11.1
Middle	229	37.2	1,122,259	40.1	5	25.0	8	28.6	7	43.6	4	44.4
Upper	172	28.0	866,443	30.9	7	35.0	11	39.3	5	31.3	4	44.4
NA	4	0.7	7,361	0.3	0	0.0	0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>615</b>	<b>100.0</b>	<b>2,801,914</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>28</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>	<b>9</b>	<b>100.0</b>

*Source: 2015 ACS & Bank Data. Due to rounding, totals may not equal 100.0%*

**Changes in Branch Locations**

The institutions records of opening and closing branches has improved the accessibility of its delivery systems, particularly in low- and moderate-income tracts and to low- and moderate-income individuals. As previously mentioned, Busey Bank acquired 16 branches from Bank of Edwardsville in 2019, of which four of those locations were in a low- or moderate-income tract. While Busey Bank closed one location located in a moderate-income tract over the evaluation period, access to branch locations has improved.

**Reasonableness of Business Hours and Services**

Services and businesses hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and individuals. Services and business hours are generally consistent across all office locations in this assessment area. Nearly all offices offer both Saturday hours and drive-up services. Any variations in services or hours are minor and do not predominantly affect low- and moderate-income areas.

## Community Development Services

The institution provides an adequate level of community development services. The bank's 161 services represent 27.1 percent of total community development service activity conducted by the bank over the evaluation period. While the bank's activity sharply increased from the prior evaluation period and most activities revolved around providing community services, the bank takes 31.4 percent of deposits and originates 34.6 percent of loans within this area, showing a disproportionate level of community development services. The following table details the bank's community development services in this assessment area by year and purpose.

<b>Community Development Services - St. Louis MSA</b>					
<b>Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Total</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2019 (Partial)	11	17	5	1	<b>34</b>
2020	16	22	15	2	<b>55</b>
2021	6	35	7	1	<b>49</b>
2022 (YTD)	-	18	5	-	<b>23</b>
<b>Total</b>	<b>33</b>	<b>92</b>	<b>32</b>	<b>4</b>	<b>161</b>

*Source: Bank Data*

The following are examples of community development services provided by the bank in this assessment area:

- Two employees serve on financial empowerment committees for the city of St. Louis. The organization is a public-private partnership that aims to help low- and moderate-income individuals make better financial decisions. They provide financial education and credit counseling free of charge. The organization works with banks and non-profits to provide financial management classes on various topics, including How to Purchase a Home; Entrepreneurship; Investing; and Public Service Student Loan Forgiveness.
- Four employees served on the Board or a Committee for the chamber of commerce and economic development organization for Riverbend, Missouri. It is located in a moderate-income census tract and actively promotes activities between member businesses, which are primarily small businesses. Additionally, the organization works closely with state, regional, county, and local officials to bring employment opportunities to the area.
- Six employees presented financial education at a school located in a moderate-income census tract and with 60.7 percent of students eligible to receive free or reduced lunch. Some of the volunteers assisted with multiple sessions, teaching low- and moderate-income students basic concepts of money management.
- Two employees volunteered with an Equal Housing and Opportunity Council to provide rental assistance to low- and moderate-income individuals.

## FLORIDA

### CRA RATING FOR FLORIDA: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: Low Satisfactory

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN FLORIDA

The Florida rated area includes three separate assessment area but contains a relatively small percentage of total bank operations. Busey currently operates three offices in Florida. The bank maintained five offices in Florida at the previous evaluation, but subsequently closed both offices in the Punta Gorda MSA, one in October 2020 and the other in November 2021.

### SCOPE OF EVALUATION – FLORIDA

The scope of evaluation in the Florida rated area is largely identical to the overall scope of evaluation for the institution. Examiners conducted full-scope reviews of the Cape Coral MSA and Sarasota MSA assessment areas. Examiners conducted a limited-scope review of the Punta Gorda MSA assessment area given that that assessment received a full-scope review at the previous evaluation and the bank eliminated operations in that assessment area during the evaluation period. Additionally, examiners did not analyze small farm lending performance in the Florida rated area, as the bank's small farm loan originations in Florida are negligible.

### CONCLUSIONS ON PERFORMANCE CRITERIA IN FLORIDA

#### LENDING TEST

The Lending Test rating is Low Satisfactory for the Florida rated area. Lending activity, geographic distribution, and borrower profile performance primarily support the Low Satisfactory rating.

#### Lending Activity

Lending levels reflect good responsiveness to assessment area credit needs. The bank demonstrated good performance in the Cape Coral and Sarasota MSAs. Refer to the separate assessment area sections of this evaluation for additional information.

#### Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the Florida rated area. The bank demonstrated adequate performance in both full-scope assessment areas. Refer to the separate assessment area sections for more detailed information.

**Borrower Profile**

The distribution of borrowers reflects poor penetration among individuals of different income levels and business of different sizes. The bank demonstrated poor performance under this criterion within the Cape Coral assessment area, and good penetration within the Sarasota MSA assessment area. Refer to the separate assessment area sections for more detailed information.

**Innovative or Flexible Lending Practices**

Busey uses innovative and flexible lending practices in order to serve assessment area credit needs. As shown in the following table, the bank originated 35 loans totaling \$20.5 million through innovative and flexible programs during the evaluation period. Refer to the separate assessment area sections of this evaluation for more detailed information.

<b>Innovative and Flexible Lending Programs – Florida Rated Area</b>			
<b>Loan Type</b>	<b>Loan Program</b>	<b>Totals</b>	
		<b>#</b>	<b>\$(000s)</b>
Home Mortgage	Fannie/Freddie programs	12	1,683
	FHA	2	307
Small Business	SBA (non-PPP)	21	20,182
<b>Totals</b>		<b>35</b>	<b>20,489</b>
<i>Source: Bank Records</i>			

**Community Development Loans**

The institution made an adequate level of community development loans. The bank originated six community development loans totaling \$40.7 million throughout the Florida rated area, which represents 5.8 percent of the bank’s total community development lending. The following table details the bank’s community development loans by assessment area and purpose. Refer to the separate assessment area sections of this evaluation for more information.

<b>Community Development Lending by Assessment Area – Florida Rated Area</b>										
<b>Assessment Area</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Cape Coral MSA	0	0	2	20,110	2	3,080	0	0	4	23,190
Sarasota MSA	0	0	0	0	1	11,609	1	5,885	2	17,494
Punta Gorda MSA	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>20,110</b>	<b>3</b>	<b>14,689</b>	<b>1</b>	<b>5,885</b>	<b>6</b>	<b>40,684</b>
<i>Source: Bank Records</i>										

## INVESTMENT TEST

The Investment Test rating is Low Satisfactory for the Florida rated area. The bank's adequate level of qualified investments and adequate responsiveness to community development needs supports this rating. The bank made qualified investments in all three assessment areas.

### Investment and Grant Activity

The institution has an adequate level of qualified community development investments and grants. The bank made a total of nearly \$7.8 million in qualified investments in the Florida rated area, including prior period investments and qualified donations. In addition to investments within the assessment areas, the bank made investments totaling nearly \$2.7 million that benefitted a broader statewide area. The following table details the bank's qualified investments and donations by assessment area and purpose. Refer to the separate assessment area sections of this evaluation for more information.

Qualified Investments and Donations by Assessment Area – Florida Rated Area										
Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Cape Coral MSA	4	2,150	26	1,767	0	0	1	2	31	3,919
Sarasota MSA	4	670	3	22	0	0	0	0	7	692
Punta Gorda MSA	2	500	0	0	0	0	0	0	2	500
<b>Subtotal</b>	<b>10</b>	<b>3,320</b>	<b>29</b>	<b>1,789</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>40</b>	<b>5,111</b>
Statewide/Regional	0	0	2	760	4	1,906	0	0	6	2,666
<b>Total</b>	<b>10</b>	<b>3,320</b>	<b>31</b>	<b>2,549</b>	<b>4</b>	<b>1,906</b>	<b>1</b>	<b>2</b>	<b>46</b>	<b>7,776</b>

*Source: Bank Data*

### Responsiveness to Credit and Community Development Needs

The institution exhibits adequate responsiveness to credit and community economic development needs. The bank's qualified investments addressed identified needs throughout the assessment areas, primarily supporting affordable housing and community services for low- and moderate-income individuals. Refer to the separate assessment area sections of this evaluation for more information.

### Community Development Initiatives

The institution occasionally uses innovative or complex investments to support community development initiatives. Some of the bank's investments exhibited complex characteristics. Refer to the separate assessment area sections of this evaluation for more information.

## **SERVICE TEST**

The Service Test rating is Low Satisfactory for the Florida rated area. Performance was consistent in the two full-scope assessment areas, and the bank's performance under each Service Test criterion in those areas supports the overall rating. However, Service Test performance in the Punta Gorda MSA was below performance in the full-scope areas, primarily due to the bank's closure of two offices in that assessment area.

### **Accessibility of Delivery Systems**

Delivery systems are reasonably accessible to essentially all portions of the assessment areas. The bank's alternative delivery systems also promote the accessibility of bank services to low- and moderate-income individuals. Refer to the separate assessment area sections of this evaluation for more information.

### **Changes in Branch Locations**

To the extent changes have been made, the institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals. Although the bank closed two offices in the Punta Gorda MSA assessment area since the previous evaluation, the bank did not change any office locations in either of the full-scope assessment areas. As such, overall performance under this criterion is reasonable.

### **Reasonableness of Business Hours and Services**

Services and business hours do not vary in a way that inconveniences portions of the assessment areas, particularly low- and moderate-income geographies and individuals. Services and business hours are generally consistent across all office locations in the assessment areas. Any variations in services or hours are minor and do not predominantly affect low- and moderate-income areas.

### **Community Development Services**

The institution provided a relatively high level of community development services. Most of the bank's community development services within this rated area were in the Cape Coral MSA assessment area. Of these services, most supported the provision of community services for low- and moderate-income individuals, as reflected in the following table.

<b>Community Development Services by Assessment Area – Florida Rated Area</b>					
<b>Assessment Area</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
Cape Coral MSA	0	33	4	0	<b>37</b>
Sarasota MSA	0	6	1	0	<b>7</b>
Punta Gorda MSA	0	4	0	0	<b>4</b>
<b>Total</b>	<b>0</b>	<b>43</b>	<b>5</b>	<b>0</b>	<b>48</b>
<i>Source: Bank Records</i>					

## **CAPE CORAL – FORT MYERS, FL MSA – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION’S OPERATIONS IN CAPE CORAL MSA**

The Cape Coral MSA assessment area includes all of Lee County, Florida. Busey operates two full-service offices in this assessment area, which is unchanged from the previous evaluation. Although only 3.5 percent of the bank’s total deposits are in this assessment area, among the bank’s three Florida assessment areas, the Cape Coral MSA contains the largest percentage of bank deposit and lending activity. Therefore, this assessment area carried the most weight in arriving at overall statewide conclusions.

#### **Economic and Demographic Data**

The assessment area contains all 167 census tracts in Lee County. According to 2015 ACS data, these tracts reflect the following income designations:

- 7 low-income tracts
- 42 moderate-income tracts
- 60 middle-income tracts
- 56 upper-income tracts
- 2 tracts with no income designation

Most of the low- and moderate-income tracts are in central Lee County in and around downtown Fort Myers, as well as in the far eastern portions of the county. Both of the bank’s branches are in central Lee County, in Cape Coral and Fort Myers. The following table details select economic and demographic characteristics of the assessment area.

<b>Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Busey Bank Cape Coral MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	167	4.2	25.1	35.9	33.5	1.2
Population by Geography	663,675	4.7	27.1	42.3	25.9	0.0
Housing Units by Geography	374,333	3.5	21.3	40.9	34.4	0.0
Owner-Occupied Units by Geography	174,162	2.1	18.6	44.2	35.1	0.0
Occupied Rental Units by Geography	78,125	8.5	32.9	38.0	20.5	0.0
Vacant Units by Geography	122,046	2.3	17.6	38.0	42.1	0.0
Businesses by Geography	132,866	2.9	22.8	41.0	33.1	0.1
Farms by Geography	3,904	3.2	26.6	46.4	23.8	0.0
Family Distribution by Income Level	165,635	20.7	18.5	19.7	41.1	0.0
Household Distribution by Income Level	252,287	22.6	17.2	18.8	41.4	0.0
Median Family Income MSA - 15980 Cape Coral-Fort Myers, FL MSA		\$57,627	Median Housing Value			\$192,233
			Median Gross Rent			\$970
			Families Below Poverty Level			11.1%
<i>Source: 2015 ACS and 2021 D&amp;B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to Moody’s Analytics, the Cape Coral MSA boasts one of the strongest performing local economies in the nation. Employment in the Cape Coral MSA has fully recovered from the effects of the COVID-19 pandemic, and the county’s labor force continues to grow. Unemployment trended upward in mid-2021, but declined in the second half of the year. According to United States Bureau of Labor Statistics data, the unemployment rate in Lee County as of November 2021 was 3.5 percent, similar to the Florida statewide unemployment rate of 3.2 percent for the same timeframe. Major employers in Lee County include Lee Memorial Health System, Publix Super Markets, and Florida Gulf Coast University.

The table below presents the Cape Coral MSA median family income levels for 2020 and 2021, as updated by the FFIEC.

<b>Median Family Income Ranges – Cape Coral MSA</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2020 (\$68,700)	<\$34,350	\$34,350 to <\$54,960	\$54,960 to <\$82,440	≥\$82,440
2021 (\$71,900)	<\$35,950	\$35,950 to <\$57,520	\$57,520 to <\$86,280	≥\$86,280
<i>Source: FFIEC</i>				

## **Competition**

The assessment area is highly competitive in the market for financial services. According to FDIC Deposit Market Share data as of June 30, 2021, 30 banks operated 177 offices in Lee County. Of these banks, Busey ranked 15<sup>th</sup>, with a deposit market share of 1.6 percent.

According to 2020 HMDA aggregate data, Busey ranked 56<sup>th</sup> with a market share of 0.4 percent by number of loans among institutions that reported home mortgage originations or purchases in the assessment area. Five of the top seven lenders in 2020 were nonbank mortgage lenders. According to 2020 CRA aggregate data, the bank ranked 17<sup>th</sup> with a market share of 1.4 percent for small business loans. Small business market share by dollar volume was somewhat higher at 4.6 percent.

## **Community Contacts**

Examiners reviewed a recent contact with a local community development organization active in the assessment area. The contact stated that affordable housing is the most significant need in the area. The contact cited financing for affordable housing projects, as well as grants to subsidize housing costs, as opportunities for bank involvement. Additionally, the contact identified personal financial education, particularly for low- and moderate-income residents, as a major need in the area.

## **Credit and Community Development Needs and Opportunities**

As noted by the community contact, examiners determined that affordable housing is a significant community development need in the Cape Coral MSA. Opportunities for revitalization and stabilization exist in the area's low- and moderate-income census tracts, particularly in the central and eastern portions of Lee County. Finally, community services for low- and moderate-income individuals, including financial literacy training, is another area of opportunity.

# **CONCLUSIONS ON PERFORMANCE CRITERIA IN CAPE CORAL MSA**

## **LENDING TEST**

Busey demonstrated reasonable performance under the Lending Test in the Cape Coral MSA assessment area. The bank's performance under each of the Lending Test criteria supports this conclusion.

## **Lending Activity**

Lending levels reflect good responsiveness to assessment area credit needs. The bank's home mortgage and small business lending volumes in this assessment area have increased since the previous evaluation, and the percentage of Busey Bank's lending in this assessment area was higher than the assessment area's share of total bank deposits. The following table details Busey's 2020 and 2021 originations by loan type in the Cape Coral MSA assessment area. Small business lending carried the most weight in this assessment area due to loan volume.

<b>Lending Activity – Cape Coral MSA</b>				
<b>Loan Product</b>	<b>2020 #</b>	<b>2020 \$(000s)</b>	<b>2021 #</b>	<b>2021 \$(000s)</b>
Closed-End Home Mortgage	107	29,965	111	71,485
Open-End Home Mortgage	66	10,197	74	15,206
<b><i>Subtotal: Home Mortgage</i></b>	<b>173</b>	<b>40,162</b>	<b>185</b>	<b>86,691</b>
Small Business	333	49,855	182	31,455
<b>TOTAL</b>	<b>506</b>	<b>90,017</b>	<b>367</b>	<b>118,146</b>
<i>Source: Bank Data</i>				

### **Geographic Distribution**

The geographic distribution of loans reflects adequate penetration throughout the assessment area. Although closed-end home mortgage lending performance was poor, relatively stronger performance of small business and open-end home mortgage lending collectively represented a higher volume of originations and support the overall conclusion.

#### ***Closed-End Home Mortgage Loans***

The geographic distribution of closed-end home mortgage loans reflects poor penetration throughout the assessment area. The bank did not originate any loans in low-income tracts in either 2020 or 2021. In moderate-income tracts, which contain a considerably higher proportion of housing units and aggregate lending, the bank's performance was roughly half the aggregate levels in 2020 and remained consistent in 2021. The following table details the geographic distribution of closed-end home mortgage lending.

Geographic Distribution of Closed-End Home Mortgage Loans						
Assessment Area: Cape Coral MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	2.1	1.5	0	0.0	0	0.0
2021	2.1	--	0	0.0	0	0.0
Moderate						
2020	18.6	18.1	10	9.3	3,334	11.1
2021	18.6	--	10	9.0	4,448	6.2
Middle						
2020	44.2	43.7	42	39.3	10,055	33.6
2021	44.2	--	45	40.5	43,526	60.9
Upper						
2020	35.1	36.6	55	51.4	16,576	55.3
2021	35.1	--	56	50.5	23,511	32.9
Not Available						
2020	0.0	0.1	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>107</b>	<b>100.0</b>	<b>29,965</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>111</b>	<b>100.0</b>	<b>71,485</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2019 &amp; 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Small Business Loans***

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. In 2020, the bank's lending in both low- and moderate-income census tracts exceeded both aggregate and demographic data. Additionally, in 2021, the bank's lending in low-income tracts exceeded demographic data, while lending in moderate-income tracts decreased substantially to a level below the demographic data. The following table details the geographic distribution of small business lending.

<b>Geographic Distribution of Small Business Loans</b>						
<b>Assessment Area: Cape Coral MSA</b>						
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2020	2.7	2.5	10	3.0	724	1.5
2021	2.9	--	7	3.8	1,051	3.3
<b>Moderate</b>						
2020	22.6	22.9	92	27.6	17,719	35.5
2021	22.8	--	35	19.2	6,712	21.3
<b>Middle</b>						
2020	40.1	39.6	121	36.3	14,449	29.0
2021	41.0	--	80	44.0	11,145	35.4
<b>Upper</b>						
2020	34.4	35.0	109	32.7	16,942	34.0
2021	33.1	--	60	33.0	12,547	39.9
<b>Not Available</b>						
2020	0.2	0.0	1	0.3	21	0.0
2021	0.1	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>333</b>	<b>100.0</b>	<b>49,855</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>182</b>	<b>100.0</b>	<b>31,455</b>	<b>100.0</b>
<i>Source: 2020 &amp; 2021 D&amp;B Data; Bank Data; 2019 &amp; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Open-End Home Mortgage Loans***

The geographic distribution of open-end home mortgage loans reflects adequate penetration throughout the assessment area. The bank did not originate any open-end home mortgage loans in low-income tracts in either 2020 or 2021. However, this performance is reasonable given the bank's low overall volume of open-end lending in this assessment area and given the fact that less than one percent of aggregate lending occurred in low-income tracts. Busey's lending in moderate-income tracts was a few percentage points below the aggregate level in 2020, but improved in 2021. This distribution is reasonable considering that the bank's offices are located roughly ten miles or more from most of the moderate-income tracts in Lee County. The following table details the geographic distribution of open-end home mortgage lending.

Geographic Distribution of Open-End Home Mortgage Loans						
Assessment Area: Cape Coral MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	2.1	0.7	0	0.0	0	0.0
2021	2.1	--	0	0.0	0	0.0
Moderate						
2020	18.6	13.8	6	9.1	674	6.6
2021	18.6	--	8	10.8	1,570	10.3
Middle						
2020	44.2	46.0	31	47.0	4,305	42.2
2021	44.2	--	30	40.5	3,525	23.2
Upper						
2020	35.1	39.5	29	43.9	5,218	51.2
2021	35.1	--	36	48.6	10,111	66.5
Not Available						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>66</b>	<b>100.0</b>	<b>10,197</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>74</b>	<b>100.0</b>	<b>15,206</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2019 &amp; 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### **Borrower Profile**

The distribution of borrowers reflects poor penetration to individuals of different income levels and business of different sizes. Poor performance throughout the assessed product lines supports this conclusion.

### ***Closed-End Home Mortgage Loans***

The distribution of closed-end home mortgage loans reflects poor penetration to retail customers of different income levels. As shown in the following table, the bank's lending to low-income borrowers was below the aggregate level in 2020, with no change in 2021. The bank's lending to moderate-income borrowers equaled aggregate data in 2020, but fell several percentage points in 2021 to a level significantly below the area demographics.

<b>Distribution of Closed-End Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: Cape Coral MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2020	20.7	3.5	1	0.9	125	0.4
2021	20.7	--	1	0.9	82	0.1
<b>Moderate</b>						
2020	18.5	14.8	16	15.0	2,203	7.4
2021	18.5	--	6	5.4	910	1.3
<b>Middle</b>						
2020	19.7	19.8	14	13.1	2,110	7.0
2021	19.7	--	22	19.8	4,050	5.7
<b>Upper</b>						
2020	41.1	43.7	65	60.7	21,591	72.1
2021	41.1	--	78	70.3	37,565	52.5
<b>Not Available</b>						
2020	0.0	18.3	11	10.3	3,936	13.1
2021	0.0	--	4	3.6	28,879	40.4
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>107</b>	<b>100.0</b>	<b>29,965</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>111</b>	<b>100.0</b>	<b>71,485</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2019 &amp; 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Small Business Loans***

The distribution of small business loans reflects poor penetration to businesses of different sizes. As shown in the following table, the bank’s lending to businesses with revenues of \$1 million or less was significantly below the aggregate level in 2020. While this distribution was impacted by a high volume of PPP loan originations, many of which are reflected as “revenue not available” in the following table, the bank’s performance with these loans removed remains well below the aggregate performance in 2020 at 30.2 percent, declining further to 22.4 percent of lending in 2021.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>						
<b>Assessment Area: Cape Coral MSA</b>						
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;=\$1,000,000</b>						
2020	91.8	40.5	36	10.8	6,866	13.8
2021	93.2	--	35	19.2	6,181	19.7
<b>&gt;\$1,000,000</b>						
2020	2.7	--	66	19.8	19,345	38.8
2021	2.0	--	74	40.7	17,139	54.5
<b>Revenue Not Available</b>						
2020	5.5	--	231	69.4	23,644	47.4
2021	4.8	--	73	40.1	8,135	25.9
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>333</b>	<b>100.0</b>	<b>49,855</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>182</b>	<b>100.0</b>	<b>31,455</b>	<b>100.0</b>
<i>Source: 2020 &amp; 2021 D&amp;B Data; Bank Data; 2019 &amp; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Open-End Home Mortgage Loans***

The distribution of open-end home mortgage loans reflects poor penetration to retail customers of different income levels. As shown in the following table, the bank's lending to both low- and moderate-income borrowers lagged aggregate data in 2020. In 2021, lending to both income segments declined further as percentages of total bank lending in this assessment area. As such, performance under this criterion is poor.

Distribution of Open-End Home Mortgage Loans by Borrower Income Level						
Assessment Area: Cape Coral MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	20.7	6.2	2	3.0	80	0.8
2021	20.7	--	1	1.4	100	0.7
Moderate						
2020	18.5	15.7	6	9.1	850	8.3
2021	18.5	--	6	8.1	621	4.1
Middle						
2020	19.7	22.3	9	13.6	798	7.8
2021	19.7	--	12	16.2	1,330	8.7
Upper						
2020	41.1	51.1	47	71.2	8,405	82.4
2021	41.1	--	51	68.9	12,666	83.3
Not Available						
2020	0.0	4.7	2	3.0	64	0.6
2021	0.0	--	4	5.4	490	3.2
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>66</b>	<b>100.0</b>	<b>10,197</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>74</b>	<b>100.0</b>	<b>15,206</b>	<b>100.0</b>

Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

### Innovative or Flexible Lending Practices

The bank uses innovative and flexible lending practices in order to serve assessment area credit needs. As shown in the following table, the bank funded 30 innovative and flexible loans totaling \$20.8 million during the evaluation period, representing 5.1 percent of the bank's total. These loans provided credit to individuals and businesses that may not have otherwise qualified for traditional bank financing.

Innovative or Flexible Lending Programs – Cape Coral MSA								
Type of Program	2019		2020		2021		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Home Mortgage	7	896	4	637	0	0	11	1,533
Small Business	5	2,511	8	8,736	6	7,985	19	19,232
<b>Totals</b>	<b>12</b>	<b>3,407</b>	<b>12</b>	<b>9,373</b>	<b>6</b>	<b>7,985</b>	<b>30</b>	<b>20,765</b>

Source: Bank Records

**Community Development Loans**

The institution made an adequate level of community development loans. The bank originated \$23.2 million in community development loans in this assessment area, primarily supporting community services for low- and moderate-income individuals and representing 3.3 percent of its total qualified lending. This level of activity is below the 3.5 percent of bank deposits and 5.7 percent of bank lending occurring within this assessment area.

The following table details the bank’s community development lending in this assessment area by year and purpose.

<b>Community Development Lending – Cape Coral MSA</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2019 (Partial)	0	0	0	0	1	1,480	0	0	1	1,480
2020	0	0	1	110	0	0	0	0	1	110
2021	0	0	1	20,000	1	1,600	0	0	2	21,600
YTD 2022	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>20,110</b>	<b>2</b>	<b>3,080</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>23,190</b>
<i>Source: Bank Records</i>										

Examples of the bank’s community development loans in this assessment area are as follows:

- In 2021, the bank originated a \$20.0 million loan to a nonprofit facility that provides health care services to low- and moderate-income individuals, regardless of their ability to pay.
- In 2021, the bank originated a \$1.6 million loan to a local small business. The loan allowed the business to create and retain jobs for low- and moderate-income individuals.
- In 2020, the bank originated a \$110,000 loan to a community development organization that provides various services to low- and moderate-income youth in Lee County.

**INVESTMENT TEST**

Busey demonstrated adequate performance under the Investment Test in the Cape Coral MSA assessment area. The bank’s adequate level of qualified investments and adequate responsiveness primarily supports this conclusion.

**Investment and Grant Activity**

The institution made an adequate level of community development investments. Investments in this assessment area represented 1.7 percent of the bank’s total investment activity by dollar volume, which is comparable to the proportion of overall bank operations in this assessment area.

Nearly all of the investments in this assessment area were new since the previous evaluation. Investments primarily supported affordable housing and community services for low- and moderate-income individuals. The following table details the qualified investments and donations in this assessment area by year and purpose.

Qualified Investments by Year: Cape Coral MSA										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
Prior Period	-	-	1	30	-	-	-	-	1	30
2019	-	-	2	1,709	-	-	-	-	2	1,709
2020	-	-	-	-	-	-	-	-	-	-
2021	3	2,150	-	-	-	-	-	-	3	2,150
2022 (YTD)	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>3</b>	<b>2,150</b>	<b>3</b>	<b>1,739</b>	-	-	-	-	<b>6</b>	<b>3,889</b>
Grants & Donations	1	0	23	28	-	-	1	2	25	30
<b>Total</b>	<b>4</b>	<b>2,150</b>	<b>26</b>	<b>1,767</b>	-	-	<b>1</b>	<b>2</b>	<b>31</b>	<b>3,919</b>

*Source: Bank Data*

Examples of the bank’s qualified investments and donations in this assessment area are as follows:

- In 2019, the bank purchased a \$1.2 million bond that provided financing for a local school district where a majority of students qualify for free or reduced-price meals.
- In 2021, the bank purchased two bonds totaling \$500,000 that supported the Florida Housing Finance Corporation, a state agency that promotes local affordable housing initiatives.
- In 2020 and 2021, the bank donated over \$8,000 to an organization that provides food and other essential household items to low-income students.

### **Responsiveness to Credit and Community Development Needs**

The institution exhibits adequate responsiveness to credit and community development needs. Examiners identified affordable housing and community services for low- and moderate-income individuals as needs in this assessment area, and the bank’s investments supported these types of initiatives.

### **Community Development Initiatives**

The institution occasionally uses innovative or complex investments to support community development initiatives. For example, one of the bank’s investments was in a tax credit fund that supported affordable housing initiatives in the assessment area.

### **SERVICE TEST**

Busey demonstrated reasonable performance under the Service Test in the Cape Coral MSA assessment area. Performance under each Service Test criterion supports this conclusion.

### **Accessibility of Delivery Systems**

Delivery systems are reasonably accessible to essentially all portions of the assessment area. The bank does not maintain any offices in low- or moderate-income tracts, most of which are located in a portion of the county east of Interstate 75 and a fair distance from the branches. However, one

office is located within two miles of a low-income tract and within five miles of numerous moderate-income tracts. The other office is similarly located within five miles of approximately ten low- or moderate-income tracts. Additionally, Busey customers can access surcharge-free MoneyPass ATMs that are located throughout all portions of the assessment area.

<b>Branch and ATM Distribution by Geography Income Level</b>												
<b>Assessment Area: Cape Coral MSA</b>												
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>		<b>Open Branches</b>		<b>Closed Branches</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	7	4.2	31,092	4.7	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	42	25.1	180,052	27.1	0	0.0	0	0.0	0	0.0	0	0.0
Middle	60	35.9	280,537	42.3	1	50.0	1	50.0	0	0.0	0	0.0
Upper	56	33.5	171,994	25.9	1	50.0	1	50.0	0	0.0	0	0.0
NA	2	1.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>167</b>	<b>100.0</b>	<b>663,675</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>0</b>	<b>100.0</b>	<b>0</b>	<b>100.0</b>	<b>0</b>	<b>100.0</b>

*Source: 2015 ACS & Bank Data. Due to rounding, totals may not equal 100.0%*

### **Changes in Branch Locations**

The bank did not open or close any branches in this assessment area during the evaluation period. Therefore, this criterion did not affect the Service Test rating.

### **Reasonableness of Business Hours and Services**

Services and business hours do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and individuals. Both offices in the assessment area offer similar products and services, and both have on-premises ATMs.

### **Community Development Services**

The bank provided a relatively high level of community development services. Community development services in the Cape Coral MSA assessment area represented 6.2 percent of the institution’s total qualified services. The ratio of qualified services greatly exceeded the ratio of deposits in this assessment area. Most of these activities supported the provision of community services for low- and moderate-income individuals. The following table details the bank’s community development services in this assessment area by year and purpose.

<b>Community Development Services – Cape Coral MSA</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2019 (Partial)	0	6	0	0	<b>6</b>
2020	0	6	0	0	<b>6</b>
2021	0	15	1	0	<b>16</b>
YTD 2022	0	6	3	0	<b>9</b>
<b>Total</b>	<b>0</b>	<b>33</b>	<b>4</b>	<b>0</b>	<b>37</b>
<i>Source: Bank Records</i>					

Examples of the bank’s community development services in this assessment area are as follows:

- A bank employee served on the board and provided financial literacy classes for a community development organization in the assessment area. The organization provides job training and other services for low-income women.
- A bank employee served on the board of an education foundation that primarily serves low- and moderate-income students.
- A bank employee served on the board of an organization that provides various services to at-risk, low-income children and families.

## **NORTH PORT – SARASOTA – BRADENTON, FL MSA – Full-Scope Review**

### **DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE SARASOTA MSA**

The Sarasota MSA assessment area includes all of Sarasota County, Florida. Busey operates one full-service office in this assessment area, which is unchanged from the previous evaluation. Busey’s lending and deposit activities in this assessment area represent less than one percent of overall bank activity.

#### **Economic and Demographic Data**

The assessment area contains all 95 census tracts in Sarasota County. According to 2015 ACS data, these tracts reflect the following income designations:

- 1 low-income tract
- 20 moderate-income tracts
- 48 middle-income tracts
- 25 upper-income tracts
- 1 tract with no income designation

Most of the assessment area’s moderate-income tracts, as well as the only low-income tract, are located in and around Sarasota in the far north portion of the county. Busey Bank’s only office in this assessment area is in North Port, in southern Lee County. The office is immediately adjacent to

a cluster of four moderate-income tracts in North Port. The following table details select economic and demographic characteristics of the assessment area.

<b>Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Sarasota MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	95	1.1	21.1	50.5	26.3	1.1
Population by Geography	392,038	1.0	20.2	54.9	23.9	0.0
Housing Units by Geography	230,150	0.8	18.7	51.2	29.3	0.0
Owner-Occupied Units by Geography	127,964	0.5	16.1	55.9	27.6	0.0
Occupied Rental Units by Geography	47,221	2.3	28.7	49.6	19.4	0.0
Vacant Units by Geography	54,965	0.3	16.4	41.8	41.5	0.0
Businesses by Geography	89,965	0.6	19.4	45.9	34.2	0.0
Farms by Geography	2,273	0.7	18.8	52.7	27.7	0.0
Family Distribution by Income Level	106,472	17.5	19.2	21.9	41.4	0.0
Household Distribution by Income Level	175,185	21.9	17.0	18.7	42.4	0.0
Median Family Income MSA - 35840 North Port-Sarasota-Bradenton, FL MSA		\$62,814	Median Housing Value			\$234,066
			Median Gross Rent			\$1,040
			Families Below Poverty Level			7.0%
<i>Source: 2015 ACS and 2021 D&amp;B Data Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Similar to Cape Coral, the Sarasota MSA’s local economy has been a strong performer over the past several years, according to Moody’s Analytics. The area continues to experience favorable population trends and a growing labor force. According to United States Bureau of Labor Statistics data, the unemployment rate in Sarasota County as of November 2021 was 3.3 percent, similar to the Florida statewide unemployment rate of 3.2 percent for the same timeframe. Major employers in Sarasota County include Publix Super Markets, Sarasota Memorial Health Care System, and PGT Industries, a window and door manufacturer.

The table below presents the Sarasota MSA median family income levels for 2020 and 2021, as updated by the FFIEC.

<b>Median Family Income Ranges – Sarasota MSA</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2020 (\$76,700)	<\$38,350	\$38,350 to <\$61,360	\$61,360 to <\$92,040	≥\$92,040
2021 (\$77,200)	<\$38,600	\$38,600 to <\$61,760	\$61,760 to <\$92,640	≥\$92,640
<i>Source: FFIEC</i>				

## **Competition**

The assessment area is highly competitive in the market for financial services. According to FDIC Deposit Market Share data as of June 30, 2021, 35 banks operated 146 offices in Sarasota County. Of these banks, Busey ranked 29<sup>th</sup> with a deposit market share of 0.3 percent.

According to 2020 HMDA aggregate data, Busey ranked 56<sup>th</sup> with a market share of 0.4 percent by number of loans among institutions that reported home mortgage originations or purchases in the assessment area. Five of the top seven lenders in 2020 were nonbank mortgage lenders. According to 2020 CRA aggregate data, the bank ranked 17<sup>th</sup> with a market share of 1.4 percent for small business loans. Small business market share by dollar volume was somewhat higher at 4.6 percent.

## **Community Contacts**

Examiners contacted a representative of a community development-related organization that serves the assessment area. According to the contact, the area continues to face challenges despite some recent improvements in the local economy. These challenges include a shortage of affordable housing units and rising rental rates. The contact stated that a significant number of low-income residents are unbanked, particularly in the North Sarasota area. As such, opportunities exist for lending and providing other financial services to these individuals.

## **Credit and Community Development Needs and Opportunities**

As noted by the community contact, examiners determined that affordable housing is a significant community development need in the Sarasota MSA. With over 35 percent of assessment area residents considered low- or moderate-income, opportunities for providing community services, including personal financial education, to this population represents another need. Finally, opportunities for revitalization and stabilization exist in the area's low- and moderate-income census tracts, particularly in the North Port and North Sarasota areas.

# **CONCLUSIONS ON PERFORMANCE CRITERIA IN SARASOTA MSA**

## **LENDING TEST**

Busey demonstrated reasonable performance under the Lending Test in the Sarasota MSA assessment area. The bank's performance under each of the Lending Test criteria supports this conclusion.

## **Lending Activity**

Lending levels reflect good responsiveness to assessment area credit needs. The bank's lending volumes in this assessment area, particularly for home mortgage loans, have remained consistent with levels at the previous evaluation. Increases in small business lending volumes since the previous evaluation were primarily due to PPP lending. Additionally, the percentages of total bank lending in 2020 and deposit activity in this assessment area are similar, with each making up less than one percent of bank-wide totals. However, the significant increase in 2021 lending compared to 2020 also

supports the conclusion under this criterion. The following table details Busey’s 2020 and 2021 originations by loan type in the Sarasota MSA assessment area.

<b>Lending Activity – Sarasota MSA</b>				
<b>Loan Product</b>	<b>2020 #</b>	<b>2020 \$(000s)</b>	<b>2021 #</b>	<b>2021 \$(000s)</b>
Closed-End Home Mortgage	18	5,018	19	24,189
Open-End Home Mortgage	9	715	13	807
<b><i>Subtotal: Home Mortgage</i></b>	<b>27</b>	<b>5,733</b>	<b>32</b>	<b>24,996</b>
Small Business	42	4,893	16	2,415
<b>TOTAL</b>	<b>69</b>	<b>10,626</b>	<b>48</b>	<b>27,411</b>
<i>Source: Bank Data</i>				

### **Geographic Distribution**

The geographic distribution of loans reflects adequate penetration throughout the assessment area. The bank demonstrated adequate performance for all three products.

#### ***Closed-End Home Mortgage Loans***

The geographic distribution of closed-end home mortgage loans reflects adequate penetration throughout the assessment area. As shown in the following table, the bank did not originate any loans in the assessment area’s single low-income tract in either 2020 or 2021. This is reasonable given the very low percentages of aggregate lending and owner-occupied housing units in that tract and that the bank’s sole office is over 30 miles to the south of the tract. Lending in moderate-income tracts exceeded the aggregate level in 2020 but fell by several percentage points in 2021. However, given the bank’s low number of loans in this assessment area, this decrease reflects a drop of only two loan originations in moderate-income tracts from 2020 to 2021. Furthermore, the branch is only close to four of the twenty moderate-income census tracts in the county. The remaining moderate-income tracts are scattered throughout the county with a concentration near the low-income tract. As such, overall performance under this criterion is reasonable.

Geographic Distribution of Closed-End Home Mortgage Loans						
Assessment Area: Sarasota MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	0.5	0.2	0	0.0	0	0.0
2021	0.5	--	0	0.0	0	0.0
Moderate						
2020	16.1	12.1	3	16.7	321	6.4
2021	16.1	--	1	5.3	135	0.6
Middle						
2020	55.9	53.7	10	55.6	2,411	48.0
2021	55.9	--	15	78.9	20,949	86.6
Upper						
2020	27.6	34.0	5	27.8	2,286	45.6
2021	27.6	--	3	15.8	3,105	12.8
Not Available						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>18</b>	<b>100.0</b>	<b>5,018</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>19</b>	<b>100.0</b>	<b>24,189</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2019 &amp; 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Small Business Loans***

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. As with closed-end home mortgage lending, the bank did not originate any loans in the assessment area's sole low-income tract in either year. However, this performance is reasonable given the very low percentages of aggregate lending, the low ratio of businesses located in that tract, and the aforementioned distance of the branch. Lending in moderate-income tracts was below the aggregate level in 2020 but nearly doubled in terms of percentages in 2021. Considering the bank's low number of loans in this assessment area and the branch's distance from the low- and moderate-income tracts, performance is reasonable.

<b>Geographic Distribution of Small Business Loans</b>						
<b>Assessment Area: Sarasota MSA</b>						
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2020	0.5	0.5	0	0.0	0	0.0
2021	0.6	--	0	0.0	0	0.0
<b>Moderate</b>						
2020	19.3	18.4	4	9.5	193	3.9
2021	19.4	--	3	18.8	461	19.1
<b>Middle</b>						
2020	46.3	44.5	29	69.0	2,720	55.6
2021	45.9	--	9	56.2	1,058	43.8
<b>Upper</b>						
2020	33.9	36.6	9	21.4	1,980	40.5
2021	34.2	--	4	25.0	896	37.1
<b>Not Available</b>						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>42</b>	<b>100.0</b>	<b>4,893</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>16</b>	<b>100.0</b>	<b>2,415</b>	<b>100.0</b>
<i>Source: 2020 &amp; 2021 D&amp;B Data; Bank Data; 2019 &amp; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Open-End Home Mortgage Loans***

The geographic distribution of open-end home mortgage loans reflects adequate penetration throughout the assessment area. The bank did not originate any open-end home mortgage loans in the low-income tract in either year, which is reasonable given that virtually no aggregate lending occurs in that tract. Additionally, the bank originated no loans in moderate-income tracts in 2020 and one loan in a moderate-income tract in 2021. Given the bank's low number of loans in this assessment area, as well as the significant distance of the office from the county's low-income tract and most of the moderate-income tracts, this distribution is reasonable.

Geographic Distribution of Open-End Home Mortgage Loans						
Assessment Area: Sarasota MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	0.5	0.0	0	0.0	0	0.0
2021	0.5	--	0	0.0	0	0.0
Moderate						
2020	16.1	9.4	0	0.0	0	0.0
2021	16.1	--	1	7.7	200	24.8
Middle						
2020	55.9	54.1	7	77.8	540	75.5
2021	55.9	--	12	92.3	607	75.2
Upper						
2020	27.6	36.5	2	22.2	175	24.5
2021	27.6	--	0	0.0	0	0.0
Not Available						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>9</b>	<b>100.0</b>	<b>715</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>13</b>	<b>100.0</b>	<b>807</b>	<b>100.0</b>

*Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

### **Borrower Profile**

The distribution of borrowers reflects good penetration to individuals of different income levels and business of different sizes. Adequate performance of closed-end home mortgage lending, accompanied by good small business and open-end home mortgage lending performance supports this conclusion.

### ***Closed-End Home Mortgage Loans***

The distribution of closed-end home mortgage loans reflects adequate penetration to retail customers of different income levels. The bank did not originate any loans to low- or moderate-income borrowers in 2020. However, in terms of percentages, the bank's performance increased significantly for both income categories in 2021. Given these increases, as well as the bank's low number of loans in this assessment area, performance is reasonable.

<b>Distribution of Closed-End Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: Sarasota MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2020	17.5	5.5	0	0.0	0	0.0
2021	17.5	--	1	5.3	160	0.7
<b>Moderate</b>						
2020	19.2	16.4	0	0.0	0	0.0
2021	19.2	--	4	21.1	537	2.2
<b>Middle</b>						
2020	21.9	20.5	6	33.3	960	19.1
2021	21.9	--	6	31.6	1,021	4.2
<b>Upper</b>						
2020	41.4	43.1	10	55.6	3,533	70.4
2021	41.4	--	5	26.3	3,689	15.3
<b>Not Available</b>						
2020	0.0	14.6	2	11.1	526	10.5
2021	0.0	--	3	15.8	18,783	77.7
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>18</b>	<b>100.0</b>	<b>5,018</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>19</b>	<b>100.0</b>	<b>24,190</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2019 &amp; 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Small Business Loans***

The distribution of small business loans reflects good penetration to businesses of different sizes. As shown in the following table, the bank’s lending to businesses with revenues of \$1 million or less was significantly below the aggregate level in 2020. However, this distribution was impacted by a high volume of PPP loan originations, many of which are reflected as “revenue not available” in the following table. Excluding these PPP loans, the bank’s lending distribution reflected 75.0 percent of lending in 2020 was to businesses with revenues of \$1 million or less, and performance was consistent in 2021. As such, overall performance is good.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: Sarasota MSA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<b>&lt;=\$1,000,000</b>						
2020	92.1	43.2	4	9.5	509	10.4
2021	93.2	--	2	12.5	371	15.4
<b>&gt;\$1,000,000</b>						
2020	2.8	--	3	7.1	1,379	28.2
2021	2.1	--	4	25.0	1,501	62.2
<b>Revenue Not Available</b>						
2020	5.2	--	35	83.3	3,005	61.4
2021	4.7	--	10	62.5	543	22.5
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>42</b>	<b>100.0</b>	<b>4,893</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>16</b>	<b>100.0</b>	<b>2,415</b>	<b>100.0</b>
<i>Source: 2020 &amp; 2021 D&amp;B Data; Bank Data; 2019 &amp; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### ***Open-End Home Mortgage Loans***

The distribution of open-end home mortgage loans reflects good penetration to retail customers of different income levels. As shown in the following table, the percentage of bank lending to low-income borrowers exceeded aggregate and demographic data in 2020 and exceeded demographic data in 2021. Lending to moderate-income borrowers was similar to comparator ratios.

Distribution of Open-End Home Mortgage Loans by Borrower Income Level						
Assessment Area: Sarasota MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	17.5	7.6	3	33.3	205	28.7
2021	17.5	--	3	23.1	65	8.1
Moderate						
2020	19.2	16.2	2	22.2	160	22.4
2021	19.2	--	2	15.4	60	7.4
Middle						
2020	21.9	21.5	0	0.0	0	0.0
2021	21.9	--	2	15.4	85	10.5
Upper						
2020	41.4	47.5	3	33.3	325	45.5
2021	41.4	--	4	30.8	467	57.9
Not Available						
2020	0.0	7.2	1	11.1	25	3.5
2021	0.0	--	2	15.4	130	16.1
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>9</b>	<b>100.0</b>	<b>715</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>13</b>	<b>100.0</b>	<b>807</b>	<b>100.0</b>

Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

### Innovative or Flexible Lending Practices

The bank makes little use of innovative and flexible lending practices in order to serve assessment area credit needs. As shown in the following table, the bank originated only one innovative or flexible loan in this assessment area during the evaluation period.

Innovative or Flexible Lending Programs – Sarasota MSA								
Type of Program	2019		2020		2021		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Home Mortgage	0	0	0	0	1	203	1	203
Small Business	0	0	0	0	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>203</b>	<b>1</b>	<b>203</b>

Source: Bank Records

**Community Development Loans**

The institution made a relatively high level of community development loans. The bank originated two loans totaling nearly \$17.5 million in community development loans in this assessment area, primarily supporting economic development and revitalization of low- and moderate-income areas. Community development lending in this assessment area represented 2.5 percent of the bank’s total qualified lending by dollar amount, which greatly exceeded the 0.6 percent of deposits in this assessment area. However, the bank originated both community development loans in 2019, and has not originated any additional community development loans since that time. The following table details the bank’s community development lending in this assessment area by year and purpose.

<b>Community Development Lending – Sarasota MSA</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2019 (Partial)	0	0	0	0	1	11,609	1	5,885	2	17,494
2020	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0
YTD 2022	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>11,609</b>	<b>1</b>	<b>5,885</b>	<b>2</b>	<b>17,494</b>

*Source: Bank Records*

Below are brief descriptions of the bank’s community development loans in this assessment area:

- In 2019, the bank originated an \$11.6 million loan to finance the construction of a hotel in the assessment area. The hotel operator meets SBA size standards and will create jobs for low- and moderate-income residents.
- In 2019, the bank originated a \$5.9 million loan that helped revitalize a predominantly low- and moderate-income area. The loan financed the construction of a senior living facility, which will help attract new residents to this area.

**INVESTMENT TEST**

Busey demonstrated adequate performance under the Investment Test in the Sarasota MSA assessment area. Performance was consistent within all of the criteria.

**Investment and Grant Activity**

The institution made an adequate level of community development investments. Investments in this assessment area represented 0.3 percent of the bank’s total investment activity by dollar volume, which slightly trails the proportion of overall bank operations in this assessment area.

All of the investments in this assessment area were new since the previous evaluation, and nearly all investments supported affordable housing. The following table details the qualified investments and donations in this assessment area by year and purpose.

Qualified Investments by Year: Sarasota MSA										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$	#	\$	#	\$	#	\$	#	\$
Prior Period	-	-	-	-	-	-	-	-	-	-
2019 (Partial)	-	-	1	21	-	-	-	-	1	21
2020	1	106	-	-	-	-	-	-	1	106
2021	2	500	-	-	-	-	-	-	2	500
2022 (YTD)	1	64	-	-	-	-	-	-	1	64
<b>Subtotal</b>	<b>4</b>	<b>670</b>	<b>1</b>	<b>21</b>	-	-	-	-	<b>5</b>	<b>691</b>
Grants & Donations	-	-	2	<1	-	-	-	-	2	<1
<b>Total</b>	<b>4</b>	<b>670</b>	<b>3</b>	<b>22</b>	-	-	-	-	<b>7</b>	<b>691</b>

Source: Bank Data, \*indicates rounding

Examples of the bank’s qualified investments and donations in this assessment area are as follows:

- In 2021, the bank purchased two bonds totaling \$500,000 that supported Florida Housing Finance Corporation affordable housing initiatives.
- In 2020, the bank invested \$105,000 in a fund that helped finance the construction of an affordable housing development in North Port. The development includes more than 100 new housing units set aside for low- and moderate-income families.
- In 2019 and 2021, the bank made two donations totaling \$300 to an organization that provides various community services to low- and moderate-income residents.

**Responsiveness to Credit and Community Development Needs**

The institution exhibits adequate responsiveness to credit and community development needs. Examiners identified affordable housing as a significant need in this assessment area, and the bank’s investments supported affordable housing initiatives.

**Community Development Initiatives**

The institution occasionally uses innovative or complex investments to support community development initiatives. For example, one of the bank’s investments was in a tax credit fund that supported affordable housing initiatives in the assessment area.

**SERVICE TEST**

Busey demonstrated reasonable performance under the Service Test in the Sarasota MSA assessment area. Performance under each Service Test criterion supports this conclusion.

**Accessibility of Delivery Systems**

Delivery systems are reasonably accessible to essentially all portions of the assessment area. As reflected in the following table, the bank’s only office in this assessment area is located in a middle-income tract. However, this office is located immediately adjacent to a moderate-income tract and is within three miles of three other moderate-income tracts in the North Port area.

<b>Branch and ATM Distribution by Geography Income Level</b>												
<b>Assessment Area: Sarasota MSA</b>												
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>		<b>Open Branches</b>		<b>Closed Branches</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	1	1.1	4,038	1.0	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	20	21.1	79,317	20.2	0	0.0	0	0.0	0	0.0	0	0.0
Middle	48	50.5	215,059	54.9	1	100.0	1	100.0	0	0.0	0	0.0
Upper	25	26.3	93,624	23.9	0	0.0	0	0.0	0	0.0	0	0.0
NA	1	1.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>95</b>	<b>100.0</b>	<b>392,038</b>	<b>100.0</b>	<b>0</b>	<b>100.0</b>	<b>0</b>	<b>100.0</b>	<b>0</b>	<b>100.0</b>	<b>0</b>	<b>100.0</b>

*Source: 2015 ACS & Bank Data. Due to rounding, totals may not equal 100.0%*

### **Changes in Branch Locations**

The bank did not open or close any branches in this assessment area during the evaluation period. Therefore, this criterion did not affect the Service Test rating.

### **Reasonableness of Business Hours and Services**

Services and business hours do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and individuals. The sole office in this assessment area offers products and services similar to those offered in other assessment areas. The office also offers Saturday hours and has an on-site ATM.

### **Community Development Services**

The bank provides a relatively high level of community development services. Community development services in the Sarasota MSA assessment area represented 1.2 percent of the institution's total qualified services, which was twice the ratio of deposits in the area. Most of these activities supported the provision of community services for low- and moderate-income individuals. The following table details the bank's community development services in this assessment area by year and purpose.

<b>Community Development Services – Sarasota MSA</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2019 (Partial)	0	2	1	0	<b>3</b>
2020	0	1	0	0	<b>1</b>
2021	0	3	0	0	<b>3</b>
YTD 2022	0	0	0	0	<b>0</b>
<b>Total</b>	<b>0</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>7</b>
<i>Source: Bank Records</i>					

Examples of the bank’s community development services in this assessment area are as follows:

- A bank employee served on the board of an organization that provides hygiene products and other essential services to low-income youth.
- A bank employee served as treasurer of an economic development organization that provides support to small businesses and entrepreneurs throughout the assessment area.
- Two bank employees provided financial literacy training targeted toward low- and moderate-income individuals.

### **PUNTA GORDA, FL MSA – Limited-Scope Review**

#### **CONCLUSIONS ON PERFORMANCE CRITERIA IN THE PUNTA GORDA MSA**

The following table summarizes the conclusions for the Punta Gorda MSA assessment area, which examiners reviewed using limited-scope procedures. Examiners drew conclusions regarding the institution’s CRA performance from reviewing available facts and data, including performance figures, aggregate lending data comparisons, and demographic information. While Lending Test and Investment Test performance in the Punta Gorda MSA was consistent with performance in the State of Florida, performance under the Service Test was relatively weaker in the Punta Gorda MSA. The Service Test conclusion is primarily based on the bank’s closure of both former offices in this assessment area during the evaluation period, which reduced the accessibility of banking services.

<b>Assessment Area</b>	<b>Lending Test</b>	<b>Investment Test</b>	<b>Service Test</b>
Punta Gorda, FL MSA	Consistent	Consistent	Below

#### **Punta Gorda, FL MSA**

The Punta Gorda MSA assessment area includes all of Charlotte County, Florida. Busey previously operated two offices in this assessment area, but the bank closed both of these offices during the evaluation period. The bank maintains a deposit-taking ATM at the location of its former branch in North Charlotte. The table below summarizes the bank’s lending and community development activities in this assessment area during the evaluation period.

<b>Activity</b>	<b>#</b>	<b>\$</b>
Closed-End HMDA Loans (2020 and 2021)	31	\$9.5 million
Small Business Loans (2020 and 2021)	78	\$8.0 million
Open-End HMDA Loans (2020 and 2021)	20	\$2.4 million
Small Farm Loans (2020 and 2021)	0	-
Innovative/Flexible Loans	4	\$1.2 million
Community Development Loans	0	-
Investments (New)	2	\$500,000
Investments (Prior Period)	0	-
Donations	0	-
Community Development Services	4	-
<i>Source: Bank Data</i>		

### Geographic Distribution and Borrower Profile

<b>Geographic Distribution of Closed-End Home Mortgage Loans</b>						
<b>Assessment Area: Punta Gorda MSA</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Moderate</b>						
2020	10.7	13.4	2	10.0	126	3.4
2021	10.7	--	1	9.1	55	1.0
<b>Middle</b>						
2020	70.6	65.8	12	60.0	1,761	48.0
2021	70.6	--	9	81.8	5,491	94.9
<b>Upper</b>						
2020	18.6	20.8	6	30.0	1,782	48.6
2021	18.6	--	1	9.1	240	4.1
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>3,668</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>11</b>	<b>100.0</b>	<b>5,786</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

<b>Geographic Distribution of Small Business Loans</b>						
<b>Assessment Area: Punta Gorda MSA</b>						
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Moderate						
2020	16.2	17.9	12	20.7	2,022	43.1
2021	16.2	--	4	20.0	531	15.9
Middle						
2020	65.6	65.0	39	67.2	2,479	52.8
2021	65.6	--	12	60.0	1,788	53.4
Upper						
2020	18.1	17.1	7	12.1	195	4.2
2021	18.1	--	4	20.0	1,030	30.8
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>58</b>	<b>100.0</b>	<b>4,696</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>20</b>	<b>100.0</b>	<b>3,349</b>	<b>100.0</b>
<i>Source: 2020 &amp; 2021 D&amp;B Data, Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

<b>Geographic Distribution of Open-End Home Mortgage Loans</b>						
<b>Assessment Area: Punta Gorda MSA</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Moderate						
2020	10.7	8.5	1	10.0	350	24.1
2021	10.7	--	0	0.0	0	0.0
Middle						
2020	70.6	71.2	7	70.0	684	47.1
2021	70.6	--	10	100.0	948	100.0
Upper						
2020	18.6	20.4	2	20.0	417	28.7
2021	18.6	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>10</b>	<b>100.0</b>	<b>1,451</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>10</b>	<b>100.0</b>	<b>948</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

<b>Distribution of Closed-End Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: Punta Gorda MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2020	17.3	4.1	1	5.0	151	4.1
2021	17.3	--	0	0.0	0	0.0
<b>Moderate</b>						
2020	20.7	15.0	1	5.0	61	1.7
2021	20.7	--	2	18.2	120	2.1
<b>Middle</b>						
2020	21.8	20.0	7	35.0	1,013	27.6
2021	21.8	--	2	18.2	369	6.4
<b>Upper</b>						
2020	40.2	42.9	10	50.0	2,287	62.3
2021	40.2	--	5	45.5	917	15.8
<b>Not Available</b>						
2020	0.0	18.0	1	5.0	157	4.3
2021	0.0	--	2	18.2	4,380	75.7
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>3,668</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>11</b>	<b>100.0</b>	<b>5,786</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>						
<b>Assessment Area: Punta Gorda MSA</b>						
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;=\$1,000,000</b>						
2020	92.3	43.1	10	17.2	893	19.0
2021	93.2	--	7	35.0	1,798	53.7
<b>&gt;\$1,000,000</b>						
2020	2.3	--	5	8.6	1,275	27.2
2021	1.8	--	3	15.0	1,241	37.1
<b>Revenue Not Available</b>						
2020	5.4	--	43	74.1	2,528	53.8
2021	4.9	--	10	50.0	310	9.3
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>58</b>	<b>100.0</b>	<b>4,696</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>20</b>	<b>100.0</b>	<b>3,349</b>	<b>100.0</b>
<i>Source: 2020 &amp; 2021 D&amp;B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Distribution of Open-End Home Mortgage Loans by Borrower Income Level						
Assessment Area: Punta Gorda MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	17.3	8.1	0	0.0	0	0.0
2021	17.3	--	0	0.0	0	0.0
Moderate						
2020	20.7	18.3	1	10.0	33	2.3
2021	20.7	--	3	30.0	314	33.1
Middle						
2020	21.8	23.2	1	10.0	240	16.5
2021	21.8	--	3	30.0	190	20.0
Upper						
2020	40.2	43.9	7	70.0	1,172	80.8
2021	40.2	--	4	40.0	445	46.9
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>10</b>	<b>100.0</b>	<b>1,451</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>10</b>	<b>100.0</b>	<b>948</b>	<b>100.0</b>

*Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

## INDIANA

**CRA RATING FOR (RATED AREA #2): SATISFACTORY**

**The Lending Test is rated: High Satisfactory**

**The Investment Test is rated: High Satisfactory**

**The Service Test is rated: Low Satisfactory**

### INDIANAPOLIS-CARMEL-ANDERSON, IN MSA – Full-Scope Review

#### DESCRIPTION OF INSTITUTION’S OPERATIONS IN INDIANAPOLIS-CARMEL-ANDERSON, IN MSA

The Indianapolis MSA assessment area includes the entirety of Marion and Hamilton counties in central Indiana, where the city of Indianapolis is located. Busey Bank operates one office in this assessment area.

## **Economic and Demographic Data**

The assessment area consist of all 263 tracts in Marion and Hamilton County. According to 2015 ACS data, these tracts reflect the following income designations:

- 59 low-income tracts
- 79 moderate-income tracts
- 60 middle-income tracts
- 64 upper-income tracts
- 1 tract with no income designation

The following table details select economic and demographic characteristics of the assessment area.

<b>Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Indianapolis MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	263	22.4	30.0	22.8	24.3	0.4
Population by Geography	1,222,970	15.7	26.2	24.1	33.8	0.2
Housing Units by Geography	532,868	17.5	28.3	23.0	31.0	0.2
Owner-Occupied Units by Geography	282,096	9.5	19.9	27.7	42.9	0.1
Occupied Rental Units by Geography	189,715	24.1	38.5	18.7	18.4	0.3
Vacant Units by Geography	61,057	33.8	35.7	15.1	14.8	0.6
Businesses by Geography	165,750	14.0	22.7	25.1	38.0	0.2
Farms by Geography	3,179	11.3	20.0	27.5	41.1	0.2
Family Distribution by Income Level	289,775	24.9	16.9	18.0	40.3	0.0
Household Distribution by Income Level	471,811	26.3	16.9	17.0	39.9	0.0
Median Family Income MSA - 26900 Indianapolis-Carmel-Anderson, IN MSA		\$66,803	Median Housing Value			\$144,443
			Median Gross Rent			\$830
			Families Below Poverty Level			13.0%

*Source: 2015 ACS and 2021 D&B Data. Due to rounding, totals may not equal 100.0%*  
 (\*) The NA category consists of geographies that have not been assigned an income classification.

## **Competition**

The assessment area is highly competitive in the market for financial services. According to FDIC Deposit Market Share data as of June 30, 2021, 31 banks operated out of 293 locations within the assessment area. Out of these banks, Busey Bank was ranked 22nd with 0.2 percent of the overall market share by number. The top five banks combined amounted for 64.5 percent of the total market share.

According to 2020 HMDA aggregate data, Busey Bank ranked 86<sup>th</sup> with a market share of 0.2 percent by number of loans among institutions that reported home mortgage originations or purchases in the assessment area. According to 2020 CRA aggregate data, Busey Bank ranked 32<sup>nd</sup> with 0.5 percent of the market share by number.

### **Community Contacts**

Examiners reviewed two recent contacts within the MSA. Examiners previously contacted a small business development organization and a housing resource organization located within the assessment area. The small business contact stated that there is a need for small business lending and educational opportunities for small business financial literacy courses. The contact emphasized the need for financing opportunities for newer small businesses, as established businesses with banking relationships do not face the same difficulties. The housing resource contact stated that there is an increased need for affordable housing. Additionally, the contact stated that local banks offer credit products for low- and moderate-income borrowers, but additional outreach must be conducted to reach the target borrowers.

### **Credit and Community Development Needs and Opportunities**

As discussed above, examiners determined that affordable housing, community services, small business financing, and small business financial education remain significant needs in the assessment area. In conjunction with affordable housing, outreach programs showcasing loan programs tailored to the needs of low- and moderate-income borrowers are needed. Additionally, start-up small business lending is needed in tandem with small business financial literacy education. Opportunities for revitalization and stabilization continue to exist in the assessment area's low- and moderate-income census tracts. Finally, over 40 percent of the assessment areas families are considered low- or moderate-income. Community services for these families remain a significant need.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN INDIANAPOLIS MSA**

### **LENDING TEST**

Busey Bank demonstrated good performance under the Lending Test within the Indianapolis MSA rated area. Good performance throughout Lending Activities, Geographic Distribution, and Borrower Profile primarily supports this conclusion.

### **Lending Activity**

Lending levels reflect good responsiveness to assessment area credit needs. The following table reflects the bank's 2020 and 2021 assessment area lending. Busey Bank has a relatively small share of the market for both loans and deposits, as discussed previously. While this area accounts for just 1.0 percent of overall deposits, the bank's concentration of lending in this assessment area is 3.2 percent. The bank saw a decrease in overall lending from 2020 to 2021, largely based on changing market conditions.

<b>Lending Activity – Indianapolis MSA</b>				
<b>Loan Product</b>	<b>2020 #</b>	<b>2020 \$(000s)</b>	<b>2021 #</b>	<b>2021 \$(000s)</b>
Closed-End Home Mortgage	185	46,550	88	20,850
Open-End Home Mortgage	24	2,756	25	4,477
<b><i>Subtotal: Home Mortgage</i></b>	<b>209</b>	<b>49,306</b>	<b>113</b>	<b>25,327</b>
Small Business	145	20,398	106	18,588
Small Farm	0	-	1	78
<b>TOTAL</b>	<b>354</b>	<b>69,704</b>	<b>220</b>	<b>43,993</b>
<i>Source: Bank Data</i>				

### **Geographic Distribution**

The geographic distribution of loans reflects good penetration throughout the assessment area. Excellent closed-end home mortgage lending performance accompanied by adequate small business and open-end home mortgage lending performance supports this conclusion.

#### ***Closed-End Home Mortgage Loans***

The distribution of closed-end home mortgage loans reflects excellent penetration throughout the assessment area. As shown in the following table, the bank’s lending to both low- and moderate-income tract segments significantly exceeded aggregate data in 2020 and performance continued to trend upwards in 2021.

Geographic Distribution of Closed-End Home Mortgage Loans							
Assessment Area: Indianapolis MSA							
Tract Income Level		% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low							
	2020	9.5	5.2	21	11.4	2,692	5.8
	2021	9.5	--	17	19.3	2,477	11.9
Moderate							
	2020	19.9	13.9	50	27.0	6,768	14.5
	2021	19.9	--	35	39.8	8,418	40.4
Middle							
	2020	27.7	25.5	46	24.9	10,188	21.9
	2021	27.7	--	21	23.9	4,503	21.6
Upper							
	2020	42.9	55.3	68	36.8	26,903	57.8
	2021	42.9	--	15	17.0	5,451	26.1
Not Available							
	2020	0.1	0.0	0	0.0	0	0.0
	2021	0.1	--	0	0.0	0	0.0
<b>Totals</b>							
	<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>185</b>	<b>100.0</b>	<b>46,550</b>	<b>100.0</b>
	<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>88</b>	<b>100.0</b>	<b>20,850</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available.</i>							
<i>Due to rounding, totals may not equal 100.0%</i>							

### ***Small Business Loans***

The distribution of small business loans reflects adequate penetration throughout the assessment area. The bank's lending performance in low-income tracts slightly exceeded the aggregate data in 2020, improved in 2021, and was similar to the business demographics in each year. The bank's performance in moderate-income tracts somewhat lagged the aggregate data in 2020 prior to improving in 2021.

Geographic Distribution of Small Business Loans							
Assessment Area: Indianapolis MSA							
Tract Income Level		% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low							
	2020	12.8	10.2	17	11.7	4,493	22.0
	2021	14.0	--	14	13.2	1,665	9.0
Moderate							
	2020	21.8	17.8	18	12.4	2,275	11.2
	2021	22.7	--	15	14.2	2,178	11.7
Middle							
	2020	25.6	25.4	32	22.1	5,098	25.0
	2021	25.1	--	28	26.4	4,897	26.3
Upper							
	2020	39.6	46.3	76	52.4	8,269	40.5
	2021	38.0	--	48	45.3	9,686	52.1
Not Available							
	2020	0.2	0.2	2	1.4	263	1.3
	2021	0.2	--	1	0.9	162	0.9
<b>Totals</b>							
	<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>145</b>	<b>100.0</b>	<b>20,398</b>	<b>100.0</b>
	<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>106</b>	<b>100.0</b>	<b>18,588</b>	<b>100.0</b>

*Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%*

### ***Open-End Home Mortgage Loans***

The geographic distribution of open-end home mortgage loans reflects adequate penetration throughout the assessment area. The bank did not originate any open-end home mortgage loans within low-income tracts in 2021 and did not originate any such loans in moderate-income tracts in 2020. The bank's small volume of overall open-end lending within the assessment area places a high weight on each individual loan, with a small number of loans contributing to a high level of impact on the bank's overall performance. This is illustrated by the bank ratio being comparable to aggregate with one loan in low-income tracts in 2020. The improvement in the moderate-income tracts in 2021 offsets the lack of lending those tracts in 2020. The following table details the geographic distribution of open-end home mortgage lending.

Geographic Distribution of Open-End Home Mortgage Loans						
Assessment Area: Indianapolis MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	9.5	4.1	1	4.2	100	3.6
2021	9.5	--	0	0.0	0	0.0
Moderate						
2020	19.9	10.6	0	0.0	0	0.0
2021	19.9	--	3	12.0	288	6.4
Middle						
2020	27.7	23.0	5	20.8	444	16.1
2021	27.7	--	7	28.0	1,101	24.6
Upper						
2020	42.9	62.3	18	75.0	2,212	80.3
2021	42.9	--	15	60.0	3,088	69.0
Not Available						
2020	0.1	0.0	0	0.0	0	0.0
2021	0.1	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>24</b>	<b>100.0</b>	<b>2,756</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>25</b>	<b>100.0</b>	<b>4,477</b>	<b>100.0</b>

Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%

## **Borrower Profile**

The distribution of borrowers reflects good penetration to individuals of different income levels and business and farms of different sizes. The conclusion is supported by excellent performance for closed-end home mortgage lending and adequate performance for small business and open-end home mortgage lending.

### ***Closed-End Home Mortgage Loans***

The distribution of closed-end home mortgage loans reflects excellent penetration to retail customers of different income levels. As shown in the following table, the bank's lending to both low- and moderate-income borrowers significantly exceeded aggregate data in 2020. Lending performance in both of these income categories increased from 2020 to 2021.

<b>Distribution of Closed-End Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: Indianapolis MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2020	24.9	7.6	34	18.4	3,775	8.1
2021	24.9	--	30	34.1	4,538	21.8
<b>Moderate</b>						
2020	16.9	17.2	52	28.1	7,999	17.2
2021	16.9	--	29	33.0	5,175	24.8
<b>Middle</b>						
2020	18.0	18.8	20	10.8	3,302	7.1
2021	18.0	--	10	11.4	1,910	9.2
<b>Upper</b>						
2020	40.3	38.1	72	38.9	19,524	41.9
2021	40.3	--	15	17.0	6,122	29.4
<b>Not Available</b>						
2020	0.0	18.3	7	3.8	11,949	25.7
2021	0.0	--	4	4.5	3,104	14.9
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>185</b>	<b>100.0</b>	<b>46,550</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>88</b>	<b>100.0</b>	<b>20,850</b>	<b>100.0</b>

*Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%*

### ***Small Business Loans***

The distribution of small business loans reflects adequate penetration to businesses of different sizes. While the following table includes all originations, examiners considered the high volume of PPP loans originated by the bank, for which revenues were not consistently reported. Considering only non-PPP loans, the bank's level of lending to businesses with revenues of \$1 million or less consisted of 36.4 percent of loans by number in 2020, and 48.9 percent of loans by number in 2021. This 2020 performance was similar to that of aggregate data.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: Indianapolis MSA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<b>&lt;=\$1,000,000</b>						
2020	87.1	36.3	23	15.9	4,570	22.4
2021	89.4	--	34	32.1	6,919	37.2
<b>&gt;\$1,000,000</b>						
2020	4.6	--	40	27.6	9,455	46.4
2021	3.6	--	38	35.8	9,894	53.2
<b>Revenue Not Available</b>						
2020	8.2	--	82	56.6	6,373	31.2
2021	7.1	--	34	32.1	1,775	9.5
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>145</b>	<b>100.0</b>	<b>20,398</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>106</b>	<b>100.0</b>	<b>18,588</b>	<b>100.0</b>

*Source: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%*

### ***Open-End Home Mortgage Loans***

The distribution of open-end home mortgage loans reflects adequate penetration to retail customers of different income levels. As shown in the following table, the bank did not originate any open-end home mortgage loans to low-income borrowers in either year. However, this is reasonable due to the small percentage of originations by aggregate lenders in 2020 and the small number of bank loans in each year. For moderate-income borrowers, the bank originated loans at a rate comparable to aggregate data in 2020, with lending performance decreasing in 2021 to one loan.

<b>Distribution of Open-End Home Mortgage Loans by Borrower Income Level</b>						
<b>Assessment Area: Indianapolis MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2020	24.9	6.6	0	0.0	0	0.0
2021	24.9	--	0	0.0	0	0.0
<b>Moderate</b>						
2020	16.9	14.1	4	16.7	676	24.5
2021	16.9	--	1	4.0	68	1.5
<b>Middle</b>						
2020	18.0	19.3	3	12.5	175	6.4
2021	18.0	--	5	20.0	687	15.3
<b>Upper</b>						
2020	40.3	57.3	15	62.5	1,695	61.5
2021	40.3	--	18	72.0	3,622	80.9
<b>Not Available</b>						
2020	0.0	2.7	2	8.3	211	7.6
2021	0.0	--	1	4.0	100	2.2
<b>Totals</b>						
<b>2020</b>	<b>100.0</b>	<b>100.0</b>	<b>24</b>	<b>100.0</b>	<b>2,756</b>	<b>100.0</b>
<b>2021</b>	<b>100.0</b>	<b>--</b>	<b>25</b>	<b>100.0</b>	<b>4,477</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

### **Innovative or Flexible Lending Practices**

The institution makes extensive use of innovative and flexible lending practices in order to serve assessment area credit needs. As shown in the following table, the bank funded 165 innovative and flexible loans totaling more than \$27.9 million during the evaluation period, and 137 of these loans over the last two calendar years. These loans provided credit to individuals and businesses that may not have otherwise qualified for traditional bank financing. MyCommunity Home Loans, a bank-specific product, comprised 104 of these loans.

Innovative or Flexible Lending Programs – Indianapolis MSA								
Type of Program	2019		2020		2021		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Home Mortgage	25	4,480	71	10,852	63	10,538	159	25,870
Small Business	3	770	0	0	3	1,252	6	2,022
<b>Totals</b>	<b>28</b>	<b>5,250</b>	<b>71</b>	<b>10,852</b>	<b>66</b>	<b>11,790</b>	<b>165</b>	<b>27,892</b>
<i>Source: Bank Records</i>								

### **Community Development Loans**

The institution is a leader in making community development loans. Over the evaluation period, Busey Bank originated 5 community development loans totaling \$7.9 million in the assessment area. Busey Bank also originated 15 additional community development loans totaling \$33.8 million within the state of Indiana and outside of the bank’s assessment area. As Busey Bank meets the needs of the assessment area, these loans provide additional support for community development. By dollar amount, this represents 6.0 percent of community development loans originated by the bank, which greatly exceeds the ratio of deposits in the assessment area. The following table depicts the community development loans for this evaluation period.

Community Development Lending - Indianapolis MSA										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
2019 (Partial)	-	-	-	-	2	6,740	-	-	2	6,740
2020	1	300	-	-	-	-	1	500	2	800
2021	1	396	-	-	-	-	-	-	1	396
2022 (YTD)	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2</b>	<b>696</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>6,740</b>	<b>1</b>	<b>500</b>	<b>5</b>	<b>7,936</b>
<i>Source: Bank Data</i>										

### **INVESTMENT TEST**

Busey Bank demonstrated good performance under the Investment Test in the Indianapolis MSA. The bank’s excellent level of qualified investments and good responsiveness to community development needs primarily supports this rating.

### **Investment and Grant Activity**

The institution has an excellent level of qualified community development, investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors. The bank made a total of \$11.1 million in qualified investments in the Indianapolis MSA, including prior period investments and qualified donations, and an additional investment in the greater statewide area for \$273,000. This level of activity represents 4.8 percent by dollar volume of the bank’s total qualified investment and donation activity, significantly exceeding the 1.0 percent of bank deposits within this assessment area. The number and dollar volume of community development investments and donations in this assessment area increased since the last evaluation,

when the bank made seven investments totaling \$2.0 million and four donations totaling \$4,000. The following table details the bank’s qualified investments and donations by purpose and year.

<b>Qualified Investments by Year</b>										
<b>Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Total</b>	
	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>	<b>#</b>	<b>\$</b>
Prior Period	2	0	2	329	-	-	-	-	4	329
2019 (Partial)	-	-	1	151	-	-	1	1,880	2	2,031
2020	-	-	-	-	-	-	-	-	-	-
2021	-	-	1	570	-	-	1	2,173	2	2,742
2022 (YTD)	1	5,000	-	-	-	-	3	1,212	4	6,212
<b>Subtotal</b>	<b>3</b>	<b>5,000</b>	<b>4</b>	<b>1,050</b>	-	-	<b>5</b>	<b>5,265</b>	<b>12</b>	<b>11,315</b>
Grants & Donations	3	5	5	5	-	-	-	-	8	10
<b>Total</b>	<b>6</b>	<b>5,005</b>	<b>9</b>	<b>1,055</b>	-	-	<b>5</b>	<b>5,265</b>	<b>20</b>	<b>11,325</b>

*Source: Bank Data*

Notable examples of community development investments made by the bank in the assessment area include the following:

- Invested \$2.1 million in a New Market Tax Credit investment to fund the construction and renovation of two residential housing projects that include 40 homes located in highly-distressed neighborhoods.
- Invested \$1.8 million in Historic Tax Credits to fund the rehabilitation and re-use of historic buildings in a low-income census tract to house a gym, office spaces, restaurant, and retail space.
- Invested \$570,000 to provide financing for a school district that primarily serves low- and moderate-income students.

**Responsiveness to Credit and Community Development Needs**

The institution exhibits good responsiveness to credit and community development needs. Examiners identified affordable housing, community services, and small business financing as needs in the assessment area. The bank made investments and donations supporting affordable housing and community services tailored to the needs of low- and moderate-income families.

**Community Development Initiatives**

The institution occasionally uses innovative and/or complex investments to support community development initiatives. Some of the bank’s investments exhibited complex characteristics, such as the investments in the New Market Tax Credit to fund residential housing projects in distressed neighborhoods.

**SERVICE TEST**

Busey Bank demonstrated adequate performance under the Service Test within the Indianapolis MSA rated area. Performance under the retail service criteria supports this conclusion.

**Accessibility of Delivery Systems**

The bank’s delivery systems are accessible to limited portions of the institution’s assessment area. The bank’s sole location in Indiana is located in an upper-income census tract in Hamilton County. The location consists of a full-service branch with a drive-up and onsite ATM. The branch does not offer extended or weekend hours. As previously mentioned, the bank’s other alternative delivery services are available to all customers throughout the assessment area.

<b>Branch and ATM Distribution by Geography Income Level</b>												
<b>Assessment Area: Indianapolis MSA</b>												
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>		<b>Open Branches</b>		<b>Closed Branches</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	59	22.4	191,835	15.7	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	79	30.0	320,929	26.2	0	0.0	0	0.0	0	0.0	0	0.0
Middle	60	22.8	294,533	24.1	0	0.0	0	0.0	0	0.0	0	0.0
Upper	64	24.3	413,541	33.8	1	100.0	1	100.0	0	0.0	0	0.0
NA	1	0.4	2,132	0.2	0	0.0	0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>263</b>	<b>100.0</b>	<b>1,222,970</b>	<b>100.0</b>	<b>0</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>0</b>	<b>100.0</b>	<b>0</b>	<b>100.0</b>

*Source: 2015 ACS & Bank Data. Due to rounding, totals may not equal 100.0%*

**Changes in Branch Locations**

The bank did not open or close any branches in this assessment area during the evaluation period. Therefore, this criterion did not affect the Service Test rating.

**Reasonableness of Business Hours and Services**

Services and business hours do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. Busey Bank’s hours are convenient and comparable to other nearby financial institutions.

**Community Development Services**

The institution provides a relatively high level of community development services. Busey Bank conducted seven qualified community service activities in this area since the prior examination, an increase over the three qualified activities at the prior evaluation. This level of activity represents 1.2 percent of the bank’s overall services, which slightly exceeds the ratio of deposits in the assessment area. A summary of the community development services since the previous evaluation is illustrated in the following table.

<b>Community Development Services – Indianapolis MSA</b>					
<b>Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Total</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2019 (Partial)	-	-	-	-	-
2020	-	-	-	-	-
2021	2	-	-	-	<b>2</b>
2022 (YTD)	-	5	-	-	<b>5</b>
<b>Total</b>	<b>2</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>7</b>
<i>Source: Bank Data</i>					

The following are examples of community development services provided by the bank in the Indianapolis MSA:

- One employee provided two separate training sessions on credit, saving, and applying for a mortgage. The presentations were made to low- and moderate-income individuals at an affordable housing organization approved by the Department of Housing and Urban Development.
- One employee provided three additional financial educational sessions to low- and moderate-income individuals at a local neighborhood center.

## APPENDICES

### LARGE BANK PERFORMANCE CRITERIA

#### **Lending Test**

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
  - i. The proportion of the bank's lending in the bank's assessment area(s);
  - ii. The dispersion of lending in the bank's assessment areas(s); and
  - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
  - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
  - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
  - iii. Small business and small farm loans by loan amount at origination; and
  - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

#### **Investment Test**

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

## Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

## SCOPE OF EVALUATION

<b>SCOPE OF EVALUATION</b>	
<b>TIME PERIOD REVIEWED</b>	January 14, 2019 – March 25, 2022
<b>FINANCIAL INSTITUTION</b>	Busey Bank
<b>PRODUCTS REVIEWED</b>	Closed-end home mortgage, open-end home mortgage, small business, and small farm loans

<b>LIST OF ASSESSMENT AREAS AND TYPE OF EVALUATION</b>			
<b>ASSESSMENT AREA</b>	<b>TYPE OF EXAMINATION</b>	<b>BRANCHES VISITED</b>	<b>OTHER INFORMATION</b>
Champaign – Urbana, IL MSA	Full-Scope	None	None
Chicago – Naperville – Evanston, IL MD	Full-Scope	None	None
Peoria, IL MSA	Full-Scope	None	None
Illinois Non-MSA	Full-Scope	None	None
Decatur, IL, MSA	Limited-Scope	None	None
Bloomington – Pontiac, IL MSA	Limited-Scope	None	None
St. Louis, MO – IL MSA	Full-Scope	None	None
Cape Coral – Fort Myers, FL MSA	Full-Scope	None	None
North Port – Sarasota – Bradenton, FL MSA	Full-Scope	None	None
Punta Gorda, FL MSA	Limited-Scope	None	None
Indianapolis – Carmel – Anderson, IN MSA	Full-Scope	None	None

## SUMMARY OF RATINGS FOR RATED AREAS

<b>Rated Area</b>	<b>Lending Test</b>	<b>Investment Test</b>	<b>Service Test</b>	<b>Rating</b>
Illinois	Low Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
St. Louis Multistate MSA	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Florida	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
Indiana	High Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory

## DESCRIPTION OF LIMITED-SCOPE ASSESSMENT AREAS

### Rated Area: Illinois

### Bloomington, IL MSA

The Bloomington MSA consists of all of McLean County, Illinois. The following table details select demographic and economic information for the assessment area.

<b>Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Bloomington MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	41	9.8	17.1	53.7	19.5	0.0
Population by Geography	173,114	6.4	13.6	53.5	26.5	0.0
Housing Units by Geography	70,897	5.9	15.3	55.1	23.7	0.0
Owner-Occupied Units by Geography	42,905	2.3	14.3	53.9	29.5	0.0
Occupied Rental Units by Geography	22,441	10.9	16.4	57.4	15.3	0.0
Vacant Units by Geography	5,551	13.3	19.0	54.5	13.2	0.0
Businesses by Geography	10,457	8.4	12.6	54.2	24.7	0.0
Farms by Geography	647	1.7	7.1	68.6	22.6	0.0
Family Distribution by Income Level	40,488	19.4	17.3	22.2	41.1	0.0
Household Distribution by Income Level	65,346	25.4	14.9	17.4	42.3	0.0
Median Family Income MSA - 14010 Bloomington, IL MSA		\$83,034	Median Housing Value			\$155,857
			Median Gross Rent			\$790
			Families Below Poverty Level			6.8%

*Source: 2015 ACS and 2021 D&B Data. Due to rounding, totals may not equal 100.0%*  
 (\*) The NA category consists of geographies that have not been assigned an income classification.

According to Moody’s Analytics, the Bloomington MSA is struggling to grow and has stagnated over the last few years. The area is anchored by Illinois State University, state government, and State Farm Insurance. While unemployment has declined from pandemic highs to a current 3.7 percent, the expansion of remote-work has limited growth. The largest employers in the MSA are State Farm, Illinois State University, and CC Services Inc.

With respect to market share, Busey Bank is ranked fifth in deposit market share, accounting for 10.0 percent of area deposits according to FDIC Deposit Market Share data as of June 30, 2021. The deposit market consists of 34 banks operating 77 offices within the assessment area. According to 2020 HMDA aggregate data, Busey Bank was ranked second out of 301 HMDA lenders, with 6.0 percent of the market share. Finally, according to 2020 CRA aggregate data, Busey Bank was second out of 78 reporting lenders, with 9.0 percent of the market share.

## Decatur, IL MSA

The Bloomington MSA consists of all of Macon County, Illinois. The following table details select demographic and economic information for the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Decatur MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	34	23.5	14.7	32.4	29.4	0.0
Population by Geography	109,193	18.5	11.6	34.5	35.4	0.0
Housing Units by Geography	50,391	20.4	12.5	33.3	33.8	0.0
Owner-Occupied Units by Geography	30,995	9.4	9.5	37.9	43.2	0.0
Occupied Rental Units by Geography	13,920	39.5	16.0	26.3	18.1	0.0
Vacant Units by Geography	5,476	33.9	20.7	25.3	20.0	0.0
Businesses by Geography	6,283	27.2	11.9	27.9	33.0	0.0
Farms by Geography	334	7.8	4.2	44.0	44.0	0.0
Family Distribution by Income Level	27,658	22.9	16.9	20.1	40.1	0.0
Household Distribution by Income Level	44,915	25.4	15.2	17.1	42.2	0.0
Median Family Income MSA - 19500 Decatur, IL MSA		\$60,745	Median Housing Value			\$89,013
			Median Gross Rent			\$646
			Families Below Poverty Level			13.6%
<i>Source: 2015 ACS and 2021 D&amp;B Data. Due to rounding, totals may not equal 100.0%</i> (*) The NA category consists of geographies that have not been assigned an income classification.						

Decatur MSA's economy is highly reliant on a small number of manufacturers in the area. According to November 2021 data from Moody's Analytics, the area has affordable housing relative to the state, but has seen a slower recovery from the pandemic, as manufacturing has not returned to pre-pandemic levels. The area's largest employers include Archer Daniels Midland Co., Decatur Memorial Hospital, Caterpillar Inc., and St. Mary's Hospital.

According to FDIC Deposit Market Share data as of June 30, 2021, Busey Bank has the highest deposit market share among the 13 banks in the area with 22.7 percent of deposits. Busey Bank was the fourth-ranked home mortgage lender in the assessment area according to 2020 HMDA aggregate data with 5.2 percent of the market share. Within CRA aggregate data, Busey Bank ranked second out of 60 reporting lenders, encompassing 12.1 percent of the market share.

**Rated Area: Florida**

**Punta Gorda, FL MSA**

The Punta Gorda MSA consists of the entirety of Charlotte County, Florida. The following table details select demographic and economic information for the assessment area.

<b>Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Punta Gorda MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	39	0.0	15.4	59.0	23.1	2.6
Population by Geography	165,783	0.0	14.4	69.7	15.8	0.0
Housing Units by Geography	101,195	0.0	13.1	66.8	20.1	0.0
Owner-Occupied Units by Geography	56,019	0.0	10.7	70.6	18.6	0.0
Occupied Rental Units by Geography	15,837	0.0	23.5	66.1	10.4	0.0
Vacant Units by Geography	29,339	0.0	12.1	59.9	28.1	0.0
Businesses by Geography	27,830	0.0	16.2	65.6	18.1	0.0
Farms by Geography	933	0.0	25.5	62.8	11.7	0.0
Family Distribution by Income Level	46,876	17.3	20.7	21.8	40.2	0.0
Household Distribution by Income Level	71,856	21.4	17.9	19.3	41.4	0.0
Median Family Income MSA - 39460 Punta Gorda, FL MSA		\$54,478	Median Housing Value			\$160,661
			Median Gross Rent			\$912
			Families Below Poverty Level			8.3%

*Source: 2015 ACS and 2021 D&B Data. Due to rounding, totals may not equal 100.0%*  
 (\*) The NA category consists of geographies that have not been assigned an income classification.

According to data from Moody’s Analytics, the Punta Gorda MSA has seen a positive recovery since the COVID-19 Pandemic, outpacing much of the central Florida area. The area serves as a vacation hotspot and derives much of its economy from domestic tourism. The largest employers in the area are Walmart Supercenter, Publix Super Markets Inc., and Humana Market Point.

According to June 30, 2021 FDIC Deposit Market Share, Busey Bank was ranked 13<sup>th</sup> for deposits, encompassing 1.3 percent of the market share. There were fourteen FDIC-insured banks in the assessment area at that time. Busey Bank has since closed their sole location in the assessment area. According to 2020 HMDA aggregate data, Busey Bank was ranked 93<sup>rd</sup> out of 732 lenders with 0.2 percent of the market share. Within 2020 CRA aggregate data, Busey Bank was ranked 17<sup>th</sup> out of 106 reporting lenders with 1.3 percent of the market share.

## GLOSSARY

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**Community Development:** For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

**Community Development Corporation (CDC):** A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

**Community Development Financial Institutions (CDFIs):** CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

**Community Development Loan:** A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
  - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
  - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

**Community Development Service:** A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**Distressed Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

**Low Income Housing Tax Credit:** The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Micropolitan Statistical Area:** CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area (also known as non-MSA):** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Investment Company (SBIC):** SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

**Small Business Loan:** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

**Small Farm Loan:** A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Underserved Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

**Upper-Income:** Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.