

# Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

## Part I Reporting Issuer

1 Issuer's name <b>First Busey Corporation</b>		2 Issuer's employer identification number (EIN) <b>37-1078406</b>	
3 Name of contact for additional information <b>Robin Elliott</b>	4 Telephone No. of contact <b>217-365-4120</b>	5 Email address of contact <b>Robin.Elliott@busey.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>100 W. University Avenue</b>		7 City, town, or post office, state, and Zip code of contact <b>Champaign, Illinois 61820</b>	
8 Date of action <b>October 1, 2017</b>	9 Classification and description <b>See attachment.</b>		
10 CUSIP number <b>319383204</b>	11 Serial number(s)	12 Ticker symbol <b>BUSE</b>	13 Account number(s)

## Part II Organizational Action

Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► **See attachment.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► **See attachment.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► **See attachment.**

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ **See attachment.**

Multiple horizontal lines for listing applicable Internal Revenue Code sections and subsections.

18 Can any resulting loss be recognized? ▶ **See attachment.**

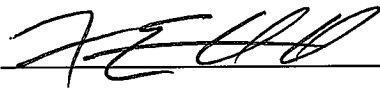
Multiple horizontal lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **See attachment.**

Multiple horizontal lines for providing other information necessary to implement the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature ▶  Date ▶ 10/26/2017

Print your name ▶ **Robin Elliott** Title ▶ **CFO**

**Paid Preparer Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶	Firm's EIN ▶		Phone no.	
Firm's address ▶				

First Busey Corporation  
EIN: 37-1078406  
Attachment to Form 8937

**Part I. Reporting Issuer**

**Item 9.**

The securities subject to reporting include all shares of First Busey Corporation ("First Busey") common stock issued in exchange for the outstanding common stock of Mid Illinois Bancorp, Inc. ("Mid Illinois") as a result of the merger of Mid Illinois with and into First Busey on October 1, 2017 (the "Merger").

**Part II. Organizational Action**

**Item 14.**

The organizational action involves the Merger of Mid Illinois with and into First Busey on October 1, 2017 pursuant to the Agreement and Plan of Merger, dated March 13, 2017 between First Busey and Mid Illinois (the "Merger Agreement"). As a result of the Merger, each share of Mid Illinois common stock issued and outstanding as of the effective time was converted into and constituted the right to receive, at the election of the shareholder, either (i) \$227.94 in cash (the "Cash Consideration Option"), (ii) 7.5149 shares of First Busey common stock or (iii) a combination of \$68.38 in cash and 5.2604 shares of First Busey common stock, subject to certain adjustments and proration. In the aggregate, 30% of the outstanding shares of Mid Illinois common stock were converted into the right to receive cash consideration and 70% of the outstanding shares of Mid Illinois common stock were converted into the right to receive shares of First Busey common stock. Mid Illinois shareholders electing the Cash Consideration Option were subject to proration under the terms of the Merger Agreement and ultimately received a mixture of cash and stock consideration. No fractional shares of First Busey common stock were issued to shareholders pursuant to the Merger. To the extent that the exchange of stock pursuant to the Merger would have resulted in the issuance of a fractional share of First Busey common stock to a Mid Illinois shareholder, a cash payment equal to the market value equivalent of the fractional share was paid to such shareholder in lieu of issuing a fractional share of First Busey common stock.

**Item 15.**

First Busey believes that its acquisition of Mid Illinois pursuant to the Merger qualifies as a reorganization within the meaning of Section 368(a)(1) of the Internal Revenue Code of 1986, as amended (the "Code"). In general, and as described in more detail in the final prospectus filed with the Securities and Exchange Commission, the U.S. federal income tax consequences to shareholders who exchanged Mid Illinois common stock pursuant to the Merger are as follows:

### *Shareholders Who Received Solely First Busey Stock*

A shareholder who exchanged all of its shares of Mid Illinois common stock solely for shares of First Busey common stock pursuant to the Merger will not recognize gain or loss in connection with such exchange (other than with respect to cash received in lieu of fractional shares of First Busey common stock). A shareholder's aggregate tax basis in the First Busey common stock received in the Merger in exchange for its Mid Illinois common stock, including any fractional shares deemed received by the shareholder under the treatment discussed below generally will equal such shareholder's aggregate tax basis in the Mid Illinois common stock surrendered by such shareholder in the Merger.

### *Shareholders Who Received a Combination of Shares of First Busey Common Stock and Cash*

A shareholder who exchanged its shares of Mid Illinois common stock for a combination of First Busey common stock and cash (other than cash in lieu of a fractional share of First Busey common stock) pursuant to the Merger generally will recognize gain (but not loss) equal to the lesser of (a) the excess, if any, of the amount of cash plus the fair market value of any First Busey common stock received in the Merger, over such shareholder's adjusted tax basis in the shares of Mid Illinois common stock surrendered in exchange therefor by such shareholder in the Merger and (b) the amount of cash received by such shareholder in the Merger (in each case excluding any cash received in lieu of fractional share interests in First Busey common stock, which shall be treated as discussed below).

Pursuant to Section 358 of the Code, each shareholder will need to allocate its tax basis in the Mid Illinois common stock immediately before the Merger to the shares of First Busey common stock received in the Merger. The aggregate tax basis of First Busey common stock received by each shareholder (including any fractional shares deemed received and exchanged for cash) will equal the aggregate tax basis of such shareholder's Mid Illinois common stock surrendered, (a) decreased by the amount of cash received by such shareholder in the Merger (excluding cash received in lieu of a fractional share of First Busey common stock) and (b) increased by the amount of gain (including any gain treated as a dividend), if any, recognized by the shareholder on the exchange (excluding gain recognized as a result of cash received in lieu of a fractional share of First Busey common stock).

### *Cash in Lieu of a Fractional Share*

A shareholder that received cash in lieu of a fractional share of First Busey common stock generally will be treated as having received such fractional share in the Merger and then as having received cash in exchange for such fractional share. The tax treatment to such shareholder is determined pursuant to Code Section 302(a). Provided the fractional share would have constituted a capital asset in the hands of the shareholder, the shareholder generally will recognize capital gain or loss with respect to the cash payment it receives in lieu of fractional shares measured by the difference between the amount of cash received and the shareholder's adjusted tax basis in the fractional shares, and such gain or loss will be long-term capital gain or loss if, as of the effective date of the Merger, the holding period of such share was greater than one year. Since a shareholder receiving cash in lieu of fractional shares did not receive First Busey common stock in exchange for the fractional share interest, there is no new basis to compute.

### *Separate Blocks of Shares*

If a shareholder of Mid Illinois common stock acquired different blocks of shares at different times or at different prices, any gain or loss will be determined separately with respect to each block of Mid Illinois common stock, and such shareholder's basis and holding period in its First Busey common stock received in the Merger may be determined with reference to each identifiable block of Mid Illinois common stock surrendered in the Merger.

#### Item 16.

Refer to the description of the basis calculation in Part II, Item 15 above. There are several possible methods for determining the fair market value of First Busey common stock. One possible approach is to utilize the NASDAQ Global Select Market closing price on September 29, 2017. The September 29, 2017 closing price of a single share of First Busey common stock on the NASDAQ Global Select Market was \$31.36. Other approaches to determine the fair market value may also be possible. We urge you to consult your tax advisor regarding the calculation of the change in basis in the Merger.

#### Item 17.

First Busey believes that its acquisition of Mid Illinois pursuant to the Merger effected on October 1, 2017, qualifies as a reorganization within the meaning of Code Section 368(a). Consequently, the federal income tax consequences to the Mid Illinois shareholders are determined under Code Sections 302, 354, 356, 358, and 1221.

#### Item 18.

Shareholders receiving (a) solely stock consideration or (b) stock and cash consideration will not recognize any loss, except with respect to any cash received in lieu of fractional shares. A shareholder that received cash in lieu of a fractional share of First Busey common stock generally will be treated as having received such fractional share in the Merger and then as having received the cash in exchange for such fractional share. In general, if capital gain rather than dividend treatment applies to a shareholder who receives cash in lieu of a fractional share, the shareholder will recognize capital loss or gain based on the difference between the amount of cash received and the shareholder's adjusted tax basis in the fractional share. The deductibility of capital losses may be subject to limitations. Shareholders should consult their tax advisors with respect to potential tax consequences to them.

#### Item 19.

This transaction was consummated on October 1, 2017. Consequently, the reportable tax year of the Mid Illinois shareholders for reporting the tax effect of the Merger is the tax year that includes the October 1, 2017 date. The reportable year is the 2017 calendar year for those shareholders who report taxable income on the basis of a calendar year.

**No ruling from the Internal Revenue Service (the "IRS") has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Merger described in this attachment. This attachment is not binding on the IRS, and the IRS and the U.S. Courts could disagree with one or more of the positions described above.**

**The above information does not constitute tax advice. It does not address the tax consequences that may apply to any particular shareholder, and each shareholder is urged to consult his or her own tax advisor regarding the tax consequences of the Merger.**