



First Busey Corporation Third Quarter Earnings Release

Oct 18, 2004

URBANA, Ill., Oct. 18 /PRNewswire-FirstCall/ --

FINANCIAL HIGHLIGHTS

- Net income increased \$474,000 or 8.9% to \$5,784,000 for the quarter ending September 30, 2004, as compared to \$5,310,000 for the comparable period in 2003. For the quarter ending September 30, 2004, earnings per share on a fully-diluted bases were \$0.28, an increase of \$0.02 or 7.7% from \$0.26 for the comparable period in 2003. On a year-to-date basis, net income increased \$1,177,000 or 7.6% to \$16,685,000 as compared to \$15,508,000 for the comparable period in 2003. For the nine-month period ending September 30, 2004, earnings per share on a fully-diluted basis were \$0.81, an increase of \$0.05 or 6.6% from \$0.76 for the comparable period in 2003.
- Net interest income increased \$2,545,000 or 20.7% to \$14,844,000 in the third quarter of 2004 compared to \$12,299,000 during the third quarter of 2003. Interest income increased \$4,864,000 or 26.4% during the third quarter of 2004 compared to the same period in 2003 due primarily to loan growth. Interest expense increased \$2,319,000 or 37.9% due to increases in deposits and long-term debt. On June 1, 2004, First Busey completed the acquisition of First Capital Bank in Peoria, IL. Most of the growth in First Busey's net interest income for the third quarter of 2004 as compared to the same period in 2003 is related to the addition of First Capital Bank.
- Non-interest income increased \$303,000 or 5.3% during the third quarter of 2004 compared to the same period in 2003. Increased service charge income, security gains, and other operating income offset a decline in mortgage banking income during the third quarter of 2004 as compared to the same period in 2003.
- Non-interest expense increased \$1,127,000 or 11.2% to \$11,150,000 during the quarter ended September 30, 2004, as compared to \$10,023,000 during the comparable prior-year period due primarily to growth in salary and benefits, occupancy, and amortization expenses associated with the addition of First Capital Bank.
- It's our pleasure to announce that Douglas C. Mills has been named 2004 Illinois Banker of the Year. Doug was recognized by his fellow Bankers at the Illinois Bankers Association Annual Meeting held in June. Congratulations, Doug!

FINANCIAL SUMMARY

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2004	2003	2004	2003
	(in thousands, except per share data)			
Earnings & Per Share Data				
Net Income	\$5,784	\$5,310	\$16,685	\$15,508
Basic earnings per share	0.28	0.26	0.82	0.76
Fully-diluted earnings per share	0.28	0.26	0.81	0.76

Dividends per share	0.13	0.11	0.38	0.34
Average Balances				
Assets	\$1,913,380	\$1,488,759	\$1,685,603	\$1,454,058
Investment securities	286,687	251,248	243,273	244,538
Loans	1,473,532	1,130,799	1,322,833	1,104,637
Earning assets	1,777,575	1,397,700	1,574,597	1,363,369
Deposits	1,510,088	1,236,251	1,350,329	1,209,860
Stockholders' equity	131,085	123,385	128,501	120,544
Performance Ratios				
Return on average assets	1.20%	1.42%	1.32%	1.43%
Return on average equity	17.51%	17.07%	17.34%	17.20%
Net interest margin	3.39%	3.58%	3.52%	3.62%
Efficiency ratio	52.61%	54.19%	52.27%	54.03%
Loan Performance				
Net credit losses	\$850	\$44	\$1,915	\$107
Accruing loans 90+ days past due			1,215	2,817
Non-accrual loans			947	2,607
Foreclosed assets			4,930	5,461

BUSE ☐
Stock Performance

First Busey Corporation has been trading for six years on The Nasdaq Stock Market. Below is the total return for BUSE in comparison to some other indices for the six-year period ending September 30, 2004.

	Cumulative Total Return	Annualized Total Return
BUSE	77.40%	10.03%
NASDAQ Bank Index	71.83%	9.44%
S&P 500 Index	29.13%	4.35%
NASDAQ Composite	11.98%	1.90%

CONSOLIDATED BALANCE SHEETS
(unaudited) ☐

	September 30, 2004 2003	
	(in thousands except per share data)	
Assets ☐		
Cash and due from banks	\$61,917	\$44,024
Federal funds sold	50,650	-
Investment securities	298,362	251,369
Loans	1,468,259	1,144,846
Less allowance for loan losses	(18,703)	(16,731)
Net loans	1,449,556	1,128,115
Premises and equipment, net	26,179	22,163
Goodwill and other intangibles	35,895	9,535
Other assets	42,939	38,979
Total assets	\$1,965,498	\$1,494,185
Liabilities & Stockholders' Equity		
Non-interest bearing deposits	\$185,723	\$162,616
Interest-bearing deposits	1,372,923	1,050,063
Total deposits	\$1,558,646	\$1,212,679
Federal funds purchased & securities sold under agreements to repurchase	39,025	34,500
Short-term borrowings	11,250	-
Long-term debt	171,796	87,759

Junior subordinated debt		
owed to unconsolidated trust	40,000	25,000
Other liabilities	10,147	9,010
Total liabilities	\$1,830,864	\$1,368,948
Common stock	\$6,291	\$6,291
Surplus	21,447	20,932
Retained earnings	111,244	100,237
Other comprehensive income	9,056	10,322
Treasury stock	(10,529)	(10,731)
Unearned ESOP shares	(2,853)	(1,759)
Deferred compensation for stock grants	(22)	(55)
Total stockholders' equity	\$134,634	\$125,237
Total liabilities & stockholders' equity	\$1,965,498	\$1,494,185
Per Share Data		
Book value per share	\$6.54	\$6.12
Tangible book value per share	\$4.80	\$5.65
Ending number of shares outstanding	20,577,751	20,474,280

CONSOLIDATED STATEMENTS
OF INCOME (unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
	(in thousands, except per share data)			
Interest and fees on loans	\$21,088	\$16,386	\$55,804	\$49,225
Interest on investment securities	2,128	1,994	5,552	6,250
Other interest income	65	37	93	114
Total interest income	\$23,281	\$18,417	\$61,449	\$55,589
Interest on deposits	\$5,961	\$4,592	\$14,858	\$15,192
Interest on short-term borrowings	189	30	352	127
Interest on long-term debt	1,572	933	3,803	2,604
Junior subordinated debt owed to unconsolidated trust	715	563	1,936	1,688
Total interest expense	\$8,437	\$6,118	\$20,949	\$19,611
Net interest income	\$14,844	\$12,299	\$40,500	\$35,978
Provision for loans losses	1,240	448	2,320	1,378
Net interest income after provision	\$13,604	\$11,851	\$38,180	\$34,600
Trust fees	\$1,211	\$1,176	\$4,002	\$3,467
Commissions and brokers' fees	578	565	1,774	1,541
Fees for customer services	2,632	2,376	7,353	6,860
Gain on sale of loans	703	1,359	1,984	5,833
Security gains, net	402	23	1,090	322
Other	495	219	1,546	1,041
Total non-interest income	\$6,021	\$5,718	\$17,749	\$19,064
Salaries and employee benefits	\$6,153	\$5,883	\$17,513	\$17,403
Net occupancy expense	1,081	797	2,898	2,326
Furniture and equipment expenses	649	589	1,772	1,899
Other operating expenses	3,267	2,754	8,630	8,761

Total non-interest expense	\$11,150	\$10,023	\$30,813	\$30,389
Income before income taxes	\$8,475	\$7,546	\$25,116	\$23,275
Income taxes	2,691	2,236	8,431	7,767
Net Income	\$5,784	\$5,310	\$16,685	\$15,508
Common Share Data*				
Basic earnings per share	\$0.28	\$0.26	\$0.82	\$0.76
Fully-diluted earnings per share	\$0.28	\$0.26	\$0.81	\$0.76
Average number of shares outstanding	20,500,424	20,550,576	20,493,753	20,529,095

* Share and per share data have been adjusted to effect a three-for-two common stock split effective August 3, 2004, as if it had occurred on January 1, 2003.

CORPORATE PROFILE

First Busey Corporation is a financial holding company headquartered in Urbana, Illinois. First Busey Corporation has three wholly-owned banking subsidiaries with locations in three states. Busey Bank is headquartered in Urbana, Illinois and has seventeen banking centers serving Champaign, McLean and Ford Counties in Illinois. Busey Bank also has a banking center in Indianapolis, Indiana and loan production offices in Ft. Myers and Naples, Florida. Total assets of Busey Bank were \$1.5 billion as of September 30, 2004. Busey Bank Florida is a federal thrift headquartered in Ft. Myers, Florida with two banking centers located in Cape Coral, Florida. Total assets of Busey Bank Florida were \$162 million as of September 30, 2004. On June 1, 2004, First Busey Corporation completed its acquisition of First Capital Bank in Peoria, Illinois. First Capital Bank has three banking centers in Peoria and one in Pekin, Illinois. Total assets of First Capital Bank as of September 30, 2004 were \$260 million. Busey provides electronic delivery of financial services through Busey e-bank, <http://www.busey.com>.

Busey Investment Group is a wholly-owned subsidiary of First Busey Corporation and owns three subsidiaries. First Busey Trust & Investment Co. specializes in asset management and trust services with approximately \$1.26 billion in assets under care. First Busey Securities, Inc. (member NASD/SIPC) is a full-service broker/dealer subsidiary with approximately \$669 million in assets under care. Busey Insurance Services, Inc. provides personal insurance products and specializes in long-term healthcare insurance.

First Busey Corporation Common Stock is traded on the Nasdaq National Market under the symbol "BUSE." First Busey Corporation has a Repurchase Program in effect under which it is authorized to purchase up to 750,000 shares of stock. BUSE closed on September 30, 2004 at \$19.11, an increase of 6.2% from the adjusted closing price of \$18.00* on December 31, 2003.

SOURCE First Busey Corporation

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(BUSE) □

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ST: Illinois
IN: FIN
SU: ERN

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