UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2004

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
Commission file number 0-15950

FIRST BUSEY CORPORATION
(Exact name of registrant as specified in its Charter)

Nevada	37-1078406
(State or other jurisdiction of incorporation of organization)	(I.R.S. Employer Identification No.)
201 West Main Street Urbana, Illinois	61801
(Address of principal executive offices)	(Zip Code)

(217) 365-4513
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:
None
Securities registered pursuant to Section 12(g) of the Act:
Common Stock, without par value

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 Regulation S-K is not contained herein, and will not be contained to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Indicate by check mark whether registrant is an accelerated filer (as defined in Rule 12b-2 of the Act.). Yes [X] No [ ]

The aggregate market value of the voting and nonvoting Common Stock held by non-affiliates was $238,119,323 based on the closing price for the stock as reported on The Nasdaq Stock Market as of June 30, 2004, or as of the last business day of the registrants most recently completed second fiscal quarter.

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of the latest practicable date.

Class	Outstanding at March 1, 2005
Common Stock, without par value	20,577,651

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement dated March 16, 2005, for First Busey Corporation's Annual Meeting of Stockholders to be held April 26, 2005, (the "2005 Proxy Statement") are incorporated by reference into Part III.

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FIRST BUSEY CORPORATION
Form 10-K Annual Report

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PART I

ITEM 1. BUSINESS

INTRODUCTION

First Busey Corporation ("First Busey" or the "Corporation"), a Nevada Corporation, is a $1.964 billion financial holding company which was initially organized as a bank holding company in 1980. First Busey conducts a broad range of financial services through its banking and non-banking subsidiaries at 26 locations. First Busey is headquartered in Urbana, Illinois and its common stock is traded on The Nasdaq Stock Market under the symbol "BUSE."

BANKING AND NON-BANKING SUBSIDIARIES

First Busey currently has three wholly owned banking subsidiaries located in three states, Busey Bank, Busey Bank Florida and First Capital Bank (the "Banks").

Busey Bank, a state-chartered bank organized in 1868, is a full-service commercial bank offering a wide variety of services to individual, business, institutional and governmental customers, including retail products and services. Busey Bank has 18 locations in Illinois and one in Indianapolis, Indiana.

First Busey acquired Eagle BancGroup, Inc., parent of First Federal Savings & Loan Association ("First Federal"), in October, 1999. First Federal, located in Bloomington, Illinois, was established in 1919 as a federally chartered capital stock savings association. In June, 2000, First Federal changed its name to Busey Bank fsb. At the same time, four of Busey Bank's branches, located in LeRoy and Bloomington, Illinois, were transferred to Busey Bank fsb. In October, 2000, Busey Bank fsb opened an additional branch in Fort Myers, Florida. In November, 2001, Busey Bank fsb transferred its charter to Florida, and changed its name to Busey Bank Florida. Simultaneously, the Illinois assets of Busey Bank fsb were merged into Busey Bank. Busey Bank Florida, a federally chartered savings association, is a full-service bank offering commercial and retail banking services. Busey Bank Florida has one location in Fort Myers, Florida, and two locations in Cape Coral, Florida.

First Busey acquired First Capital Bankshares, Inc., parent of First Capital Bank on June 1, 2004. First Capital Bank has three locations in Peoria, Illinois, and one location in Pekin, Illinois.

The Banks offer a full range of banking services, including commercial, financial, agricultural and real estate loans, and retail banking services, including accepting customary types of demand and savings deposits, making individual, consumer, installment, first mortgage and second mortgage loans, offering money transfers, safe deposit services, IRA, Keogh and other fiduciary services, automated banking and automated fund transfers.

Busey Investment Group, Inc., a wholly owned non-banking subsidiary, is located in Champaign, Illinois. Busey Investment Group is the parent company of: (1) First Busey Trust & Investment Co., which is exclusively dedicated to providing a full range of trust and investment management services, including estate and financial planning, tax preparation, custody services and philanthropic advisory services; (2) First Busey Securities, Inc., which is a full-service broker/dealer and provides individual investment advice; and (3) Busey Insurance Services, Inc., which offers a variety of insurance products. Busey Capital Management is a wholly-owned subsidiary of First Busey Trust & Investment Co.

First Busey Resources, Inc., a wholly owned non-banking subsidiary, located in Urbana, Illinois, owns and manages a hotel property included in repossessed assets and two other real estate properties which are not currently used in banking activities.

First Busey Capital Trust I ("Capital Trust I"), a statutory business trust organized under the Delaware Business Trust Act, was formed in June, 2001. First Busey owns all of the Common Securities of Capital Trust I.

First Busey Statutory Trust II, a statutory business trust, was organized in the state of Connecticut in April, 2004. First Busey owns all of the common securities of First Busey Statutory Trust II.

COMPETITION

The Banks compete actively with national and state banks, savings and loan associations and credit unions for deposits and loans primarily in central and east-central Illinois, southwest Florida, and central Indiana. In addition, First Busey and its non-bank subsidiaries compete with other financial institutions, including asset management and trust companies, security broker/dealers, personal loan companies, insurance companies, finance companies, leasing companies, mortgage companies, and certain governmental agencies, all of which actively engage in marketing various types of loans, deposit accounts, and other products and services.

Based on information obtained from FDIC/OTS Summary of Deposits dated June, 2004, First Busey ranked first in total deposits in Champaign County, second in Ford County, fourth in McLean County, and seventh in Peoria County. Customers for banking services are generally influenced by convenience, quality of service, personal contacts, price of services and availability of products. Although the market share of First Busey varies in different markets, First Busey believes that its affiliates effectively compete with other banks, thrifts and financial institutions in their relevant market areas.

SUPERVISION, REGULATION AND OTHER FACTORS

GENERAL

First Busey is a financial holding company subject to supervision and regulation by the Board of Governors of the Federal Reserve System ("Federal Reserve") under the Bank Holding Company Act ("BHCA"), and by the Illinois Bank Holding Company Act ("IBHCA"). First Busey's state-chartered banks are subject to regulation and examination primarily by the State of Illinois Office of Banks and Real Estate ("SIOBRE") and, secondarily, by the Federal Deposit Insurance Corporation ("FDIC"). First Busey's federally chartered capital stock savings association is subject to regulation and examination primarily by the Office of Thrift Supervision ("OTS") and, secondarily, by the FDIC. Numerous other federal and state laws, as well as regulations promulgated by the Federal Reserve, SIOBRE, FDIC and OTS govern almost all aspects of the operations of the Banks. Various federal and state bodies regulate and supervise First Busey's non-banking subsidiaries including its brokerage, investment advisory and insurance agency operations. These include, but are not limited to, SIOBRE, Federal Reserve, Securities and Exchange Commission, National Association of Securities Dealers, Inc., Illinois Department of Insurance, federal and state banking regulators and various state regulators of insurance and brokerage activities.

Under the Gramm-Leach-Bliley Act (the "Act"), a bank holding company that elects to become a financial holding company may engage in any activity that the Federal Reserve, in consultation with the Secretary of the Treasury, determines by regulation or order is: (1) financial in nature; (2) incidental to any such financial activity; or (3) complementary to any such financial activity and does not pose a substantial risk to the safety or soundness of depository institutions or the financial system generally. This Act makes significant changes in U.S. banking law, principally by repealing certain restrictive provisions of the 1933 Glass-Steagall Act. The Act specifies certain activities that are deemed to be financial in nature, including lending, exchanging, transferring, investing for others, or safeguarding money or securities; underwriting and selling insurance; providing financial, investment, or economic advisory services; underwriting, dealing in, or making a market in, securities; and any activity currently permitted for bank holding companies by the Federal Reserve under Section 4(c)(8) of the BHCA. The Act does not authorize banks or their affiliates to engage in commercial activities that are not financial in nature. A bank holding company may elect to be treated as a financial holding company only if all depository institution subsidiaries of the holding company are well-capitalized, well-managed and have at least a satisfactory rating under the Community Reinvestment Act.

In addition to the Act, there have been a number of legislative and regulatory proposals that would have an impact on bank/financial holding companies and their bank and non-bank subsidiaries. It is impossible to predict whether or in what form these proposals may be adopted in the future and if adopted, what their effect will be on First Busey.

DIVIDENDS

The Federal Reserve has issued a policy statement on the payment of cash dividends by financial holding companies. In the policy statement, the Federal Reserve expressed its view that a bank holding company experiencing weak earnings should not pay cash dividends in excess of its net income or which could only be funded in ways that would weaken its financial health, such as by borrowing. First Busey is also subject to certain contractual and regulatory capital restrictions that limit the amount of cash dividends that First Busey may pay. The Federal Reserve also may impose limitations on the payment of dividends as a condition to its approval of certain applications, including applications for approval of mergers and acquisitions.

The primary sources of funds for First Busey's payment of dividends to its shareholders are dividends and fees to First Busey from its banking and nonbanking affiliates. Various federal and state statutory provisions and regulations limit the amount of dividends that the subsidiary banks of First Busey may pay. Under provisions of the Illinois Banking Act ("IBA"), dividends may not be declared by banking subsidiaries except out of the bank's net profit (as defined), and unless the bank has transferred to surplus at least one-tenth of its net profits since the date of the declaration of the last preceding dividend, until the amount of its surplus is at least equal to its capital.

Federal and state banking regulations applicable to First Busey and its banking subsidiaries require minimum levels of capital, which limit the amounts available for payment of dividends.

CAPITAL REQUIREMENTS

First Busey is required to comply with the capital adequacy standards established by the Federal Reserve, and its banking subsidiaries must comply with similar capital adequacy standards established by the OTS, FDIC, and SIOBRE, as applicable. There are two basic measures of capital adequacy for financial holding companies and their banking subsidiaries that have been promulgated by the Federal Reserve and the FDIC: a risk-based measure and a leverage measure. All applicable capital standards must be satisfied for a bank holding company or a bank to be considered in compliance.

Failure to meet capital guidelines could subject a bank to a variety of enforcement remedies, including issuance of a capital directive, the termination of deposit insurance by the FDIC, a prohibition on the taking of brokered deposits, and certain other restrictions on its business. As described below, substantial additional restrictions can be imposed upon FDIC insured depository institutions that fail to meet applicable capital requirements. See "Prompt Corrective Action."

PROMPT CORRECTIVE ACTION

The Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA") establishes a system of prompt corrective action to resolve the problems of undercapitalized institutions. Under this system the federal banking regulators are required to rate supervised institutions on the basis of five capital categories (well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized) and to take certain mandatory supervisory actions, and are authorized to take other discretionary actions, with respect to institutions in the three undercapitalized categories, the severity of which will depend upon the capital category in which the institution is placed. Generally, subject to a narrow exception, FDICIA requires the banking regulator to appoint a receiver or conservator for an institution that is critically undercapitalized. The federal banking agencies have specified by regulation the relevant capital level for each category.

Pursuant to FDICIA, the Federal Reserve, the FDIC, and the OTS have adopted regulations setting forth a five-tier scheme for measuring the capital adequacy of the financial institutions they supervise. Under the regulations, an institution would be placed in one of the following capital categories: (i) well capitalized (an institution that has a Total Capital ratio of at least 10%, a Tier 1 Capital ratio of at least 6% and a Tier 1 Leverage Ratio of at least 5%); (ii) adequately capitalized (an institution that has a Total Capital ratio of at least 8%, a Tier 1 Capital ratio of at least 4% and a Tier 1 Leverage Ratio of a least 4%); (iii) undercapitalized (an institution that has a Total Capital ratio of under 8%, a Tier 1 Capital ratio of under 4% or a Tier 1 Leverage Ratio of under 4%); (iv) significantly undercapitalized (an institution that has a Total Capital ratio of under 6%, a Tier 1 Capital ratio of under 3% or a Tier 1 Leverage Ratio of under 3%); and (v) critically undercapitalized (an institution whose tangible equity is not greater than 2% of total tangible assets). The regulations permit the appropriate federal banking regulator to downgrade an institution to the next lower category if the regulator determines (i) after notice and opportunity for hearing or response, that the institution is in an unsafe or unsound condition or (ii) that the institution has received (and not corrected) a less-than-satisfactory rating for any of the categories of asset quality, management, earnings or liquidity in its most recent examination. Supervisory actions by the appropriate federal banking regulator depend upon an institution's classification within the five categories. First Busey's management believes that First Busey and its significant bank subsidiaries have the requisite capital levels to qualify as well capitalized institutions under the FDICIA regulations.

FDICIA generally prohibits a depository institution from making any capital distribution (including payment of a dividend) or paying any management fee to its holding company if the depository institution would thereafter be undercapitalized. Undercapitalized depository institutions are subject to restrictions on borrowing from the Federal Reserve System. In addition, undercapitalized depository institutions are subject to growth limitations and are required to submit capital restoration plans. A depository institution's holding company must guarantee the capital plan, up to an amount equal to the lesser of 5% of the depository institution's assets at the time it becomes undercapitalized or the amount of the capital deficiency when the institution fails to comply with the plan. Federal banking agencies may not accept a capital plan without determining, among other things, that the plan is based on realistic assumptions and is likely to succeed in restoring the depository institution's capital. If a depository institution fails to submit an acceptable plan, it is treated as if it is significantly undercapitalized.

Significantly undercapitalized depository institutions may be subject to a number of requirements and restrictions, including orders to sell sufficient voting stock to become adequately capitalized, requirements to reduce total assets and cessation of receipt of deposits from correspondent banks. Critically undercapitalized depository institutions are subject to appointment of a receiver or conservator.

EMPLOYEES

As of December 31, 2004, First Busey and its subsidiaries had a total of 548 employees (full-time and equivalents).

EXECUTIVE OFFICERS

Following is a description of the business experience for at least the past five years of the executive officers of the Corporation.

DOUGLAS C. MILLS. Mr. Mills, age 64, has served as Chairman of the Board and Chief Executive Officer of First Busey Corporation since its incorporation. He has been associated with Busey Bank since 1971 when he assumed the position of Chairman of the Board. Mr. Mills' son is David D. Mills, President of Busey Bank.

BARBARA J. KUHL. Mrs. Kuhl, age 54, has served as President and Chief Operating Officer of First Busey Corporation since November, 2000. Previously, Mrs. Kuhl served in various management capacities since joining Busey Bank in 1974. Mrs. Kuhl is married to P. David Kuhl, Chairman of the Board and Chief Executive Officer of Busey Bank.

P. DAVID KUHL. Mr. Kuhl, age 55, has served as Chairman of the Board and Chief Executive Officer of Busey Bank since January, 2003. Previously, Mr. Kuhl served as President and Chief Executive Officer of Busey Bank from June, 1991. Prior to that, Mr. Kuhl served in various management capacities since joining Busey Bank in 1979. Mr. Kuhl has served on the Board of Directors of Busey Bank since 1991. Mr. Kuhl is married to Barbara J. Kuhl, President and Chief Operating Officer of First Busey Corporation.

DAVID D. MILLS. Mr. Mills, age 34, has served as President and Chief Operating Officer of Busey Bank since January, 2003. Previously, he served as Vice President of First Busey Corporation from December, 2001 to January, 2003. Mr. Mills began his career with Busey Bank in December, 1998, as a Commercial Lending Officer. Mr. Mills' father is Douglas C. Mills, Chairman of the Board of First Busey Corporation.

EDWIN A. SCHARLAU II. Mr. Scharlau, age 60, has served as chairman of the Board of Busey Investment Group, Inc. since January, 2001, and First Busey Securities, Inc. since June, 1994. Mr. Scharlau has also served as Vice-Chairman of the Board of First Busey Corporation since January, 2003. Mr. Scharlau served as Chairman of the Board of Busey Bank from June, 1991, to January, 2003. Mr. Scharlau has been associated with Busey Bank since 1964.

BARBARA J. HARRINGTON. Mrs. Harrington, age 45, has served as Chief Financial Officer of First Busey Corporation since March, 1999. Previously, she served as Controller and Senior Vice President of Busey Bank from December, 1994 to March, 1999. Mrs. Harrington has served in various financial and accounting positions since joining the organization in December, 1991.

BUSINESS COMBINATION

On June 1, 2004, First Busey Corporation acquired all the outstanding common stock of First Capital Bankshares, Inc. and its subsidiary First Capital Bank, a $239,000,000 bank headquartered in Peoria, Illinois. This acquisition expanded the Corporation's banking presence in central Illinois into Peoria and surrounding communities. The transaction has been accounted for as a purchase and the results of operations of both entities since the acquisition date have been included in the consolidated financial statements. The purchase price of $42,072,000 was allocated based upon the fair value of the assets required. The excess of the total acquisition cost over the fair value of the net assets acquired has been allocated to core deposit intangible and goodwill. The core deposit intangibles of $2,383,000 are being amortized over periods ranging from three to ten years.

Pro forma unaudited operating results for 2004 and 2003, giving effect to the First Capital Bankshares acquisition as if it had occurred as of January 1, 2003, are included in Note 2 to the Corporation's consolidated financial statements.

RECENT DEVELOPMENTS

On February 24, 2005, the Corporation entered into an agreement with Tarpon Coast Bancorp, Inc., of Port Charlotte, Florida, to acquire the outstanding stock of Tarpon Coast for aggregate consideration of approximately $35.6 million or $27.00 per share for its outstanding shares, warrants and 120,500 options. Consideration will be in the form of common stock and cash. The agreement is subject to approval by the shareholders of Tarpon Coast and the receipt of required regulatory approvals. The transaction is currently expected to close on or before August 30, 2005.

SECURITIES AND EXCHANGE COMMISSION REPORTING AND OTHER INFORMATION

First Busey's web site address is www.busey.com. The Corporation makes available on this web site its annual report on Form 10-K, its quarterly reports on Form 10-Q, current reports on form 8-K, and amendments thereto, as reasonably practicable after such reports are filed with the Securities and Exchange Commission, and in any event, on the same day as such filing with the Securities and Exchange Commission. Reference to this web site does not constitute incorporation by reference of the information contained on the web site and should not be considered part of this document.

First Busey Corporation has adopted a code of ethics applicable to our employees, officers, and directors. The text of this code of ethics may be found under "Investor Relations" on the Corporation's website.

ITEM 2. PROPERTIES

The location and general character of the materially important physical properties of First Busey and its subsidiaries are as follows: First Busey, where corporate management and administration operate, is headquartered at 201 West Main Street, Urbana, Illinois. Busey Bank has properties located at 201 West Main Street, Urbana, Illinois, 909 West Kirby Avenue, Champaign, Illinois, and 301 Fairway Drive, Bloomington, Illinois. These facilities offer commercial banking services, including commercial, financial, agricultural and real estate loans, and retail banking services, including accepting customary types of demand and savings deposits, making individual, consumer, installment, first mortgage and second mortgage loans. Busey Bank Florida, located at 7980 Summerlin Lakes Drive, Fort Myers, Florida and First Capital Bank, located at 6699 Sheridan Road, Peoria, Illinois, offer similar services as

Busey Bank. Busey Investment Group, Inc., located at 502 West Windsor Road, Champaign, Illinois, through its subsidiaries, provides a full range of trust and investment management services, execution of securities transactions as a full-service broker/dealer and provide individual investment advice on equity and other securities as well as insurance agency services.

First Busey and its subsidiaries own or lease all of the real property and/or buildings on which each respective entity is located.

ITEM 3. LEGAL PROCEEDINGS

As part of the ordinary course of business, First Busey and its subsidiaries are parties to litigation that is incidental to their regular business activities.

There is no material pending litigation in which First Busey or any of its subsidiaries is involved or of which any of their property is the subject. Furthermore, there is no pending legal proceeding that is adverse to First Busey in which any director, officer or affiliate of First Busey, or any associate of any such director or officer, is a party, or has a material interest.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders during the quarter ended December 31, 2004.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The following table presents for the periods indicated the high and low closing price for First Busey common stock as reported on The Nasdaq Stock Market.

	2004		2003	
Market Prices of Common Stock	High	Low	High	Low
First Quarter	18.67	17.83	$16.25	$14.93
Second Quarter	19.60	17.97	$17.68	$15.39
Third Quarter	20.00	18.50	$18.57	$16.31
Fourth Quarter	21.53	18.28	$19.23	$17.33

During 2004 and 2003, First Busey declared cash dividends per share of common stock as follows:

2004	COMMON STOCK
January	$ .1267
April	$ .1267
July	$ .1267
October	$ .1300

2003	
January	$ .1133
April	$ .1133
July	$ .1133
October	$ .1133

For a discussion of restrictions on dividends, please see the discussion of dividend restrictions under Item 1, Business, Supervision, Regulation and Other Factors, Dividends on pages 4 - 6.

As of March 1, 2005, there were approximately 943 holders of common stock.

The following table presents for the periods indicated a summary of the purchases made by or on behalf of First Busey Corporation of shares of its common stock.

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (1)
January 1 - 31, 2004	-	$ -	-	134,616
February 1 - 28, 2004	-	-	-	884,616
March 1 - 31, 2004	33,750	18.07	33,750	850,866
April 1 - 30, 2004	9,900	18.47	9,900	840,966
May 1 - 31, 2004	30,000	18.15	30,000	810,966
June 1 - 30, 2004	30,000	18.28	30,000	780,966
July 1 - 31, 2004	15,000	18.73	15,000	765,966
August 1 - 31, 2004	77	19.04	77	765,889
September 1 - 30, 2004	-	-	-	765,889
October 1 - 31, 2004	-	-	-	765,889
November 1 - 30, 2004	5,000	19.25	5,000	760,889
December 1 - 31, 2004	-	-	-	760,889
Total	123,727	$ 18.30	123,727	

(1) First Busey Corporation's Board of Directors approved a stock purchase plan on March 20, 2001, for the repurchase of up to 750,000 shares of common stock. The Corporation's 2001 repurchase plan has no expiration date. First Busey Corporation's board of directors approved a stock purchase plan on February 17, 2004, for the repurchase of up to an additional 750,000 shares of common stock. The Corporation's 2004 repurchase plan has no expiration date.

ITEM 6. SELECTED FINANCIAL DATA

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following selected financial data for each of the five years in the period ended December 31, 2004, have been derived from First Busey's audited consolidated financial statements and the results of operations for each of the three years in the period ended December 31, 2004, which appear elsewhere in this report. This financial data should be read in conjunction with the financial statements and the related notes thereto appearing in this annual report.

	2004	2003	2002	2001	2000
	(dollars in thousands, except per share data)				
BALANCE SHEET ITEMS					
Securities available for sale	$ 352,256	$ 224,733	$ 233,830	$ 210,869	$ 228,597
Loans	1,475,900	1,192,396	1,101,043	978,106	984,369
Allowance for loan losses	19,217	16,228	15,460	13,688	12,268
Total assets	1,964,441	1,522,084	1,435,578	1,300,689	1,355,044
Total deposits	1,558,822	1,256,595	1,213,605	1,105,999	1,148,787
Long-term debt	165,374	92,853	71,759	47,021	55,259
Junior subordinated debt owed to unconsolidated trusts	40,000	25,000	25,000	25,000	-
Stockholders' equity	138,872	125,177	115,163	105,790	92,325
RESULTS OF OPERATIONS					
Interest and dividend income	$ 85,919	$ 73,849	$ 76,085	$ 89,985	$ 93,242
Interest expense	30,041	25,618	30,494	46,435	50,476
Net interest income	55,878	48,231	45,591	43,550	42,766
Provision for loan losses	2,905	3,058	3,125	2,020	2,515
Net income(1)	22,454	19,864	17,904	15,653	14,053
PER SHARE DATA(2)					
Diluted earnings	$ 1.09	$ 0.97	$ 0.87	$ 0.77	$ 0.69
Cash dividends	0.51	0.45	0.40	0.35	0.32
Book value(3)	6.74	6.10	5.66	5.16	4.58
Closing price	20.87	18.00	15.37	14.32	13.29
OTHER INFORMATION					
Return on average assets	1.28%	1.35%	1.33%	1.19%	1.12%
Return on average equity	17.23%	16.34%	16.31%	15.80%	16.56%
Net interest margin (4)	3.49%	3.60%	3.74%	3.64%	3.74%
Stockholders' equity to assets	7.07%	8.22%	8.02%	8.13%	6.81%

(1) Effective January 1, 2002, First Busey adopted Statement of Financial Accounting Standards (SFAS) No. 142 "Goodwill and Other Intangible Assets". SFAS No. 142 changed the accounting for goodwill from a model that required amortization of goodwill, supplemented by impairment tests, to an accounting model that is based solely upon impairment tests.

(2) Per share data have been retroactively adjusted to effect a three-for-two common stock split effective August 3, 2004, as if it had occurred on January 1, 2000.

(3) Total capital divided by shares outstanding as of period end.

(4) Calculated as a percent of average earning assets.

A reconcilation of First Busey's Consolidated Statements of Income for each of the five years ending December 31, 2004, from amounts reported to amounts exclusive of goodwill amortization is shown below:

FINANCIAL ACCOUNTING STANDARDS NO. 142 DISCLOSURE

	2004	2003	2002	2001	2000
	(dollars in thousands except per share data)				
Net income as reported	$ 22,454	$ 19,864	$ 17,904	$ 15,653	$ 14,053
Goodwill amortization, after tax	-	-	-	651	677
Net income as adjusted	$ 22,454	$ 19,864	$ 17,904	$ 16,304	$ 14,730
Diluted earnings per share of common stock:					
As reported	$ 1.09	$ 0.97	$ 0.87	$ 0.77	$ 0.69
Goodwill amortization	-	-	-	0.03	0.03
Earnings per share as adjusted	$ 1.09	$ 0.97	$ 0.87	$ 0.80	$ 0.72

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is management's discussion and analysis of the financial condition and results of operations of First Busey Corporation and subsidiaries for the years ended December 31, 2004, 2003, and 2002. It should be read in conjunction with "Business," "Selected Financial Data," the consolidated financial statements and the related notes to the consolidated financial statements and other data included in this Annual Report.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates are those that are critical to the portrayal and understanding of the Corporation's financial condition and results of operations and require management to make assumptions that are difficult, subjective or complex. These estimates involve judgments, estimates and uncertainties that are susceptible to change. In the event that different assumptions or conditions were to prevail, and depending on the severity of such changes, the possibility of materially different financial condition or results of operations is a reasonable likelihood.

First Busey's significant accounting policies are described in Note 1 in the Notes to the Consolidated Financial Statements. The majority of these accounting policies do not require management to make difficult, subjective or complex judgments or estimates or the variability of the estimates is not material. However, the following policies could be deemed critical.

ALLOWANCE FOR LOAN LOSSES

First Busey Corporation has established an allowance for loan losses which represents the Corporation's estimate of the probable losses that have occurred as of the date of the financial statements.

Management has established an allowance for loan losses which reduces the total loans outstanding by an estimate of uncollectible loans. Loans deemed uncollectible are charged against and reduce the allowance. Periodically, a provision for loan losses is charged to current expense. This provision acts to replenish the allowance for loan losses and to maintain the allowance at a level that management deems adequate.

There is no precise method of predicting specific loan losses or amounts which ultimately may be charged off on segments of the loan portfolio. The determination that a loan may become uncollectible, in whole or in part, is a matter of judgment. Similarly, the adequacy of the allowance for loan losses can be determined only on a judgmental basis, after full review, including (a) consideration of economic conditions and their effect on particular industries and specific borrowers; (b) a review of borrowers' financial data, together with industry data, the competitive situation, the borrowers' management capabilities and other factors; (c) a continuing evaluation of the loan portfolio, including monitoring by lending officers and staff credit personnel of all loans which are identified as being of less than acceptable quality; (d) an in-depth appraisal, on a monthly basis, of all impaired loans (loans are considered to be impaired when based on current information and events, it is probable the Corporation will not be able to collect all amounts due); and (e) an evaluation of the underlying collateral for secured lending, including the use of independent appraisals of real estate properties securing loans.

Periodic provisions for loan losses are determined by management based upon the size and the quality of the loan portfolio measured against prevailing economic conditions and historical loan loss experience and also based on specific exposures in the portfolio. Management has instituted a formal loan review system supported by an effective credit analysis and control process. The Corporation will maintain the allowance for loan losses at a level sufficient to absorb estimated uncollectible loans and, therefore, expects to make periodic additions to the allowance for loan losses.

REVENUE RECOGNITION

Income on interest-earning assets is accrued based on the effective yield of the underlying financial instruments. A loan is considered to be impaired when, based on current information and events, it is probable the Corporation will not be able to collect all amounts due. The accrual of interest income on impaired loans is discontinued when there is reasonable doubt as to the borrower's ability to meet contractual payments of interest or principal.

GENERAL

The Corporation's consolidated income is generated primarily by the financial services activities of its subsidiaries. Since January 1, 1982, the Corporation has acquired twelve banks and sold two; acquired six savings and loan branches and two bank branches; acquired a bank branch in an FDIC assisted acquisition of a failed bank; acquired a thrift holding company and federal savings and loan; formed a trust company subsidiary; formed an insurance agency subsidiary; formed a non-bank ATM subsidiary and acquired and liquidated a travel agency. The following table illustrates the amounts of net income contributed by each direct subsidiary since January 1, 2002.

Subsidiary	Acquired	2004		2003		2002	
		(dollars in thousands)					
Busey Bank(1)	3/20/80	$ 20,683	83.3%	$ 19,758	90.9%	$ 18,292	90.7%
Busey Bank Florida(2)	10/29/99	1,573	6.3%	287	1.3%	24	0.1%
First Capital Bank(3)	6/1/2004	1,170	4.7%	-	-	-	-
Busey Investment Group, Inc.(4)	-	1,989	8.0%	1,620	7.5%	1,705	8.5%
First Busey Resources, Inc.(5)	-	(565)	-2.3%	72	0.3%	149	0.7%
Total		$ 24,850	100.0%	$ 21,737	100.0%	$ 20,170	100.0%

(1) City Bank of Champaign and Champaign County Bank & Trust w ere merged into Busey Bank as of January 1, 1987. First National Bank of Thomasboro was merged into Busey Bank as of January 1,1988. State Bank of St. Joseph was merged into Busey Bank as of November 3, 1989. The Bank of Urbana, Citizens Bank of Tolono, and the assets of Community Bank of Mahomet subject to its liabilities were merged into Busey Bank as of November 16, 1991. Busey Bank of McLean County was merged into Busey Bank as of January 1, 1996. Busey Business Bank was formed on January 12, 1998, and merged into Busey Bank as of October 30, 1998.

(2) Acquired as a subsidiary of Eagle BancGroup, Inc. as of October 29, 1999.

(3) Acquired as a subsidiary of First Capital Bankshares Inc., as of June 1, 2004.

(4) Formed as a subsidiary of First Busey Corporation on March 18, 1999.

(5) Reactivated as a subsidiary of First Busey Corporation as of January 1, 1997. Real estate and certain other assets previously carried on the parent company and subsidiary balance sheets were transferred to subsidiary as of that date.

Busey Bank is the only subsidiary that has contributed at least 10% of the Corporation's consolidated net income in at least one of the last three years.

EXECUTIVE SUMMARY

First Busey Corporation posted record earnings during 2004 due primarily to strong growth in net interest income combined with moderate growth in fee income and operating expenses.

The increase in net interest income is due generally to balance sheet growth, and specifically to growth in the average balance of outstanding loans. Most of the loan growth occurred in the southwest Florida markets served by Busey Bank Florida's banking operations and Busey Bank's loan production offices. The Corporation also experienced strong loan growth in Illinois, primarily in Champaign County. The acquisition of First Capital Bank in Peoria, Illinois also contributed to the strong loan growth during 2004.

First Busey experienced a large decline in the production of single-family loan production as well as in gains on the sale of these loans during 2004 compared to 2003. Refinance activity began declining during the second half of 2003 as interest rates increased. The Corporation's mortgage operation has shifted its focus to financing new home purchases as well as developing other products, such as new home construction financing, to replace some of this income source.

Growth in fee income from trust and brokerage services helped to offset the reduced gains on the sale of mortgage loans. Trust and asset management fees are based primarily on the market value of assets under care. Assets under care grew 19.5% to $1.446 billion as of December 31, 2004, compared to $1.210 billion as of December 31, 2003. Improved equity market conditions should lead to growth in trust revenue during 2005.

The Corporation's net chargeoffs decreased to $1,985,000 in 2004 from $2,290,000 in 2003, yet net chargeoffs continued to be slightly higher than in prior years. In 2003, net chargeoffs included $2,000,000 related to one large credit in the commercial construction industry. The Corporation charged off the remaining loan balance of $1,400,000 to this same customer during 2004. Expenses related to other real estate owned have remained higher than historical levels. The relatively high ORE expense during these three years was due to operating losses associated with a hotel property in the McLean County market and valuation adjustments necessary to reduce the carrying value of this property to estimated net realizable value. The Corporation contracted with an independent hotel management firm to operate the hotel beginning January, 2004. The Corporation continues to market this property for sale.

Operating expenses increased moderately during 2004 compared to 2003 and 2002. Most of the growth in operating expenses in 2004 was due to the addition of First Capital Bank. As a percentage of net interest income plus other income, however, other expenses were 54.1%, 54.8%, and 57.1% in 2004, 2003, and 2002 respectively, indicating that revenues have grown more rapidly than expenses over this three-year time period.

On July 23, 2004, First Busey Corporation's Board of Directors approved a three-for-two stock split. The stock split was effected in the form of a 50% dividend issued on August 3, 2004, to shareholders of record at the close of business on August 2, 2004. Fractional share amount resulting from the split were paid to shareholders in cash. Share and per share data have been retroactively adjusted as if the stock split had occurred on January 1, 2000.

On February 24, 2005 the Corporation entered into an agreement with Tarpon Coast Bankshares, Inc. of Port Charlotte, Florida, to acquire the outstanding stock of Tarpon Coast for aggregate consideration of approximately $35.6 million, or $27.00 per share for its outstanding shares, warrants, and options. Consideration will be in the form of common stock and cash. The agreement is subject to approval by the shareholders of Tarpon Coast and the receipt of the required regulatory approvals. This acquisition is currently expected to close on or before August 30, 2005.

RESULTS OF OPERATIONS - THREE YEARS ENDED DECEMBER 31, 2004

SUMMARY

First Busey Corporation reported net income of $22,454,000 in 2004, up 13.0% from $19,864,000 in 2003, which itself represented an increase of 10.9% from $17,904,000 in 2002. Diluted earnings per share in 2004 increased 12.4% to $1.09 from $0.97 in 2003, which was a 11.5% increase from $0.87 in 2002. The main factors contributing to the increase in net income during 2004 were increases in net interest income as well as fee income, which were only partially offset by lower gains on the sale of mortgage loans and higher operating expenses.

Security gains after the related tax expense were $827,000 or 3.7% of net income in 2004, $588,000 or 3.0% of net income in 2003, and $459,000 or 2.6% of net income in 2002. Busey Bank owns a position in a bank-qualified equity security with substantial appreciated value. The Bank's Board has authorized the orderly liquidation of this security over an extended time period.

The Corporation's return on average assets was 1.28%, 1.35% and 1.33% for 2004, 2003, and 2002, respectively, and return on average equity was 17.23%, 16.34%, and 16.31% for 2004, 2003, and 2002, respectively.

EARNING ASSETS, SOURCES OF FUNDS, AND NET INTEREST MARGIN

Average earning assets increased $264,009,000 or 19.2% to $1,640,204,000 in 2004 as compared to $1,376,195,000 in 2003. This growth is due primarily to growth in the average balance of loans, U.S. Treasury and agency securities, and other securities. Interest-bearing liabilities averaged $1,441,450,000 for the year ended December 31, 2004, an increase of $253,287,000 or 21.3% from the average balance of $1,188,163,000 for 2003. The Corporation experienced growth in all categories of interest-bearing liabilities. While the addition of First Capital Bank was a significant factor in First Busey's consolidated balance sheet growth, the Corporation also experienced growth from its other two bank subsidiaries, Busey Bank and Busey Bank Florida.

Interest income, on a fully taxable equivalent basis increased $12,117,000 or 16.1% to $87,226,000 in 2004 from $75,109,000, which was a decrease of $2,284,000 or 3.0% from the $77,393,000 in interest income earned in 2002. Interest income grew in 2004 primarily due to growth in the average balance of outstanding loans, other securities and U.S. Treasuries and agencies. Growth in the average balances of these assets was partially offset by the lower average yield on outstanding loans and U.S. Treasuries and agencies. The Corporation's yield on average earning assets was 5.32% in 2004 compared to 5.46% in 2003 and 6.18% in 2002.

Interest expense increased during 2004 by $4,423,000 or 17.3% to $30,041,000 from $25,618,000 in 2003. The increase in interest expense was due primarily to growth in the average balance of all categories of interest-bearing liabilities, which was only partially offset by the lower average rates paid on money market deposits and long-term debt. The average rate paid on interest-bearing liabilities was 2.08% in 2004 compared to 2.16% in 2003 and 2.79% in 2002.

Net interest income, on a fully taxable equivalent basis, increased 15.5% in 2004 to $57,185,000 from $49,491,000, which reflected a 5.5% increase from $46,899,000 in 2002. Net interest margin, the Corporation's net interest income expressed as a percentage of average earning assets stated on a fully taxable equivalent basis, was 3.49% during 2004, which was a decline from 3.60% in 2003 and 3.74% in 2002. The net interest margin expressed as a percentage of average total assets, also on a fully taxable equivalent basis, was 3.25% in 2004, compared to 3.37% in 2003, and 3.50% in 2002.

PROVISION FOR LOAN LOSSES

The provision for loan losses is a current charge against income and represents an amount which management believes is sufficient to maintain an adequate allowance for known and probable losses. In assessing the adequacy of the allowance for loan losses, management considers the size and quality of the loan portfolio measured against prevailing economic conditions, regulatory guidelines, and historical loan loss experience and credit quality of the portfolio. When a determination is made by management to charge off a loan balance, such write-off is charged against the allowance for loan losses.

The Corporation's provision for loan losses was $2,905,000 during 2004. The provision and net charge-offs of $1,985,000 resulted in the allowance for loan losses representing 1.30% of total outstanding loans and 524% of non-performing loans as of December 31, 2004, as compared to the allowance representing 1.36% of outstanding loans and 504% of non-performing loans as of December 31, 2003.

Sensitive assets include nonaccrual loans, loans on First Busey Corporation's watch loan reports and other loans identified as having more than reasonable potential for loss. The watch loan list is comprised of loans which have been restructured or involve customers in industries which have been adversely affected by market conditions. The majority of these loans are being repaid in conformance with their contracts.

OTHER INCOME

Other income decreased $895,000 or 3.6% to $23,790,000 from $24,685,000 in 2003, which reflected an increase of 9.5% or $2,148,000 from $22,537,000 in 2002. The variability in other income is due primarily to changes in the level of gains on the sale of mortgage loans. In 2004 the Corporation recognized gains of $2,689,000 on the sale of $182,368,000 in mortgage loans compared to $6,183,000 on the sale of $431,199,000 in loans in 2003 and $3,995,000 on the sale of $253,225,000 in loans in 2002. The interest-rate environment and debt markets have strong influence on the level of mortgage loan origination and sales volumes. As interest rates have risen since mid-2003, origination and sales activity related to home purchases has remained strong while refinancing activity has slowed considerably.

Gains on the sale of securities, as a component of other income totaled $1,373,000 (5.8%) in 2004, $975,000 (4.0%) in 2003, and $762,000 (3.4%) in 2002. Additional components of other income were service charge and other fee income, trust fees, and brokerage commissions. Service charges and other fees totaled $9,876,000 (41.5%), $9,155,000 (37.1%), and $8,870,000 (39.4%) in 2004, 2003, and 2002, respectively. Trust revenues were $5,339,000, $4,615,000 and $4,781,000 in 2004, 2003, and 2002 respectively. Trust revenues in each year were directly related to the total value of trust assets under care and thus were influenced by changes in the equity and bond markets. Remaining other income increased $31.7% or $524,000 to $2,178,000 in 2004 from $1,654,000 in 2003, which had decreased from $2,023,000 in 2002. Other income includes $798,000 on the increase in the cash surrender value of bank owned life insurance during 2004, compared to $727,000 in 2003 and $655,000 in 2002.

During 2003 the Corporation recorded a valuation allowance of $215,000 to the carrying amount of its mortgage servicing assets as loans in the Corporation's sold loan portfolio were prepaying more rapidly than anticipated when the loans were sold. Mortgage servicing asset amortization of $1,659,000 and the valuation allowance of $215,000 were recorded as charges against the servicing income on sold mortgage loans and were included in other operating income. The balance in the valuation allowance remained at $215,000 on December 31, 2004.

OTHER EXPENSES

Operating expenses increased $3,116,000 or 7.8% to $43,085,000 from $39,969,000 which had increased by 2.7% from $38,926,000 in 2002. As a percentage of total income, other expenses were 39.3%, 40.6%, and 39.5% in 2004, 2003, and 2002, respectively.

Employee-related expenses, including salaries and wages and employee benefits, increased by 6.8% or $1,512,000 to $23,826,000 in 2004 from $22,314,000 in 2003, which had increased by $1,311,000 from $21,003,000 in 2002. As a percentage of average assets, employee-related expenses were 1.36%, 1.52%, and 1.57% in 2004, 2003, and 2002, respectively. The Corporation had 548, 503, and 491 full-time equivalent employees at December 31, 2004, 2003, and 2002, respectively. The increase in employee-related expenses in 2004 compared to 2003 was due to the addition of associates of

First Capital Bank which was partially offset by reduced commissions and incentive payments to associates involved in the origination, processing, and sale of mortgage loans held for sale. The increase in employee-related expenses in 2003 compared to 2002 was due primarily to increases in commission and incentive payments to associates involved in mortgage production.

Occupancy expense increased 24.2% or $763,000 to $3,921,000 in 2004 from $3,158,000 in 2003 due to the addition of First Capital Bank, higher real estate taxes, and increased maintenance costs. Another factor contributing to this increase is due to the August, 2003, sale of a real estate property that had been leased out to other tenants. Occupancy expenses were reported net of rental income on this property.

Other expenses increased 6.4% or $567,000 to $9,388,000 in 2004 from $8,821,000 in 2003, which had increased from $8,249,000 in 2002. In June, 2002, Busey Bank became mortgagee in possession of a hotel property located in Bloomington, Illinois In September, 2003, Busey Bank took title to the property upon completion of foreclosure proceedings. The Bank operated this property through its wholly-owned subsidiary, BAT, Inc., from June, 2002, through December 31, 2003. The hotel property was transferred from Busey Bank to First Busey Resources, Inc., in December, 2003, where it remains classified as ORE and is included in the repossessed assets total on the nonperforming loan table of this report. First Busey Resources entered into a contract with an independent hotel management firm to manage the day-to-day operations of the property in January, 2004.

Other expenses for the year ending December 31, 2004, include valuation adjustments of $700,000 and net ORE expenses of $139,000 associated with operating this repossessed asset. For the year ending December 31, 2003, other expenses included valuations adjustments of $931,000 and net ORE expenses of $269,000 associated with this asset. Valuation adjustments of $700,000 and net ORE expense of $282,00 were included in other expense in 2002.

INCOME TAXES

Income tax expense in 2004 was $11,224,000 as compared to $10,025,000 in 2003 and $8,173,000 in 2002. The provision for income taxes as a percent of income before income taxes was 33.3%, 33.5% and 31.3% for 2004, 2003, and 2002, respectively.

BALANCE SHEET - DECEMBER 31, 2004 AND DECEMBER 31, 2003

Total assets on December 31, 2004, were $1,964,441,000, an increase of 29.1% from $1,522,084,000 on December 31, 2003. Of the increase in total assets, $241,234,000 is attributable to the acquisition of First Capital Bank. Securities available for sale increased $127,523,000 or 56.7% to $352,256,000 at December 31, 2004 from $224,733,000 at December 31, 2003. The First Capital Bank acquisition contributed $49,285,000 of the increase in securities available for sale. Total loans, net of unearned interest, increased 23.8% or $283,504,000 to $1,475,900,000 on December 31, 2004, as compared to $1,192,396,000 on December 31, 2003. First Capital Bank contributed $151,680,000 toward this loan growth.

Total deposits increased 24.1% or $302,227,000 to $1,558,822,000 on December 31, 2004, as compared to $1,256,595,000 on December 31, 2003. Non-interest bearing deposits increased $53,343,000 or 33.2% during 2004. Interest-bearing deposits increased $248,884,000 or 22.7% during 2004. First Capital Bank added a total of $147,084,000 in total deposits. First Capital had $12,876,000 in non-interest bearing deposits and $134,208,000 in interest-bearing deposits

Total stockholders' equity increased 10.9% or $13,695,000 to $138,872,000 on December 31, 2004, as compared to $125,177,000 on December 31, 2003. The growth in total equity was due primarily to $12,071,000 in earnings retained in the Corporation combined with an increase of $494,000 due to the reissuance of treasury stock. Treasury shares will be used in future years as participants exercise outstanding options under the Corporation's stock option plan which is discussed in Note 16 of the Corporation's consolidated financial statements.

A. EARNING ASSETS

The average interest-earning assets of the Corporation were 93.4%, 93.7%, and 93.4% of average total assets for the years ended December 31, 2004, 2003, and 2002 respectively.

B. INVESTMENT SECURITIES

The Corporation has classified all investment securities as securities available for sale. These securities are held with the option of their disposal in the foreseeable future to meet investment objectives or for other operational needs. Securities available for sale are carried at fair value. As of December 31, 2004, the fair value of these securities was $352,256,000 and the amortized cost was $337,037,000. There were $16,326,000 of gross unrealized gains and $1,107,000 of gross unrealized losses for a net unrealized gain of $15,219,000. The after-tax effect ($9,170,000) of this unrealized gain has been included in stockholders' equity. The decrease in market value for the debt securities in this classification was a result of increasing interest rates. The fair value increase in the equity securities was primarily due to an increase in the value of shares of SLM Corporation common stock owned by the Corporation as of year end.

The composition of securities available for sale is as follows:

	As of December 31,				
	2004	2003	2002	2001	2000
	(dollars in thousands)				
U.S. Treasury securities and obligations of U.S. government corporations and agencies	$ 249,150	$150,898	$158,324	$143,490	$162,886
Obligations of states and political subdivisions	51,768	48,235	51,434	43,767	43,197
Mortgage-backed securities	23,170	-	-	-	-
Corporate debt securities	2,220	4,265	3,746	5,554	7,035
Mutual funds and other equity securities	25,948	21,335	20,326	18,058	15,479
Fair value of securities available for sale	$ 352,256	$224,733	$233,830	$210,869	$228,597
Amortized cost	$ 337,037	$209,482	$216,801	$197,398	$218,790
Fair value as a percentage of amortized cost	104.52%	107.28%	107.85%	106.82%	104.48%

The maturities, fair values and weighted average yields of debt securities available for sale as of December 31, 2004, are:

Investment Securities(1)	Due in 1 year or less Fair Value	Due in 1 year or less Weighted Average Yield	Due after 1 year through 5 years Fair Value	Due after 1 year through 5 years Weighted Average Yield	Due after 5 years through 10 years Fair Value	Due after 5 years through 10 years Weighted Average Yield	Due after 10 years Fair Value	Due after 10 years Weighted Average Yield
				(dollars in thousands)				
U.S. Treasury securities and obligations of U.S. government corporations and agencies	$ 94,111	2.28%	$ 154,633	3.02%	$ 406	2.41%	$ -	0.00%
Obligations of states and political subdivisions(2)	9,064	4.87%	23,544	6.21%	17,221	6.65%	1,939	6.37%
Mortgage-backed securities	-	0.00%	-	0.00%	1,882	4.05%	21,288	3.62%
Corporate debt securities	432	6.16%	1,412	5.59%	252	4.82%	124	10.50%
Total	$ 103,607	2.52%	$ 179,589	3.46%	$ 19,761	6.30%	$ 23,351	3.88%

(1) Excludes mutual funds and other equity securities.

(2) On a tax-equivalent basis, assuming a federal income tax rate of 35% (the effective federal income tax rate as of December 31, 2004)

The Corporation also uses its investment portfolio to manage its tax position. Depending upon projected levels of taxable income for the Corporation, periodic changes are made in the mix of tax-exempt and taxable securities to achieve maximum yields on a tax-equivalent basis. U.S. government and agency securities as a percentage of total securities increased to 70.7% at December 31, 2004, from 67.1% at December 31, 2003, while obligations of state and political subdivisions (tax-exempt obligations) as a percentage of total securities decreased to 14.7% at December 31, 2004, from 21.5% at December 31, 2003.

LOAN PORTFOLIO

Loans, including loans held for sale, before allowance for loan losses, increased 23.8% to $1,475,900,000 as of December 31, 2004 from $1,192,396,000 at December 31, 2003. Non-farm non-residential real estate mortgage loans increased $71,824,000, or 24.6%, to $363,993,000 in 2004 from $292,169,000 at December 31, 2003. The addition of First Capital is responsible for $40,980,000 of this increase. This increase reflects management's emphasis on commercial loans secured by mortgages. Also, 1-to-4 family residential real estate mortgage loans (not held for sale) increased $67,747,000, or 18.0%, to $443,320,000 as of December 31, 2004, from $375,573,000 at December 31, 2003. In 2003's low interest-rate environment, the Corporation experienced significant refinance activity. The Corporation has no loans to customers engaged in oil and gas exploration or to foreign companies or governments. Commitments under standby letters of credit, unused lines of credit and other conditionally approved credit lines, totaled approximately $413,679,000 as of December 31, 2004.

The loan portfolio includes a concentration of loans for commercial real estate amounting to approximately $470,156,000 and $383,494,000 as of December 31, 2004 and 2003, respectively. Generally, these loans are collateralized by assets of the borrowers. The loans are expected to be repaid from cash flows or from proceeds from the sale of selected assets of the borrowers. Credit losses arising from lending transactions for commercial real estate entities are comparable with the Corporation's credit loss experience on its loan portfolio as a whole.

The composition of loans is as follows:

	As of December 31,				
	2004	2003	2002	2001	2000
	(dollars in thousands)				
Commercial and financial	$ 216,290	$ 138,272	$ 118,004	$121,694	$124,052
Agricultural	25,224	22,300	22,034	21,022	20,844
Real estate-farmland	11,750	11,890	13,421	14,414	15,411
Real estate-construction	235,547	168,141	129,872	83,701	75,672
Real estate-mortgage	923,291	790,089	761,901	679,351	697,410
Installment loans to individuals	63,798	61,704	55,811	57,924	50,980
Loans	$1,475,900	$1,192,396	$1,101,043	$978,106	$984,369

The following table sets forth remaining maturities of selected loans (excluding certain real estate-farmland, real estate-mortgage loans and installment loans to individuals) at December 31, 2004:

	1 Year or Less	1 to 5 Years	Over 5 Years	Total
	(dollars in thousands)			
Commercial, financial and agricultural	$ 129,948	$ 60,445	$ 51,121	$241,514
Real estate-construction	144,134	81,915	9,498	235,547
Total	$ 274,082	$ 142,360	$ 60,619	$477,061
Interest rate sensitivity of selected loans				
Fixed rate	$ 105,242	$ 38,254	$ 23,235	$166,731
Adjustable rate	168,840	104,106	37,384	310,330
Total	$ 274,082	$ 142,360	$ 60,619	$477,061

ALLOWANCE FOR LOAN LOSSES

The following table shows activity affecting the allowance for loan losses:

	Years ended December 31				
	2004	2003	2002	2001	2000
	(dollars in thousands)				
Average loans outstanding during period	$1,355,487	$1,118,667	$1,015,073	$961,779	$937,239
Allowance for loan losses:					
Balance at beginning of period	$ 16,228	$ 15,460	$ 13,688	$ 12,268	$ 10,403
Loans charged-off:					
Commercial, financial and agricultural	$ 1,782	$ 2,123	$ 775	$ 103	$ 70
Real estate-construction	48	-	76	-	-
Real estate-mortgage	141	172	659	408	290
Installment loans to individuals	216	220	319	265	414
Total charge-offs	$ 2,187	$ 2,515	$ 1,829	$ 776	$ 774
Recoveries:					
Commercial, financial and agricultural	$ 57	$ 69	$ 349	$ 15	$ 22
Real estate-construction	-	-	-	-	-
Real estate-mortgage	28	6	26	42	4
Installment loans to individuals	117	150	101	119	98
Total recoveries	$ 202	$ 225	$ 476	$ 176	$ 124
Net loans charged-off	$ 1,985	$ 2,290	$ 1,353	$ 600	$ 650
Provision for loan losses	$ 2,905	$ 3,058	$ 3,125	$ 2,020	$ 2,515
Net additions due to acquisition	$ 2,069	$ -	$ -	$ -	$ -
Balance at end of period	$ 19,217	$ 16,228	$ 15,460	$ 13,688	$ 12,268
Ratios:					
Net charge-offs to average loans	0.15%	0.20%	0.13%	0.06%	0.07%
Allowance for loan losses to total loans at period end	1.30%	1.36%	1.40%	1.40%	1.25%

The following table sets forth the allowance for loan losses by loan categories as of December 31 for each of the years indicated:

	2004		2003		2002		2001		2000	
	Amount	% of Total Loans	Amount	% of Total Loans	Amount	% of Total Loans	Amount	% of Total Loans	Amount	% of Total Loans
	(dollars in thousands)									
Commercial, financial, agricultural and real estate-farmland	$ 4,337	17.2%	$ 2,295	14.5%	$ 2,143	13.9%	$ 1,880	16.1%	$ 1,854	16.3%
Real estate-construction	27	16.0%	-	14.1%	-	11.8%	-	8.6%	-	7.7%
Real estate-mortgage	13,053	62.5%	12,752	66.2%	12,451	69.2%	10,880	69.4%	9,051	70.8%
Installment loans to individuals	481	4.3%	821	5.2%	779	5.1%	811	5.9%	708	5.2%
Unallocated	1,319	N/A	360	N/A	87	N/A	117	N/A	655	N/A
Total	$ 19,217	100.0%	$ 16,228	100.0%	$15,460	100.0%	$ 13,688	100.0%	$ 12,268	100.0%

This table indicates growth in the allowance for loan losses for real estate mortgages as of December 31, 2004 as compared to December 31, 2003. The increase in the amounts allocated to commercial, financial, agricultural and real estate-farmland and real estate mortgages is due primarily to growth in the outstanding balances of these loan categories.

NON-PERFORMING LOANS

It is management's policy to place commercial and mortgage loans on non-accrual status when interest or principal is 90 days or more past due. Such loans may continue on accrual status only if they are both well-secured and in the process of collection.

The following table sets forth information concerning non-performing loans at December 31 for each of the years indicated:

	Years ended December 31,				
	2004	2003	2002	2001	2000
	(dollars in thousands)				
Non-accrual loans	$1,523	$2,638	$1,265	$1,265	$ 767
Loans 90 days past due and still accruing	2,141	581	963	959	4,667
Restructured loans	-	-	-	-	-
Total non-performing loans	$3,664	$3,219	$2,228	$2,224	$5,434
Repossessed assets	$4,212	$4,781	$5,724	$ 30	$ 230
Other assets acquired in satisfaction of debts previously contracted	23	10	1	1	11
Total non-performing other assets	$4,235	$4,791	$5,725	$ 31	$ 241
Total non-performing loans and non-performing other assets	$7,899	$8,010	$7,953	$2,255	$5,675
Non-performing loans to loans, before allowance for loan losses	0.25%	0.27%	0.20%	0.23%	0.55%
Non-performing loans and non-performing other assets to loans, before allowance for loan losses	0.54%	0.67%	0.72%	0.23%	0.58%

The ratio of non-performing loans and non-performing other assets to loans, before allowance for loan losses, decreased from 0.67% as of December 31, 2003, to 0.54% as of December 31, 2004, due primarily to reduced balances in non-accrual loans combined with the reduction in repossessed assets which were the result of valuation adjustments on the hotel property held in repossessed assets. An increase in loans 90 days past due and still accruing partially offset these reductions in non-performing loans and other assets. Busey Bank became mortgagee in possession of the ORE hotel property in June, 2002, and remained so until September, 2003, when it took title to the property upon completion of foreclosure proceedings.

A loan is considered to be impaired when, based on current information and events, it is probable the Corporation will not be able to collect all amounts due. The accrual of interest income on impaired loans is discontinued when there is reasonable doubt as to the borrower's ability to meet contractual payments of interest or principal. Interest income on these loans is recognized to the extent interest payments are received and the principal is considered fully collectible. During 2004, the Corporation recognized $28,000 in interest income on these loans. No interest income was recognized on these loans during 2003 and 2002.

The gross interest income that would have been recorded in the years ended December 31, 2004, 2003 and 2002 if the non-accrual and restructured loans had been current in accordance with their original terms was $307,000, $268,000, and $211,000, respectively. The amount of interest collected on those loans that was included in interest income was $28,000 for the year ended December 31, 2004, $0 for the year ended December 31, 2003, and $0 for the year ended December 31, 2002.

POTENTIAL PROBLEM LOANS

Potential problem loans are those loans which are not categorized as impaired, non-accrual, past due or restructured, but where current information indicates that the borrower may not be able to comply with present loan repayment terms. Management assesses the potential for loss on such loans as it would with other problem loans and has considered the effect of any potential loss in determining its provision for probable loan losses. Potential problem loans totaled $3,245,000 at December 31, 2004. Management has identified no other loans that represent or result from trends or uncertainties which management reasonably expects will materially impact future operating results, liquidity or capital resources. Management is not aware of any information about any other credits which cause management to have serious doubts as to the ability of such borrower(s) to comply with the loan repayment terms.

OTHER INTEREST-BEARING ASSETS

No other interest-bearing assets are categorized as impaired.

DEPOSITS

As indicated in the following table, average non-interest-bearing deposits as a percentage of average total deposits increased to 12.5% for the year ended December 31, 2004, from 12.2% for the year ended December 31, 2003, which was an increase from 11.6% for the year ended December 31, 2002.

	December 31,								
	2004			2003			2002		
	(dollars in thousands)								
	Average Balance	% Total	Average Rate	Average Balance	% Total	Average Rate	Average Balance	% Total	Average Rate
Non-interest bearing demand deposits	$ 175,463	12.5%	0.00%	$ 149,030	12.2%	0.00%	$ 129,766	11.6%	0.00%
Interest bearing demand deposits	26,917	1.9%	0.70%	18,194	1.5%	0.48%	11,477	1.0%	1.15%
Savings/Money Market	622,660	44.4%	0.78%	555,193	45.5%	0.74%	507,931	45.3%	1.19%
Time deposits	578,808	41.2%	2.83%	497,875	40.8%	3.10%	472,000	42.1%	3.90%
Total	$ 1,403,848	100.0%	1.53%	$ 1,220,292	100.0%	1.61%	$ 1,121,174	100.0%	2.19%

Certificates of deposit of $100,000 and over and other time deposits of $100,000 and over at December 31, 2004, had the following maturities (dollars in thousands):

Under 3 months	$ 64,536
3 to 6 months	36,073
6 to 12 months	31,296
Over 12 months	64,355
Total	$ 196,260

SHORT-TERM BORROWINGS

The following table sets forth the distribution of short-term borrowings and weighted average interest rates thereon at the end of each of the last three years. Federal funds purchased and securities sold under agreements to repurchase generally represent overnight borrowing transactions. Other short-term borrowings consist of various demand notes and notes with maturities of less than one year.

	Federal funds purchased	Securities sold under agreements to repurchase	Other short-term borrowings
		(dollars in thousands)	
2004			
Balance, December 31, 2004	$ -	$ 41,558	$ 11,250
Weighted average interest rate at end of period	0.00%	1.31%	%
Maximum outstanding at any month end	$ 29,400	$ 51,469	$ 17,250
Average daily balance	$ 5,010	$ 26,864	$ 9,293
Weighted average interest rate during period(1)	1.28%	1.25%	1.70%
2003			
Balance, December 31, 2003	$ 8,500	$ 7,500	$ -
Weighted average interest rate at end of period	1.19%	0.75%	0.00%
Maximum outstanding at any month end	$ 27,000	$ 9,341	$ -
Average daily balance	$ 2,999	$ 7,497	$ -
Weighted average interest rate during period(1)	1.40%	1.39%	0.00%
2002			
Balance, December 31, 2002	$ -	$ 2,467	$ -
Weighted average interest rate at end of period	0.00%	5.68%	0.00%
Maximum outstanding at any month end	$ 19,300	$ 7,439	$ 2,000
Average daily balance	$ 2,089	$ 5,866	$ 462
Weighted average interest rate during period(1)	1.91%	5.68%	4.55%

(1) The weighted average interest rate is computed by dividing total interest for the year by the average daily balance outstanding.

LIQUIDITY

Liquidity management is the process by which the Corporation ensures that adequate liquid funds are available to meet the present and future cash flow obligations arising in the daily operations of the business. These financial obligations consist of needs for funds to meet commitments to borrowers for extensions of credit, funding capital expenditures, withdrawals by customers, maintaining deposit reserve requirements, servicing debt, paying dividends to shareholders, and paying operating expenses.

The Corporation's most liquid assets are cash and due from banks, interest-bearing bank deposits, and Federal funds sold. The balances of these assets are dependent on the Corporation's operating, investing, lending, and financing activities during any given period. Average liquid assets are summarized in the table below:

	Years Ended December 31, 2004	2003	2002
	(dollars in thousands)		
Cash and due from banks	$45,905	$38,247	$33,633
Interest-bearing bank deposits	3,359	928	1,039
Federal funds sold	15,844	14,362	16,633
Total	$65,108	$53,537	$51,305
Percent of average total assets	3.7%	3.6%	3.8%

The Corporation's primary sources of funds consist of deposits, investment maturities and sales, loan principal repayments, deposits, and capital funds. Additional liquidity is provided by brokered deposits, bank lines of credit, repurchase agreements and the ability to borrow from the Federal Reserve Bank and the Federal Home Loan Bank. The Corporation has an operating line in the amount of $10,000,000, all of which was available as of December 31, 2004. Long-term liquidity needs will be satisfied primarily through the retention of capital funds.

An additional source of liquidity that can be managed for short-term and long-term needs is the Corporation's ability to securitize or package loans (primarily mortgage loans) for sale. During 2004 the Corporation originated $159,560,000 and sold $182,368,000 in mortgage loans held for sale compared to originations of $400,967,000 and sales of $431,199,000 in 2003, and originations of $292,102,000 and sales of $253,225,000 in 2002. As of December 31, 2004, the Corporation held $9,574,000 in loans held for sale.

On June 1, 2004, First Busey Corporation completed the acquisition of First Capital Bankshares, Inc. of Peoria, Illinois, the holding company of First Capital Bank. In order to partially fund this transaction First Busey issued $15,000,000 in trust preferred securities through First Busey Statutory Trust II. These securities were issued in April, 2004. The balance is financed through a commercial loan agreement with JPMorgan Chase N.A., formerly Bank One. The arrangement is a note, in the amount of $42,000,000, which matures in June, 2011, and carries interest at LIBOR plus 1.25%.

On February 24, 2005 the Corporation entered into an agreement with Tarpon Coast Bankshares, Inc. of Port Charlotte, Florida, to acquire the outstanding stock of Tarpon Coast for aggregate consideration of approximately $35.6 million, or $27.00 per share for its outstanding shares, warrants, and options. Consideration will be in the form of common stock and cash. First Busey will finance the cash portion of this transaction under the note it has with JPMorgan Chase N.A., which is described above.

The objective of liquidity management by the Corporation is to ensure that funds will be available to meet demand in a timely and efficient manner. Based upon the level of investment securities that reprice within 30 days and 90 days, management currently believes that adequate liquidity exists to meet all projected cash flow obligations. The Corporation achieves a satisfactory degree of liquidity through actively managing both assets and liabilities. Asset management guides the proportion of liquid assets to total assets, while liability management monitors future funding requirements and prices liabilities accordingly.

The Corporation's banking subsidiaries routinely enter into commitments to extend credit in the normal course of their business. As of December 31, 2004 and 2003, the Corporation had outstanding loan commitments including lines of credit of $413,679,000 and $286,037,000, respectively. The balance of commitments to extend credit represents future cash requirements and some of these commitments may expire without being drawn upon. The Corporation anticipates it will have sufficient funds available to meet its current loan commitments, including loan applications received and in process prior to the issuance of firm commitments.

The Corporation has entered into certain contractual obligations and other commitments. Such obligations generally relate to funding of operations through deposits, debt issuance, and property and equipment leases. The following table summarizes significant contractual obligations and other commitments as of December 31, 2004.

The following table summarizes significant contractual obligations and other commitments as of December 31, 2004:

	Certificates of Deposit	Short- and Long-term Borrowing	Leases	Junior Subordinated Debt Owed to Unconsolidated Trusts	Total
	(dollars in thousands)				
2005	$ 387,476	$ 46,240	$ 947	$ -	$434,663
2006	124,153	28,898	935	-	153,986
2007	95,373	22,198	869	-	118,440
2008	22,542	44,373	655	-	67,570
2009	31,583	14,373	191	-	46,147
Thereafter	263	20,542	266	40,000	61,071
Total	$ 661,390	$ 176,624	$3,863	$ 40,000	$881,877
Commitments to extend credit					$413,679

Net cash flows provided by operating activities totaled $49,467,000 and $54,569,000 in 2004 and 2003, respectively, and cash used in operating activities totaled $14,122,000 in 2002. Significant items affecting the cash flows provided by or used in operating activities include net income, depreciation and amortization expense, the provision for loan losses, and activities related to the origination and sale of mortgage loans held for sale. Operating cash flows decreased during 2004 relative to 2003 due primarily to lower mortgage loan sale activity. Net cash provided by mortgage loans originated totaled $25,497,000 in 2004 compared to $36,415,000 in 2003. Mortgage loan origination and sales activities resulted in a net cash use of $34,882,000 during 2002.

Net cash used by investing activities totaled $274,450,000, $118,555,000, and 92,077,000 in 2004, 2003, and 2002, respectively. Significant activities affecting cash flows from investing activities are those activities associated with managing the Corporation's investment portfolio, loans held in the Corporation's portfolio, and subsidiary or business unit acquisition activities. In 2004, First Busey's proceeds from the sales and maturities of securities classified as available-for-sale totaled $195,885,000, and the Corporation purchased $271,763,000 in securities resulting in net cash used by securities activity of $75,878,000. In 2003, sales and maturities totaled and purchases totaled $221,526,000 and purchases totaled $212,444,000, resulting in net cash generated of $9,082,000. In 2002 sales and maturities totaled $99,906,000 and purchases totaled $118,028,000, resulting in net cash used of $18,122,000. Net loan portfolio growth totaled $156,755,000, $124,402,000, and $91,148,000 in 2004, 2003, and 2002, respectively. During June, 2004, the Corporation purchased the outstanding shares of First Capital Bankshares resulting in the net use of $35,990,000.

Net cash provided by financing activities was $220,577,000, $68,738,000 and $112,264,000 in 2004, 2003, 2002, respectively. Significant items affecting cash flows from financing activities are deposits, short-term borrowings, and long-term debt. Deposits, which are the Corporation's primary funding source, grew $155,143,000 in 2004, $42,990,000 in 2003, and $107,606,000 in 2002. The Corporation has increased its use of short-term and long-term advances from the Federal Home Loan Banks of Chicago and Atlanta to fund growth in loan and investment balances. The Corporation issued junior subordinated debt and increased long-term debt to fund the June, 2004, acquisition of First Capital Bankshares, Inc.

CAPITAL RESOURCES

Other than from the issuance of common stock, the Corporation's primary source of capital is net income retained by the Corporation. During the year ended December 31, 2004, the Corporation earned $22,454,000 and paid dividends of $10,383,000 to stockholders, resulting in a retention of current earnings of $12,071,000.

The Federal Reserve Board uses capital adequacy guidelines in its examination and regulation of bank holding companies and their subsidiary banks. Risk-based capital ratios are established by allocating assets and certain off-balance sheet commitments into four risk-weighted categories. These balances are then multiplied by the factor appropriate for that risk-weighted category. The guidelines require bank holding companies and their subsidiary banks to maintain a total capital to total risk-weighted asset ratio of not less than 8.00%, of which at least one half must be Tier 1 capital, and a Tier 1 leverage ratio of not less than 4.00%. As of December 31, 2004, the Corporation had a total capital to total risk-weighted asset ratio of 10.92%, a Tier 1 capital to risk-weighted asset ratio of 9.24% and a Tier 1 leverage ratio of 6.88%; Busey Bank had ratios of 11.24%, 9.52%, and 7.15%, respectively; First Capital Bank had ratios of 11.96%, 10.71%, and 6.91%, respectively. The Corporation's thrift subsidiary, Busey Bank Florida, had ratios of 11.56%, 10.31%, and 8.06%, respectively. As these ratios indicate, the Corporation and its bank subsidiaries exceed the regulatory capital guidelines.

REGULATORY CONSIDERATIONS

In accordance with Federal Reserve Board regulations in effect on December 31, 2004, First Busey is allowed, for regulatory purposes, to include all $40,000,000 of the outstanding cumulative trust preferred securities in Tier 1 capital (as defined by regulation). On March 1, 2005, the Federal Reserve Board issued final regulations allowing for the continued limited inclusion of trust preferred securities in the Tier 1 capital of bank holding companies, but with further restrictions on the amount of trust preferred securities and other restricted core capital elements that may be included in Tier 1 capital. The final rule allows for a five-year transition period to March 31, 2009, for application of the new limits. If those limitations had been in effect at December 31, 2004, First Busey would have been allowed to include approximately $31,555,000 of the cumulative trust preferred securities in Tier 1 capital; the remainder would be included in Tier 2 capital. The Corporation would have exceeded all regulatory minimum capital ratios if the newly adopted regulations had been in effect on December 31, 2004.

NEW ACCOUNTING PRONOUNCEMENTS

Information relating to new accounting pronouncements appears in Note 1 in the Notes to the consolidated financial statements.

EFFECTS OF INFLATION

The effect of inflation on a financial institution differs significantly from the effect on an industrial company. While a financial institution's operating expenses, particularly salary and employee benefits, are affected by general inflation, the asset and liability structure of a financial institution consists largely of monetary items. Monetary items, such as cash, loans and deposits, are those assets and liabilities which are or will be converted into a fixed number of dollars regardless of changes in prices. As a result, changes in interest rates have a more significant impact on a financial institution's performance than does general inflation. For additional information regarding interest rates and changes in net interest income see "Selected Statistical Information" and Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

A.SELECTED STATISTICAL INFORMATION

The following tables contain information concerning the consolidated financial condition and operations of the Corporation for the periods, or as of the dates, shown. All average information is provided on a daily average basis.

The following table shows the consolidated average balance sheets, detailing the major categories of assets and liabilities, the interest income earned on interest-earning assets, the interest expense paid for interest-bearing liabilities, and the related interest rates:

	Years Ended December 31,								
	2004			2003			2002		
	Average Balance	Income/ Expense	Yield /Rate	Average Balance	Income/ Expense	Yield /Rate	Average Balance	Income/ Expense	Yield /Rate
	(dollars in thousands)								
Assets									
Interest-bearing bank deposits	$ 3,359	46	1.37%	$ 928	$ 8	0.86%	$ 1,039	$ 12	1.15%
Federal funds sold	15,844	272	1.72%	14,362	149	1.04%	16,633	260	1.56%
Investment securities:									
U.S. Treasuries and Agencies	172,812	4,533	2.62%	164,633	5,098	3.10%	149,670	6,387	4.27%
Obligations of states and political subdivisions(1)	49,863	2,985	5.99%	51,452	3,125	6.07%	46,577	3,140	6.74%
Other securities	42,839	1,631	3.81%	26,153	960	3.67%	24,201	800	3.31%
Loans (net of unearned discount)(1, 2)	1,355,487	77,759	5.74%	1,118,667	65,769	5.88%	1,015,073	66,794	6.58%
Total interest-earning assets(1)	$ 1,640,204	87,226	5.32%	$ 1,376,195	$75,109	5.46%	$1,253,193	$77,393	6.18%
Cash and due from banks	45,905			38,247			33,633		
Premises and equipment	24,553			24,887			28,375		
Allowance for loan losses	(17,716)			(16,228)			(14,001)		
Other assets	63,900			44,858			40,209		
Total assets	$ 1,756,846			$ 1,467,959			$ 1,341,409		
Liabilities and Stockholders' Equity									
Interest bearing transaction deposits	$ 26,917	188	0.70%	$ 18,194	$ 87	0.48%	$ 11,477	$ 132	1.15%
Savings deposits	111,796	704	0.63%	105,649	733	0.69%	96,495	1,059	1.10%
Money market deposits	510,864	4,149	0.81%	449,544	3,390	0.75%	411,436	4,997	1.21%
Time deposits	578,808	16,395	2.83%	497,875	15,434	3.10%	472,000	18,410	3.90%
Short-term borrowings:									
Federal funds purchased	5,010	64	1.28%	2,999	42	1.40%	2,089	40	1.91%
Securities sold under agreements to repurchase	26,864	335	1.25%	7,497	104	1.39%	5,866	333	5.68%
Other	9,293	158	1.70%	-	-	-	462	21	4.55%
Long-term debt	136,513	5,372	3.94%	81,405	3,578	4.40%	66,762	3,252	4.87%
Junior subordinated debt issued to unconsolidated trusts	35,385	2,676	7.56%	25,000	2,250	9.00%	25,000	2,250	9.00%
Total interest-bearing liabilities	$ 1,441,450	30,041	2.08%	$ 1,188,163	$25,618	2.16%	1,091,587	30,494	2.79%
Net interest spread			3.24%			3.30%			3.39%
Demand deposits	175,463			149,030			129,766		
Other liabilities	9,577			9,166			10,286		
Stockholders' equity	130,356			121,600			109,770		
Total liabilities and stockholders' equity	$ 1,756,846			$ 1,467,959			$ 1,341,409		
Interest income/earning assets(1)	$ 1,640,204	$87,226	5.32%	$ 1,376,195	$75,109	5.46%	$ 1,253,193	$77,393	6.18%
Interest expense/earning assets	$ 1,640,204	$30,041	1.83%	$ 1,376,195	$25,618	1.86%	$ 1,253,193	$30,494	2.44%
Net interest margin(1)		$57,185	3.49%		$49,491	3.60%		$46,899	3.74%

(1) On a tax equivalent basis, assuming a federal income tax rate of 35%

(2) Non-accrual loans have been included in average loans, net of unearned discount

Changes in Net Interest Income:

	Years Ended December 31, 2004, 2003, and 2002					
	Year 2004 vs. 2003 Change due to(1)			Year 2003 vs. 2002 Change due to(1)		
	Average Volume	Average Yield/Rate	Total Change	Average Volume	Average Yield/Rate	Total Change
	(dollars in thousands)					
Increase (decrease) in interest income:						
Interest-bearing bank deposits	$ 31	$ 7	$ 38	$ (1)	$ (3)	$ (4)
Federal funds sold	17	106	123	(32)	(79)	(111)
Investment securities:						
U.S. Treasuries and Agencies	272	(837)	(565)	739	(2,028)	(1,289)
Obligations of state and political subdivisions(2)	(96)	(44)	(140)	313	(328)	(15)
Other securities	634	37	671	68	92	160
Loans(2)	13,542	(1,552)	11,990	6,816	(7,841)	(1,025)
Change in interest income(2)	$ 14,400	$(2,283)	$ 12,117	$ 7,903	$(10,187)	$(2,284)
Increase (decrease) in interest expense:						
Interest bearing transaction deposits	$ 52	$ 49	$ 101	$ 54	$ (99)	$ (45)
Savings deposits	49	(78)	(29)	113	(439)	(326)
Money market deposits	485	274	759	519	(2,126)	(1,607)
Time deposits	2,048	(1,087)	961	1,085	(4,061)	(2,976)
Federal funds purchased	25	(3)	22	4	(2)	2
Securities sold under agreements to repurchase	240	(9)	231	133	(362)	(229)
Other short-term borrowings	158	-	158	(21)	-	(21)
Long-term debt	2,122	(328)	1,794	588	(262)	326
Junior subordinated debt owed to unconsolidated trusts	692	(266)	426	-	-	-
Change in interest expense	$ 5,871	$(1,448)	$ 4,423	$ 2,475	$ (7,351)	$(4,876)
Increase (decrease) in net interest income(2)	$ 8,529	$ (835)	$ 7,694	$ 5,428	$ (2,836)	$ 2,592
Percentage increase in net interest income over prior period			15.5%			5.5%

(1) Changes due to both rate and volume have been allocated proportionally

(2) On a tax equivalent basis, assuming a federal income tax rate of 35%

FORWARD LOOKING STATEMENTS

This presentation includes forward looking statements that are intended to be covered by the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward looking statements include but are not limited to comments with respect to the objectives and strategies, financial condition, results of operations and business of First Busey Corporation.

These forward looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions and other forward looking statements will not be achieved. The Corporation cautions you not to place undue reliance on these forward looking statements as a number of important factors could cause actual future results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements.

These risks, uncertainties and other factors include the general state of the economy, both on a local and national level, the ability of the Corporation to successfully complete acquisitions, the continued growth of the geographic regions served by the Corporation, and the retention of key individuals in the Corporation's management structure.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of change in asset values due to movements in underlying market rates and prices. Interest rate risk is the risk to earnings and capital arising from movements in interest rates. Interest rate risk is the most significant market risk affecting the Corporation as other types of market risk, such as foreign currency exchange rate risk and commodity price risk, do not arise in the normal course of the Corporation's business activities.

The Corporation's subsidiary banks, Busey Bank, Busey Bank Florida and First Capital Bank, have asset-liability committees which meet at least quarterly to review current market conditions and attempt to structure the banks' balance sheets to ensure stable net interest income despite potential changes in interest rates with all other variables constant.

The asset-liability committees use gap analysis to identify mismatches in the dollar value of assets and liabilities subject to repricing within specific time periods. The Funds Management Policies established by the asset liability committees and approved by the Corporation's Board of Directors establishes guidelines for maintaining the ratio of cumulative rate-sensitive assets to rate-sensitive liabilities within prescribed ranges at certain intervals.

Interest rate sensitivity is a measure of the volatility of the net interest margin as a consequence of changes in market rates. The rate-sensitivity chart shows the interval of time in which given volumes of rate-sensitive earning assets and rate-sensitive interest-bearing liabilities would be responsive to changes in market interest rates based on their contractual maturities or terms for repricing. It is however, only a static, single-day depiction of the Corporation's rate sensitivity structure, which can be adjusted in response to changes in forecasted interest rates.

The following table sets forth the static rate-sensitivity analysis of the Corporation as of December 31, 2004:

	Rate Sensitive Within					
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
			(dollars in thousands)			
Interest-bearing deposits	$ 2,719	$ -	$ -	$ -	$ -	$ 2,719
Federal funds sold	3,100	-	-	-	-	3,100
Investment securities						
U.S. Treasuries and Agencies	17,628	20,961	13,045	43,113	154,403	249,150
States and political subdivisions	2,720	1,519	1,235	7,946	38,348	51,768
Other securities	12,782	246	325	3,803	34,182	51,338
Loans (net of unearned interest)	633,522	91,223	113,456	152,131	485,568	1,475,900
Total rate-sensitive assets	$ 672,471	$ 113,949	$ 128,061	$ 206,993	$ 712,501	$1,833,975
Interest bearing transaction deposits	$ 31,129	$ -	$ -	$ -	$ -	$ 31,129
Savings deposits	113,822	-	-	-	-	113,822
Money market deposits	538,560	-	-	-	-	538,560
Time deposits	103,567	72,470	104,664	134,952	245,737	661,390
Fed funds purchased and repurchase Agreements	41,558	-	-	-	-	41,558
Short term borrowings	2,250	-	9,000	-	-	11,250
Long-term debt	35,479	11,500	8,050	12,020	98,325	165,374
Junior subordinated debt issued to unconsolidated trusts	-	15,000	-	-	25,000	40,000
Total rate-sensitive liabilities	$ 866,365	$ 98,970	$ 121,714	$ 146,972	$ 369,062	$1,603,083
Rate-sensitive assets less rate-sensitive liabilities	$(193,894)	$ 14,979	$ 6,347	$ 60,021	$ 343,439	$ 230,892
Cumulative Gap	$(193,894)	$(178,915)	$ (172,568)	$(112,547)	$ 230,892	
Cumulative amounts as a percentage of total rate-sensitive assets	-10.57%	-9.76%	-9.41%	-6.14%	12.59%	
Cumulative Ratio	0.78	0.81	0.84	0.91	1.14	

First Busey Corporation's funds management policy requires the subsidiary banks to maintain a cumulative rate-sensitivity ration of .75 - 1.25 in the 90-day, 180-day, and 1-year time periods. As of December 31, 2004, the Banks and the Corporation, on a consolidated basis, are within those guidelines.

The foregoing table shows a negative (liability-sensitive) rate-sensitivity gap of $193.9 million in the 1-30 day repricing category as more liabilities were subject to repricing during that time period than assets were subject to repricing within that same time period. The volume of assets subject to repricing exceeds the volume of liabilities subject to repricing for all time period beyond 30 days. On a cumulative basis, however, the gap remains liability sensitive through one year. The composition of the gap structure as of December 31, 2004, indicates the Corporation would benefit more if interest rates decrease during the next year by allowing the net interest margin to grow as the volume of interest-bearing liabilities subject to repricing would be greater than the volume of interest-earning assets subject to repricing during the same period.

The asset-liability committees do not rely solely on gap analysis to manage interest-rate risk as interest rate changes do not impact all categories of assets and liabilities equally or simultaneously. Other factors influence the effect of interest rate fluctuations on the Corporation's net interest margin. For example, a decline in interest rates may lead borrowers to repay their loans more rapidly which could mitigate some of the expected benefit of the decline in interest rates when negatively gapped. Conversely, a rapid rise in interest rates could lead to an increase in the net interest margin if the increased rates on loans and other interest-earning assets are higher than those on interest-bearing deposits and other liabilities.

The asset-liability committees supplement gap analysis with balance sheet and income simulation analysis to determine the potential impact on net interest income of changes in market interest rates. In these simulation models the balance sheet is projected out over a one-year period and net interest income is calculated under current market rates, and then assuming permanent instantaneous shifts in the yield curve of +/- 100 basis points, and +/- 200 basis points. Management measures such changes assuming immediate and sustained shifts in the Federal funds rate and the corresponding shifts in other rate indices based on their historical changes relative to changes in the Federal funds rate. The model assumes asset and liability balances remain constant at December 31 balances. The model uses repricing frequency on all variable-rate assets and liabilities. The model also uses a historical decay rate on all fixed-rate core deposit balances. Prepayment speeds on loans have been adjusted to incorporate expected prepayment speeds in both a rising and declining rate environment. Utilizing this measurement concept the interest rate risk of the Corporation, expressed as a change in net interest income as a percentage of the net income calculated in the constant base model, due to changes in interest rates was as follows:

	Basis Point Changes		
	-100	+100	+200
December 31, 2004	(3.88%)	0.70%	0.97%
December 31, 2003	(5.57%)	3.05%	6.06%

First Busey's funds management policy defines a targeted range of +/- 10% change in net interest margin in a 1-year time frame for interest rate shocks of +/- 100 basis points and +/- 200 basis points. As indicated in the table above, the Corporation is within this targeted range on a consolidated basis. The table above does not include an analysis of decreases of more than 100 basis points due to the low level of current market interest rates.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements are presented beginning on page 40.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

The Corporation conducted an evaluation, with the participation of its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Corporation's disclosure controls and procedures as of December 31, 2004. The Corporation's disclosure controls and procedures are designed to ensure that information required to be disclosed by the Corporation in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported on a timely basis.

Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Corporation's disclosure controls and procedures as of December 31, 2004, are effective in timely alerting them to material information relating to First Busey Corporation, including its consolidated subsidiaries, required to be included in the Corporation's periodic filings under the Exchange Act.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

First Busey's management is responsible for establishing and maintaining adequate internal control over financial reporting. The corporation's internal control over financial reporting is a process designed under the supervision of the Corporation's Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Corporation's consolidated financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles.

Management has performed a comprehensive review, evaluation, and assessment of the Corporation's internal control over financial reporting as of December 31, 2004. In making its assessment of internal control over financial reporting, management used the criteria issued by the committee of Sponsoring Organizations of the Treadway Commission ("COSO") in "Internal Control - Integrated Framework."

First Capital Bank (FCB) has been excluded from management's assessment of internal controls as of December 31, 2004, because it was acquired by the Corporation in a purchase combination on June 1, 2004, and it was not possible for management to conduct an assessment of FCB's internal control over financial reporting in the period between the consummation date and the date of management's assessment. FCB represented total assets and net income of approximately $250 million and $1.2 million, respectively, of the Corporation's related consolidated financial statement amounts as of and for the year ended December 31, 2004.

Based on the assessment, management has determined that, as of December 31, 2004, the Corporation's internal control over financial reporting is effective, based on the COSO criteria. Management's assessment of the effectiveness of the Corporation's internal control over financial reporting as of December 31, 2004, has been audited by McGladrey & Pullen, LLP, an independent registered public accounting firm, as stated in their report appearing on page 42.

ITEM 9B. OTHER INFORMATION

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

(a) Directors of the Registrant. Incorporated by reference is the information set forth on pages 3-4 of the 2005 Proxy Statement.

(b) Executive Officers of the Registrant. Please refer to Part I of this Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

Incorporated by reference is the information set forth on pages 10-13 of the 2005 Proxy Statement (except the information set forth in the sections "Report of the Compensation Committee on Executive Compensation").

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Incorporated by reference is the information set forth under the heading "Common Stock Ownership of Certain Beneficial Owners and Management" on pages 8-10 of the 2005 Proxy Statement.

The following table discloses the number of outstanding options, warrants and rights granted by the Corporation to participants in equity compensation plan, as well as the number of securities remaining available for future issuance under these plans. The table provides this information separately for equity compensation plans that have and have not been approved by security holders.

	(a)	(b)	(c)
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a)
Equity compensation plans approved by stockholders	773,250	$ 16.40	1,877,775
Equity compensation plans not approved by stockholders	-	-	-
Total	773,250	$ 16.40	1,877,775

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Incorporated by reference is the information set forth under the heading "Certain Relationships and Related Transactions" on page 15 of the 2005 Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Incorporated by reference is the information set forth under the heading "Audit Committee" on pages 5-7 of the 2005 Proxy statement.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

EXHIBITS

Exhibit Number	Description of Exhibit
3.1	Restated Articles of Incorporation of First Busey Corporation (filed as Exhibit 3.1 to First Busey's Form 10-Q for the quarterly period ended March 31, 2004, filed with the Commission on May 10, 2004, (Commission File No. 0-15950), and incorporated herein by reference)
3.2	First Busey Corporation Revised By-Laws (filed as Exhibit 3.2 to First Busey's Form 10-Q for the quarterly period ended March 31, 2004, filed with the Commission on May 10, 2004 (Commission File No. 0-15950), and incorporated herein by reference)
10.1	First Busey Corporation 1993 Restricted Stock Award Plan (filed as Appendix E to First Busey's definitive proxy statement filed with the Commission on April 5, 1993 (Commission File No. 0-15950), and incorporated herein by reference)
10.2	First Busey Corporation Profit Sharing Plan and Trust (filed as Exhibit 10.3 to First Busey's Registration Statement on Form S-1 (Registration No. 33-13973), and incorporated herein by reference)
10.3	First Busey Corporation Employee Stock Ownership Plan (filed as Exhibit 10.7 to First Busey's Annual Report on Form 10-K for the fiscal year ended December 31, 1988 (Registration No. 2-66201), and incorporated herein by reference)
10.4	First Busey Corporation 1999 Stock Option Plan (filed as Appendix B to First Busey's definitive proxy statement filed with the Commission on March 25, 1999 (Commission File No. 0-15950), and incorporated herein by reference)
10.5	First Busey Corporation 2004 Stock Option Plan (filed as Annex D to First Busey's definitive proxy statement filed with the Commission on March 12, 2004 (Commission File No. 0-15950), and incorporated herein by reference)
10.6	First Busey Corporation loan agreement with JPMorgan Chase N.A., formerly known as Bank One, to be filed with First Busey's Annual Report on Form 10-K for the fiscal year ended December 31, 2004
14.1	First Busey Corporation Code of Ethics (filed as Exhibit 14.1 to First Busey's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 filed with the Commission on March 12, 2004 (Registration 0-015950), and incorporated herein by reference)
21.1	List of Subsidiaries of First Busey Corporation
23.1	Consent of Independent Public Accountants
31.1	Certification of Principal Executive Officer
31.2	Certification of Principal Financial Officer

32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, from the Corporation's Chief Executive Officer
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, from the Corporation's Chief Financial Officer

FINANCIAL STATEMENT SCHEDULES

Financial statement schedules not included in this Form 10-K have been omitted because they are not applicable for the required information shown in the financial statements or notes thereto.

FIRST BUSEY CORPORATION INDEX TO FINANCIAL STATEMENTS

REPORTS ON FORM 8-K

On January 18, 2005, the Corporation filed a report on Form 8-K (Item 2.02) dated January 18, 2005, releasing its financial results for the three months ending December 31, 2004.

On January 24, 2005, the Corporation filed a report on Form 8-K (Item 1.01) dated January 18, 2005, reporting board approval of bonus payments and restricted shares released to executive officers.

On February 2, 2005, the Corporation filed a report on Form 8-K (Item 1.01) dated January 28, 2005, announcing board approval of fiscal year 2005 compensation to executive officers.

One February 25, 2005, the Corporation filed a report on Form 8-K (Item 1.01) dated February 24, 2005, announcing that on February 24, 2005 it entered into an agreement to acquire Tarpon Coast Bancorp, Inc., Port Charlotte, Florida.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Urbana, Illinois on March 16, 2005.

FIRST BUSEY CORPORATION

BY /s/ DOUGLAS C. MILLS

Douglas C. Mills
Chairman of the Board, President,
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report signed below by the following persons on behalf of the Registrant and in the capacities indicated on March 16, 2005.

Signature	Title
/s/DOUGLAS C. MILLS Douglas C. Mills	Chairman of the Board, Chief Executive Officer (Principal Executive Officer)
/s/ BARBARA J. HARRINGTON Barbara J. Harrington	Chief Financial Officer (Principal Financial Officer)
/s/ JOSEPH M. AMBROSE Joseph M. Ambrose	Director
/s/ E. PHILLIPS KNOX E. Phillips Knox	Director
/s/ DAVID L. IKENBERRY David L. Ikenberry	Director
/s/ V. B. LEISTER, JR. V. B. Leister, Jr.	Director
/s/ JOSEPH E. O'BRIEN Joseph E. O'Brien	Director
/s/ ARTHUR R. WYATT Arthur R. Wyatt	Director

FIRST BUSEY CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2004, 2003 AND 2002

FIRST BUSEY CORPORATION AND SUBSIDIARIES

CONTENTS

[McGLADREY & PULLEN LOGO]
Certified Public Accountants

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

TO THE STOCKHOLDERS AND BOARD OF DIRECTORS
FIRST BUSEY CORPORATION
URBANA, ILLINOIS

We have audited the accompanying consolidated balance sheets of FIRST BUSEY CORPORATION AND SUBSIDIARIES as of December 31, 2004 and 2003, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2004. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of FIRST BUSEY CORPORATION AND SUBSIDIARIES as of December 31, 2004 and 2003, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

We have also audited in accordance with the standards of the Public Company Accounting Oversight Board (United States of America), the effectiveness of First Busey Corporation and Subsidiaries' internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organization of the Treadway Commission (COSO), and our report dated February 4, 2005, expressed an unqualified opinion.

McGLADREY & PULLEN, LLP

Champaign, Illinois
February 4, 2005, except for Note 24 as
to which the date is February 24, 2005.

[McGLADREY & PULLEN LOGO]
Certified Public Accountants

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors
First Busey Corporation
Urbana, Illinois

We have audited management's assessment, included in the accompanying Management's Report on Internal Control over Financial Reporting, that First Busey Corporation maintained effective internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control -- Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). First Busey Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Corporation's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A Corporation's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. A Corporation's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Corporation; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the Corporation are being made only in accordance with authorizations of Management and Directors of the Corporation; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Corporation's assets that could have a material effect on the consolidated financial statements.

McGladrey & Pullen, LLP is a member firm of RSM International - an affiliation of separate and independent legal entities.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As described in Management's Report on Internal Control over Financial Reporting, management has excluded First Capital Bank (FCB) from its assessment of internal control over financial reporting as of December 31, 2004 because it was acquired by the Corporation in a purchase business combination during 2004. We have also excluded FCB from our audit of internal control over financial reporting. FCB's total assets and net income represent approximately $250 million and $1.2 million, respectively, of the Corporation's related consolidated financial statement amounts as of and for the year ended December 31, 2004.

In our opinion, management's assessment that First Busey Corporation maintained effective internal control over financial reporting as of December 31, 2004, is fairly stated, in all material respects, based on criteria established in Internal Control -- Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Also in our opinion, First Busey Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control -- Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements of First Busey Corporation and our report dated February 4, 2005, except for Note 24 as to which the date is February 24, 2005, expressed an unqualified opinion.

McGLADREY & PULLEN, LLP

Champaign, Illinois
February 4, 2005

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2004 AND 2003

	2004	2003
	(Dollars in thousands)	
ASSETS		
Cash and due from banks	$ 47,991	$ 52,397
Federal funds sold	3,100	-
Securities available for sale	352,256	224,733
Loans held for sale (fair value 2004 $9,717; 2003 $30,609)	9,574	30,529
Loans (net of allowance for loan losses 2004 $19,217; 2003 $16,228)	1,447,109	1,145,639
Premises and equipment	26,295	22,223
Goodwill	31,785	7,380
Other intangible assets	3,852	2,100
Cash surrender value of bank owned life insurance	17,634	16,836
Other assets	24,845	20,247
TOTAL ASSETS	$ 1,964,441	$ 1,522,084
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits:		
Noninterest bearing	$ 213,921	$ 160,578
Interest bearing	1,344,901	1,096,017
TOTAL DEPOSITS	1,558,822	1,256,595
Federal funds purchased and securities sold under agreements to repurchase	41,558	16,000
Short-term borrowings	11,250	-
Long-term debt	165,374	92,853
Junior subordinated debt owed to unconsolidated trusts	40,000	25,000
Other liabilities	8,565	6,459
TOTAL LIABILITIES	1,825,569	1,396,907
Commitments and contingencies (Note 19)		
Stockholders' Equity		
Preferred stock, no par value, 1,000,000 shares authorized, no shares issued	-	-
Common stock, no par value, authorized 40,000,000 shares; 21,232,059 shares issued	6,291	6,291
Surplus	21,696	20,968
Retained earnings	114,359	102,288
Accumulated other comprehensive income	9,170	9,191
TOTAL STOCKHOLDERS' EQUITY BEFORE TREASURY STOCK, UNEARNED ESOP SHARES AND DEFERRED COMPENSATION FOR RESTRICTED STOCK AWARDS	151,516	138,738
Common stock in treasury, at cost, 623,908 shares 2004; 715,844 shares 2003	(10,173)	(10,667)
Unearned ESOP shares and deferred compensation for restricted Stock awards	(2,471)	(2,894)
TOTAL STOCKHOLDERS' EQUITY	138,872	125,177
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,964,441	$ 1,522,084

See Accompanying Notes to Consolidated Financial Statements.

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2004, 2003 AND 2002

	2004	2003	2002
	(Dollars in thousands, except per share amounts)		
Interest and dividend income:			
Loans, including fees	$ 77,499	$ 65,603	$ 66,586
Debt securities			
Taxable interest income	5,487	5,321	6,793
Nontaxable interest income	1,939	2,031	2,041
Dividends	722	745	405
Federal funds sold	272	149	260
TOTAL INTEREST AND DIVIDEND INCOME	85,919	73,849	76,085
Interest expense:			
Deposits	21,436	19,644	24,598
Federal funds purchased and securities sold under agreements to repurchase	399	146	373
Short-term borrowings	158	-	21
Long-term debt	5,372	3,578	3,252
Junior subordinated debt owed to unconsolidated trusts	2,676	2,250	2,250
TOTAL INTEREST EXPENSE	30,041	25,618	30,494
NET INTEREST INCOME	55,878	48,231	45,591
Provision for loan losses	2,905	3,058	3,125
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	52,973	45,173	42,466
Other income:			
Service charges on deposit accounts	7,841	7,319	7,054
Trust fees	5,339	4,615	4,781
Commissions and brokers' fees, net	2,335	2,103	2,106
Other service charges and fees	2,035	1,836	1,816
Security gains, net	1,373	975	762
Gain on sales of loans	2,689	6,183	3,995
Other	2,178	1,654	2,023
TOTAL OTHER INCOME	23,790	24,685	22,537
Other expenses:			
Salaries and wages	19,529	18,491	17,431
Employee benefits	4,297	3,823	3,572
Net occupancy expense of premises	3,921	3,158	3,076
Furniture and equipment expenses	2,384	2,446	3,469
Data processing	1,915	1,755	1,459
Amortization of intangible assets	631	414	660
Stationery, supplies and printing	1,020	1,061	1,010
Other	9,388	8,821	8,249
TOTAL OTHER EXPENSES	43,085	39,969	38,926
INCOME BEFORE INCOME TAXES	33,678	29,889	26,077
Income taxes	11,224	10,025	8,173
NET INCOME	$ 22,454	$ 19,864	$ 17,904
Basic earnings per share	$ 1.10	$ 0.98	$ 0.88
Diluted earnings per share	$ 1.09	$ 0.97	$ 0.87

See Accompanying Notes to Consolidated Financial Statements.

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2004, 2003 AND 2002

(Dollars in thousands)

	Common Stock	Surplus	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Treasury Stock	Unearned ESOP Shares	Deferred Compensation for Restricted Stock Awards	Total
Balance, December 31, 2001	$ 6,291	$ 21,170	$ 81,861	$ 8,128	$ (9,639)	$ (2,021)	$ -	$ 105,790
Comprehensive income:								
Net income	-	-	17,904	-	-	-	-	17,904
Other comprehensive income, net of tax:								
Unrealized gains on securities available for sale arising during period, net of tax benefit of $1,713	-	-	-	-	-	-	-	2,607
Reclassification adjustment, net of taxes of ($303)	-	-	-	-	-	-	-	(459)
Other comprehensive income, net of tax of $1,410	-	-	-	2,148	-	-	-	2,148
Comprehensive income	-	-	-	-	-	-	-	20,052
Purchase of 262,152 shares for the treasury	-	-	-	-	(3,792)	-	-	(3,792)
Issuance of 81,900 shares of treasury stock for option exercise and related tax benefit	-	(296)	-	-	1,155	-	-	859
Issuance of 1,125 shares of treasury stock to benefit plans	-	1	-	-	16	-	-	17
Issuance of 14,925 shares of treasury stock for restricted stock grants	-	2	-	-	210	-	(212)	-
Cash dividends:								
Common stock at $.40 per share	-	-	(8,126)	-	-	-	-	(8,126)
Employee stock ownership plan shares allocated	-	(15)	-	-	-	262	-	247
Amortization of restricted stock issued under restricted Stock award plan	-	-	-	-	-	-	116	116
Balance, December 31, 2002	$ 6,291	$ 20,862	$ 91,639	$ 10,276	$ (12,050)	$ (1,759)	$ (96)	$ 115,163

(continued)

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (CONTINUED)
YEARS ENDED DECEMBER 31, 2004, 2003, AND 2002

(Dollars in thousands)

	Common Stock	Surplus	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Treasury Stock	Unearned ESOP Shares	Deferred Compensation for Restricted Stock Awards	Total
Balance, December 31, 2002	$ 6,291	$ 20,862	$ 91,639	$ 10,276	$ (12,050)	$ (1,759)	$ (96)	$115,163
Comprehensive Income:								
Net Income	-	-	19,864	-	-	-	-	19,864
Other comprehensive income, net of tax:								
Unrealized losses on securities available for sale arising during the period, net of tax benefit of ($306)	-	-	-	-	-	-	-	(497)
Reclassification adjustment, net of taxes of ($387)	-	-	-	-	-	-	-	(588)
Other comprehensive income, net of tax of ($693)	-	-	-	(1,085)	-	-	-	(1,085)
Comprehensive Income	-	-	-	-	-	-	-	18,779
Purchase of 235,200 shares for the treasury	-	-	-	-	(4,079)	-	-	(4,079)
Issuance of 265,263 shares of treasury stock for option exercise and related tax benefit	-	(126)	-	-	3,575	-	-	3,449
Issuance of 133,823 shares of treasury stock to benefit plans	-	173	-	-	1,887	-	-	2,060
Cash dividends:								
Common stock at $.45 per share	-	-	(9,215)	-	-	-	-	(9,215)
Employee stock ownership plan shares allocated	-	59	-	-	-	262	-	321
Proceeds from employee stock ownership plan debt	-	-	-	-	-	(1,356)	-	(1,356)
Amortization of restricted stock issued under restricted stock award plan	-	-	-	-	-	-	55	55
Balance, December 31, 2003	$ 6,291	$ 20,968	$ 102,288	$ 9,191	$ (10,667)	$ (2,853)	$ (41)	$125,177

(Continued)

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (CONTINUED)
YEARS ENDED DECEMBER 31, 2004, 2003, AND 2002

(Dollars in thousands)

	Common Stock	Surplus	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Treasury Stock	Unearned ESOP Shares	Deferred Compensation for Restricted Stock Awards	Total
Balance, December 31, 2003	$ 6,291	$ 20,968	$ 102,288	$ 9,191	$ (10,667)	$ (2,853)	$ (41)	$125,177
Comprehensive Income:								
Net Income	-	-	22,454	-	-	-	-	22,454
Other comprehensive income, net of tax:								
Unrealized gains on securities available for sale arising during the period, net of tax benefit of $535	-	-	-	-	-	-	-	806
Reclassification adjustment, net of taxes of ($546)	-	-	-	-	-	-	-	(827)
Other comprehensive income, net of tax of ($11)	-	-	-	(21)	-	-	-	(21)
Comprehensive Income	-	-	-	-	-	-	-	22,433
Purchase of 123,727 shares for the treasury	-	-	-	-	(2,264)	-		(2,264)
Issuance of 173,550 shares of treasury stock for option exercise and related tax benefit	-	356	-	-	2,220	-	-	2,576
Issuance of 42,113 shares of treasury stock to benefit plans	-	270	-	-	538	-		808
Cash dividends:								
Common stock at $.51 per share	-	-	(10,383)	-	-	-	-	(10,383)
Employee stock ownership plan shares allocated	-	102	-	-	-	397	-	499
Amortization of restricted stock issued under restricted stock award plan	-	-	-	-	-	-	26	26
Balance, December 31, 2004	$ 6,291	$ 21,696	$ 114,359	$ 9,170	$ (10,173)	$ (2,456)	$ (15)	$138,872

See Accompanying Notes to Consolidated Financial Statements

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2004, 2003 AND 2002

	2004	2003	2002
	(Dollars in thousands)		
Cash Flows from Operating Activities			
Net income	$ 22,454	$ 19,864	$ 17,904
Adjustments to reconcile net income to net cash provided by operating activities:			
Stock-based compensation	26	55	116
Depreciation and amortization	3,525	3,534	4,202
Provision for loan losses	2,905	3,058	3,125
Fair value adjustment on employee stock ownership plan shares allocated	102	59	(15)
Provision for deferred income taxes	(1,071)	344	(1,367)
Stock dividends received	(457)	(495)	(301)
Accretion of security discounts, net	(563)	(293)	(460)
Security gains, net	(1,373)	(975)	(762)
Gain on sales of loans, net	(2,689)	(6,183)	(3,995)
Loss (gain) on sales and dispositions of premises and equipment	42	(423)	(11)
Market valuation adjustment on ORE properties	760	989	700
Increase in deferred compensation	577	415	454
Change in assets and liabilities:			
Increase in other assets	(828)	(551)	(105)
Increase (decrease) in other liabilities	560	(1,244)	1,275
NET CASH PROVIDED BY OPERATING ACTIVITIES BEFORE LOAN ORIGINATIONS AND SALES	23,970	18,154	20,760
Loans originated for sale	(159,560)	(400,967)	(292,102)
Proceeds from sales of loans	185,057	437,382	257,220
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	49,467	54,569	(14,122)
Cash Flows from Investing Activities			
Securities available for sale:			
Purchases	(271,763)	(212,444)	(118,028)
Proceeds from sales	55,641	19,033	23,358
Proceeds from maturities	140,244	202,493	76,548
(Increase) decrease in federal funds sold	(1,507)	-	20,000
Increase in loans	(156,755)	(124,402)	(91,148)
Purchases of premises and equipment	(3,529)	(3,724)	(1,898)
Proceeds from sales of premises and equipment	7	6,216	89
Increase in investment in life insurance	-	(5,000)	(343)
Increase in cash surrender value of bank owned life insurance	(798)	(727)	(655)
Purchase of subsidiary net of cash and due from banks acquired	(35,990)	-	-
NET CASH USED IN INVESTING ACTIVITIES	(274,450)	(118,555)	(92,077)

(continued)

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2004, 2003 AND 2002

	2004	2003	2002
	(Dollars in thousands)		
Cash Flows from Financing Activities			
Net increase (decrease) in certificates of deposit	$ 83,058	$(27,254)	$ 64,691
Net increase in demand deposits, money market and savings accounts	72,085	70,244	42,915
Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase	101	13,533	(7,300)
Proceeds from short-term borrowings	15,250	-	500
Principal payments on short-term borrowings	(5,250)	-	(2,500)
Proceeds from long-term debt	74,655	20,000	43,000
Principal payments on long-term debt	(25,059)	-	(18,000)
Proceeds from issuance of junior subordinated debt owed to unconsolidated trust	15,000	-	-
Cash dividends paid	(10,383)	(9,215)	(8,126)
Purchase of treasury stock	(2,264)	(4,079)	(3,792)
Proceeds from sales of treasury stock	3,384	5,509	876
NET CASH PROVIDED BY FINANCING ACTIVITIES	220,577	68,738	112,264
Net (decrease) increase in cash and due from banks	(4,406)	4,752	6,065
Cash and due from banks, beginning	52,397	47,645	41,580
Cash and due from banks, ending	$ 47,991	$ 52,397	$ 47,645

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

	2004	2003	2002
PURCHASE OF SUBSIDIARY:			
Purchase price	$ 42,072	$ -	$ -
Assets acquired:			
Cash and due from other banks	6,082	-	-
Federal funds sold	1,593	-	-
Securities available for sale	49,285	-	-
Loans held for sale	1,853	-	-
Loans (net of allowance for loan losses of $2,069)	147,758	-	-
Premises and equipment	3,483	-	-
Goodwill	24,405	-	-
Other intangible assets	2,383	-	-
Other assets	4,392	-	-
Liabilities assumed:			
Deposits	(147,084)	-	-
Securities sold under agreements to repurchase	(25,457)	-	-
Short-term borrowings	(1,250)	-	-
Long-term debt	(23,322)	-	-
Other liabilities	(2,049)	-	-
	42,072	-	-

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2004, 2003 AND 2002

	2004	2003	2002
	(Dollars in thousands)		
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION (CONT.)			
Cash payments for:			
Interest	$ 28,707	$ 26,395	$ 30,817
Income taxes	$ 10,555	$ 9,864	$ 7,810
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES			
Other real estate acquired in settlement of loans	$ 138	$ 527	$ 5,977
Employee stock ownership plan shares allocated	$ 397	$ 262	$ 262
Proceeds from employee stock ownership plan debt	$ -	$ 1,356	$ -
Transfer of installment purchase debt certificate from investment portfolio to loan portfolio	$ -	$ -	$ 242

See Accompanying Notes to Consolidated Financial Statements.

FIRST BUSEY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

Description of business:

First Busey Corporation (the Corporation) is a financial holding company whose subsidiaries provide a full range of banking services, including security broker/dealer services and investment management and fiduciary services, to individual and corporate customers through its locations in Central Illinois, Indianapolis, Indiana, and Fort Myers, Florida. The Corporation and subsidiaries are subject to competition from other financial institutions and non-financial institutions providing financial products and services. First Busey Corporation and its subsidiaries are also subject to the regulations of certain regulatory agencies and undergo periodic examinations by those regulatory agencies.

The significant accounting and reporting policies for First Busey Corporation and its subsidiaries follow:

Basis of consolidation

The consolidated financial statements include the accounts of First Busey Corporation and its subsidiaries: Busey Bank and its subsidiary: BAT, Inc.; Busey Bank Florida; First Capital Bank; First Busey Resources, Inc.; Busey Investment Group, Inc. and its subsidiaries: First Busey Trust & Investment Company, Inc., First Busey Securities, Inc., Busey Insurance Services, Inc., and Busey Capital Management. All significant intercompany balances and transactions have been eliminated in consolidation.

The consolidated financial statements of First Busey Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America and conform to predominant practice within the banking industry.

Use of estimates

In preparing the accompanying consolidated financial statements, the Corporation's management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates. Material estimates which are particularly susceptible to significant change in the near term relate to the market value of investment securities, the determination of the allowance for loan losses, valuation of other real estate, or other properties acquired in connection with foreclosures or in satisfaction of amounts due from borrowers on loans, and consideration of impairment of goodwill and other intangible assets.

Trust assets

Assets held for customers in a fiduciary or agency capacity, other than trust cash on deposit at the Corporation's bank subsidiaries, are not assets of the Corporation and, accordingly, are not included in the accompanying consolidated financial statements.

Cash flows

For purposes of the consolidated statement of cash flows, cash and due from banks include cash on hand and amounts due from banks. Cash flows from federal funds purchased and sold are reported net, since their original maturities are less than three months. Cash flows from loans and deposits are also treated as net increases or decreases.

Securities

Securities classified as available for sale are those debt securities that the Corporation intends to hold for an indefinite period of time, but not necessarily to maturity, and marketable equity securities. Any decision to sell a security classified as available for sale would be based on various factors, including significant movements in interest rates, changes in the maturity mix of the Corporation's assets and liabilities, liquidity needs, regulatory capital considerations and other similar factors. Securities available for sale are carried at fair value, with unrealized gains and losses excluded from earnings and reported in other comprehensive income.

Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Declines in the fair value of available-for-sale securities below their cost that are deemed to be other than temporary are reflected in earnings as realized losses. In estimating other-than-temporary impairment losses, management considers the length of time and extent to which the fair value has been less than cost, the financial condition and near-term prospects of the issuer, and the intent and ability of the Corporation to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Loans held for sale

Loans held for sale are those loans the Corporation has the intent to sell in the foreseeable future. They consist of fixed-rate mortgage loans conforming to established guidelines and held for sale to investors and the secondary mortgage market. Loans held for sale are carried at the lower of aggregate cost or estimated fair value, as determined by aggregate outstanding commitments from investors or current investor yield requirements. Net unrealized losses, if any, are recognized through a valuation allowance by charges to income. Gains and losses on sales of loans are recognized at settlement dates and are determined by the difference between the sales proceeds and the carrying amount of the loans after allocating cost to servicing rights retained.

The Corporation enters into commitments to originate loans whereby the interest rate on the loan is determined prior to funding (rate lock commitments). Rate lock commitments on mortgage loans that are intended to be sold are considered to be derivatives. Accordingly, such commitments along with any related fees received from potential borrowers are recorded at fair value, with changes in fair value recorded in the net gain or loss on sale of mortgage loans. Fair value is based on the change in estimated fair value of the underlying mortgage loan. The fair value is subject to change primarily due to changes in interest rates.

Loan servicing

Servicing assets are recognized as separate assets when rights are acquired through the sale of mortgage loans. The Corporation generally retains the right to service mortgage loans sold to others. For sales of mortgage loans, a portion of the cost of originating the loan is allocated to the servicing right based on relative fair value. Fair value is based on market prices for comparable mortgage servicing contracts, when available, or alternatively, is based on a valuation model that calculates the present value of estimated future net servicing income. The valuation model incorporates assumptions that market participants would use in estimating future net servicing income, such as the cost to service, the discount rate, the custodial earnings rate, an inflation rate, ancillary income, prepayment speeds and default rates and losses. Capitalized servicing rights are reported in other assets and are amortized into other income in proportion to, and over the period of, the estimated future net servicing income of the underlying financial assets.

Mortgage servicing rights are periodically evaluated for impairment based on the fair value of those rights as compared to amortized cost. Fair values are estimated using discounted cash flows based on current expected future prepayment rates. For purposes of measuring impairment, the rights must be stratified by one or more predominant risk characteristics of the underlying loans. The Corporation stratifies its capitalized mortgage servicing rights based on the origination date, interest rate, and type of the underlying loans. The amount of impairment recognized is the amount, if any, by which the amortized cost of the rights for each stratum exceeds its fair value. If the Corporation later determines that all or a portion of the impairment no longer exists for a particular group of loans, a reduction of the allowance may be recorded as an increase to income.

Servicing fee income is recorded for fees earned for servicing loans. The fees are based on a contractual percentage of the outstanding principal and are recorded as income when earned. The amortization of mortgage servicing rights is netted against loan servicing fee income.

Loans

Loans receivable that management has the intent and ability to hold for the foreseeable future or until maturity or pay-off are stated at the amount of outstanding unpaid principal, adjusted for changeoffs, the allowance for loan losses, and any deferred fees or costs on originated loans.

Loan origination and commitment fees, net of certain direct loan origination costs, are deferred and the net amount amortized as an adjustment of the related loan's yield. The Corporation is generally amortizing these amounts over the contractual life. However, for long-term fixed-rate mortgages the Corporation has anticipated prepayments and assumes an estimated economic life of 5 years or less. Commitment fees and costs are generally based upon a percentage of a customer's unused line of credit and fees related to standby letters of credit and are recognized over the commitment period when the likelihood of exercise is remote. If the commitment is subsequently exercised during the commitment period, the remaining unamortized commitment fee at the time of exercise is recognized over the life of the loan as an adjustment of the yield.

Interest is accrued daily on the outstanding balances. The accrual of interest on mortgage and commercial loans is discontinued at the time the loan is 90 days past due unless the credit is well-secured and in process of collection. Personal loans are typically charged off no later than 180 days past due. Past due status is based on contractual terms of the loan. In all cases, loans are placed on non-accrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

Interest accrued in the current year but not collected for loans that are placed on nonaccrual status or charged off is reversed against interest income. Interest accrued during the prior year but not collected for loans that are placed on nonaccrual status or charged off is charged against the allowance for loan losses. The interest on these loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for loan losses

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance for loan losses when management believes the uncollectibility of the loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectibility of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

In addition, regulatory agencies as an integral part of their examination process, periodically review the allowance for loan losses, and may require the Corporation to make additions to the allowance based on their judgment about information available to them at the time of their examinations.

The allowance consists of specific, general and unallocated components. The specific component relates to loans that are classified as doubtful, substandard, or special mention. For such loans that are also classified as impaired, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the impaired loan is lower than the carrying amount of that loan. The general component covers non-classified loans and is based on historical loss experience adjusted for qualitative factors. An unallocated component is maintained to cover uncertainties that could affect management's estimate of probable losses. The unallocated component of the allowance reflects the margin of imprecision inherent in the underlying assumptions used in the methodologies for estimating specific and general losses in the portfolio.

A loan is impaired when, based on current information and events, it is probable the Corporation will be unable to collect scheduled payments of principal and interest payments when due according to the terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loans and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis for commercial and construction loans by either the present value of the expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent.

Large groups of smaller balance homogenous loans are collectively evaluated for impairment. Accordingly, the Corporation does not separately identify individual consumer and residential loans for impairment disclosures unless such loans are the subject of a restructuring agreement.

Premises and equipment

Land is stated at cost. Premises and equipment are stated at cost less accumulated depreciation. Depreciation is computed principally by the straight-line method over the estimated useful lives of the assets. The estimated useful lives for premises and equipment are:

Asset Description	Estimated Useful Life
Buildings	20 - 40 years
Furniture and equipment	3 - 10 years
Data processing equipment	3 - 5 years
Software	2 - 3 years
Leasehold improvements	3 - 10 years

Management periodically reviews the carrying amount of its long-lived assets to determine if an impairment has occurred or whether changes in circumstances have occurred that would require a revision to the remaining useful lives of those assets. In making such determination, management evaluates the performance, on an undiscounted basis, of the underlying operations or assets which give rise to such amount.

Other real estate owned

Other real estate owned (OREO) represents properties acquired through foreclosure or other proceedings in settlement of loans. OREO is held for sale and is recorded at the date of foreclosure at the fair value of the properties less estimated costs of disposal, which establishes a new cost. Any write-down to fair value at the time of transfer to OREO is charged to the allowance for loan losses. Property is evaluated regularly to ensure the recorded amount is supported by its current fair value, and valuation allowances to reduce the carrying amount to fair value less estimated costs to dispose are recorded as necessary. The Corporation recognized loss provisions of $760,000, $989,000, and $700,000 during the years ended December 31, 2004, 2003, and 2002 respectively in valuation allowances associated with the carrying amount of properties held in OREO. Revenue and expense from the operations of foreclosed assets and changes in the valuation allowance are included in operations. Other real estate owned included in other assets was approximately $4,212,000 and $4,781,000 as of December 31, 2004, and 2003 respectively.

Goodwill and other intangible assets

Costs in excess of the estimated fair value of identifiable net assets acquired consist of goodwill and core deposit intangible assets. Goodwill was originally amortized into expense on a straight-line basis over periods not to exceed 25 years. Under the provisions of Statement of Financial Accounting Standard (SFAS) No. 142, "Goodwill and Other Intangible Assets," effective for fiscal years beginning after December 31, 2001, goodwill is no longer subject to amortization over its useful life, but instead is now subject to at least annual assessments by applying a fair value based test. The Corporation performed an initial impairment assessment as of January 1, 2002, and annual impairment assessments as of December 31, 2004 and 2003 by performing a fair value test and comparing the fair value of outstanding assets less fair value of liabilities to the carrying value of goodwill.

Core deposit intangible assets are amortized on a straight-line basis over the estimated period benefited up to 10 years. Total amortization expense was approximately $631,000, $414,000, and $660,000 for the years ended December 31, 2004, 2003, and 2002, respectively.

Goodwill and intangible asset disclosures are as follows:

	As of December 31, 2004	
	Gross Carrying Amount	Accumulated Amortization
	(Dollars in thousands)	
AMORTIZED INTANGIBLE ASSETS:		
Core deposit intangibles	$ 10,389	$ 6,537
AGGREGATE AMORTIZATION EXPENSE:		
For the year ended December 31, 2004		$ 631
ESTIMATED AMORTIZATION EXPENSE:		
2004		$ 782
2005		749
2006		499
2007		439
2008		439
Thereafter		944
		3,852
GOODWILL:	$ 31,785	

Intangible assets are reviewed for possible impairment when events or changed circumstances may affect the underlying basis of the net assets. Such reviews include an analysis of current results and take into consideration the discounted value of projected operating cash flows.

Income taxes

The Corporation and its subsidiaries file consolidated Federal and State income tax returns with each subsidiary computing its taxes on a separate entity basis. The provision for income taxes is based on income as reported in the financial statements.

Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future. The deferred tax assets and liabilities are computed based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to an amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

Reclassifications

Reclassifications have been made to certain account balances, with no effect on net income or stockholders' equity, as of and for the years ended December 31, 2003 and 2002, to be consistent with the classifications adopted as of and for the year ended December 31, 2004.

On July 23, 2004, First Busey Corporation's Board of Directors approved a three-for-two stock split. The stock split was effected in the form of a 50% dividend issued on August 3, 2004, for shareholders of record at the close of business on August 2, 2004. Fractional share amounts resulting from the split were paid to shareholders in cash. Share and per share data have been retroactively adjusted as if the stock split had occurred on January 1, 2002.

Stock-based employee compensation

The Corporation has two stock-based employee compensation plans which have been in existence for all periods presented, and which are more fully described in Note 16. As permitted under accounting principles generally accepted in the United States of America, grants of options under the plans are accounted for under the recognition and measurement principles of APB No. 25, "Accounting for Stock Issued to Employees," and related interpretations. Because options granted under the plans had an exercise price equal to market value of the underlying common stock on the date of grant, no stock-based employee compensation cost is included in determining net income. The following table illustrates the effect on net income and earnings per share if the Corporation had applied the fair value recognition provisions of Statement of Financial Accounting Standard No. 123, "Accounting for Stock-Based Compensation," to stock-based employee compensation.

	2004	2003	2002
	(in thousands, except per share data)		
Net income:			
As reported	$ 22,454	$ 19,864	$ 17,904
Deduct total stock-based compensation expense determined under the fair value method for all awards, net of related tax effects	336	257	242
Pro forma	$ 22,118	$ 19,607	$ 17,662
Basic earnings per share:			
As reported	$ 1.10	$ 0.98	$ 0.88
Pro forma	$ 1.09	$ 0.96	$ 0.87
Diluted earnings per share:			
As reported	$ 1.09	$ 0.97	$ 0.87
Pro forma	$ 1.08	$ 0.95	$ 0.86

The Black-Scholes option pricing model was developed for use in estimating the fair value of traded options which have no vesting restrictions. In addition, such models require the use of subjective assumptions, including expected stock price volatility. In management's opinion, such valuation models may not necessarily provide the best single measure of option value.

The fair value of the stock options granted has been estimated using the Black-Scholes option pricing model with the following weighted average assumptions.

	2004		
	Block 1	Block 2	2002
Number of options granted	54,000	300,000	343,500
Risk-free interest rate	1.40%	2.12%	3.51%
Expected life, in years	5	5	3
Expected volatility	18.20%	18.02%	19.27%
Expected dividend yield	2.80%	2.60%	2.60%
Estimated fair value per option	$ 2.04	$ 2.55	$ 3.28

The Corporation awarded no stock options during 2003.

Earnings per share

Basic earnings per share are computed by dividing net income for the year by the weighted average number of shares outstanding.

Diluted earnings per share are determined by dividing net income for the year by the weighted average number of shares of common stock and common stock equivalents outstanding. Common stock equivalents assume exercise of stock options and use of proceeds to purchase treasury stock at the average market price for the period.

The following reflects net income per share calculations for basic and diluted methods:

	For the Years Ended December 31,		
	2004	2003	2002
Net income available to common shareholders	$ 22,454,000	$ 19,864,000	$ 17,904,000
Basic average common shares outstanding	20,370,473	20,343,180	20,303,877
Dilutive potential due to stock options	140,950	191,160	121,994
Average number of common shares and dilutive potential common shares outstanding	20,511,423	20,534,340	20,425,871
Basic net income per share	$ 1.10	$ 0.98	$ 0.88
Diluted net income per share	$ 1.09	$ 0.97	$ 0.87

Impact of new financial accounting standards

In April 2003, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." This Statement amends SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under SFAS No. 133. This Statement is effective for contracts entered into or modified after June 30, 2003, except in certain circumstances, and for hedging relationships designated after June 30, 2003. This Statement did not have a material effect on the Corporation's consolidated financial statements.

In December 2003, the Accounting Standards Executive Committee of the AICPA issued Statement of Position No. 03-3 ("SOP 03-3"), "Accounting for Certain Loans or Debt Securities Acquired in a Transfer." SOP 03-3 addresses the accounting for differences between contractual cash flows and the cash flows expected to be collected from purchased loans or debt securities if those differences are attributable, in part, to credit quality. SOP 03-3 requires purchased loans and debt securities to be recorded initially at fair value based on the present value of the cash flows expected to be collected with no carryover of any valuation allowance previously recognized by the seller. Interest income should be recognized based on the effective yield from the cash flows expected to be collected. To the extent the purchased loans or debt securities experience subsequent deterioration in credit quality, a valuation allowance would be established for any additional cash flows that are not expected to be received. However, if more cash flows subsequently are expected to be received than originally estimated, the effective yield would be adjusted on a prospective basis. SOP 03-3 will be effective for loans and debt securities acquired after December 31, 2004. Management does not expect the adoption of this statement to have a material impact on the Corporation's consolidated financial statements.

In December 2003, the FASB issued a revision to Interpretation of No. 46, "Consolidation of Variable Interest Entities," ("FIN 46") which establishes guidance for determining when an entity should consolidate another entity that meets the definition of a variable interest entity. FIN 46 requires a variable interest entity to be consolidated by a company if that company will absorb a majority of the expected losses, will receive a majority of the expected residual returns, or both. FASB deferred the effective date of FIN 46 to no later than the end of the first reporting period that ended after March 15, 2004. First Busey Corporation adopted FIN 46 as of January 1, 2004, which resulted in the Corporation no longer consolidating its wholly-owned subsidiary, First Busey Capital Trust I, and recorded it on the equity method. The Interpretation and the revision had no material effect on the Corporation's consolidated financial statements.

In March 2004, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin ("SAB) No. 105, "Application of Accounting Principles to Loan Commitments," which provides guidance regarding loan commitments that are accounted for as derivative instruments. In this SAB, the SEC determined that an interest rate lock commitment should generally be valued at zero at inception. The rate locks will continue to be adjusted for changes in value resulting from changes in market interest rates. This SAB did not have a material impact on the Corporation's financial position or results of operations.

In September 2004, the FASB issued FASB Staff Position ("FSP") Emerging Issues Task Force ("EITF") Issue No. 03-1-1 delaying the effective date of paragraphs 10-20 of EITF 03-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investment," which provides guidance for the determining the meaning of "other-than-temporarily impaired" and its application to certain debt and equity securities within the scope of SFAS No.115, "Accounting for Certain Investments in Debt and Equity Securities", and investments accounting for under the cost method. The guidance requires that investments which have declined in value due to credit concerns or solely due to changes in interest rates must be recorded as other-than-temporarily impaired unless the Corporation can assert and demonstrate its intention to hold the security for a period of time sufficient to allow for a recovery of fair value up to or beyond the cost of the investment which might mean maturity. The delay of the effective date of EITF 03-1 will be superceded concurrent with the final issuance of proposed FSP Issue 03-1-a. Proposed FSB Issue 03-1-a is intended to provide implementation guidance with respect to all securities analyzed for impairment under paragraphs 10-20 of EITF 03-1. Management continues to closely monitor and evaluate how the provisions of EITF 03-1 and proposed FSP issue 03-1-a will affect the Corporation.

In December 2004, the FASB published FASB Statement No. 123 (revised 2004), "Share-Based Payment" ("FAS 123(R)"). FAS 123(R) requires that the compensation cost relating to share-based payment transactions, including grants of employee stock options, be recognized in financial statements. That cost will be measured based on the fair value of the equity or liability instruments issued. FAS 123(R) permits entities to use any option-pricing model that meets the fair value objective in the Statement. Modifications of share-based payments will be treated as replacement awards with the cost of the incremental value recorded in the financial statements.

FAS 123(R) is effective at the beginning of the third quarter of 2005. As of the date of this filing, no decisions have been made as to whether the Corporation will apply the modified prospective or retrospective transition method of application.

The Corporation will present a cumulative effect of a change in accounting principle as a result of the adoption of FAS 123(R) for the estimation of future forfeitures. The Corporation is precluded from its past practice of recognizing forfeitures only as they occur.

The impact of this statement on the Corporation in 2005 and beyond will depend upon various factors, among them being our future compensation strategy. The pro forma compensation costs presented in this and prior filings for the Corporation have been calculated using a Black-Scholes option pricing model and may not be indicative of amounts which should be expected in future periods.

Comprehensive income

Accounting principles generally require that recognized revenue, expenses, gains and losses be included in net income. Although certain changes in assets and liabilities, such as unrealized gains and losses on available-for-sale securities, are reported as a separate component of the equity section of the balance sheet, such items, along with net income, are components of comprehensive income.

NOTE 2. BUSINESS COMBINATION

On June 1, 2004, First Busey Corporation acquired all the outstanding common stock of First Capital Bankshares, Inc. and its subsidiary First Capital Bank, a $239,000,000 bank headquartered in Peoria, Illinois. This acquisition expands the Corporation's banking presence in central Illinois into Peoria and surrounding communities. The transaction has been accounted for as a purchase, and the results of operations of both entities since the acquisition date have been included in the consolidated financial statements. The purchase price of $42,072,000 was allocated based upon the fair value of assets acquired and liabilities assumed. The excess of total acquisition cost over the fair value of the net assets acquired has been allocated to core deposit intangible assets and goodwill. The core deposit intangibles of $2,383,000 are being amortized over periods ranging from three to ten years. The Corporation does not expect to make further adjustments to these allocations.

Pro forma unaudited operating results for the twelve months ended December 30, 2004 and 2003, giving effect to the First Capital acquisition as if it had occurred as of January 1, 2003 are as follows:

`	2004	2003
	(Dollars in thousands except per share data	
Interest income	$ 90,344	$ 84,556
Interest expense	31,741	30,556
Provision for loan losses	3,390	3,898
Noninterest income	24,645	26,513
Noninterest expense	45,272	44,541
Income before income taxes	$ 34,586	$ 32,074
Income taxes	11,585	10,682
Net income	$ 23,001	$ 21,392
Earnings per share - basic	$ 1.13	$ 1.05
Earnings per share - diluted	$ 1.12	$ 1.04

NOTE 3. CASH AND DUE FROM BANKS

The Corporation's banking and thrift subsidiaries are required to maintain certain cash reserve balances with the Federal Reserve Banks of Chicago and Atlanta, which may be offset by cash on hand. The required reserve balances as of December 31, 2004 and 2003 were approximately $16,004,000 and $10,921,000, respectively.

Busey Bank and First Capital Bank have established clearing balance requirements with the Federal Reserve Bank of Chicago to use Federal Reserve Bank services. As of December 31, 2004, the clearing balance requirements totaled $3,000,000. As of December 31, 2003, the clearing balance requirement was $2,750,000.

These deposited funds generate earnings credits at market rates which offset service charges resulting from the use of Federal Reserve Bank services. The clearing balance requirement is included in the required reserve balance referred to above and may be increased, or otherwise adjusted, on approval of the Federal Reserve Bank based on estimated service charges; however, such adjustments will be made no more frequently than once per month.

The Corporation maintains its cash in deposit accounts which, at times, may exceed federally insured limits. The Corporation has not experienced any losses in such accounts. The Corporation believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 4. SECURITIES

The amortized cost and fair values of securities available for sale are summarized as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(Dollars in thousands)		
December 31, 2004:				
U.S. Treasury securities and obligations of U.S. government corporations and agencies	$ 249,946	$ 242	$ 1,038	$ 249,150
Obligations of states and political subdivisions	49,949	1,839	20	51,768
Mortgage-backed securities	22,736	466	32	23,170
Corporate debt securities	2,184	43	7	2,220
	324,815	2,590	1,097	326,308
Mutual funds and other equity securities	12,222	13,736	10	25,948
	$ 337,037	$ 16,326	$ 1,107	$ 352,256

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(Dollars in thousands)		
December 31, 2003:				
U.S. Treasury securities and obligations of U.S. government corporations and agencies	$ 149,727	$ 1,284	$ 113	$ 150,898
Obligations of states and political subdivisions	45,813	2,433	11	48,235
Corporate securities	3,995	276	6	4,265
	199,535	3,993	130	203,398
Mutual funds and other equity securities	9,947	11,396	8	21,335
	$ 209,482	$ 15,389	$ 138	$ 224,733

The amortized cost and fair value of securities available for sale as of December 31, 2004, by contractual maturity, are shown below. Mutual funds and other equity securities do not have stated maturity dates and therefore are not included in the following maturity summary.

	Amortized Cost	Fair Value
	(Dollars in thousands)	
Due in one year or less	$ 103,758	$ 103,607
Due after one year through five years	179,296	179,589
Due after five years through ten years	18,875	19,761
Due after ten years	22,886	23,351
	$ 324,815	$ 326,308

Gains and losses related to sales of securities are summarized as follows (in thousands):

	For the Years Ended December 31,		
	2004	2003	2002
Gross security gains	$ 1,544	$ 1,133	$ 762
Gross security losses	(171)	(158)	-
NET SECURITY GAINS	$ 1,373	$ 975	$ 762

The tax provisions for these net realized gains and losses amounted to $546,000, 387,000, and $303,000 for the years ended December 31, 2004, 2003 and 2002, respectively.

Investment securities with carrying amounts of $226,356,000 and $151,730,000 on December 31, 2004 and 2003, respectively, were pledged as collateral on public deposits, to secure securities sold under agreements to repurchase and for other purposes as required or permitted by law.

Information pertaining to securities with gross unrealized losses at December 31, 2004 and 2003 aggregated by investment category and length of time that individual securities have been in continuous loss position follows:

	Continuous unrealized losses existing for less than 12 months		Continuous unrealized losses existing greater than 12 months		Total	
	Fair	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
			(Dollars in thousands)			
December 31, 2004:						
U.S. Treasury securities and obligations of U.S. government corporations and agencies	$ 190,541	$ 917	$ 7,380	$ 121	$ 197,921	$ 1,038
Obligations of states and political subdivisions	4,294	19	419	1	4,713	20
Mortgage-backed securities	3,201	32	-	-	3,201	32
Corporate securities	806	7	-	-	806	7
Subtotal, debt securities	$ 198,842	$ 975	$ 7,799	$ 122	$ 206,641	$ 1,097
Mutual funds and other equity securities	54	10	-	-	54	10
Total temporarily impaired securities	$ 198,896	$ 985	$ 7,799	$ 122	$ 206,695	$ 1,107

	Continuous unrealized losses existing for less than 12 months		Continuous unrealized losses existing greater than 12 months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
			(Dollars in thousands)			
December 31, 2003:						
U.S. Treasury securities and obligations of U.S. government corporations and agencies	$ 21,497	$ 113	$ -	$ -	$ 21,497	$ 113
Obligations of states and political subdivisions	2,260	11	-	-	2,260	11
Corporate securities	401	6	-	-	401	6
Subtotal, debt securities	$ 24,158	$ 130	$ -	$ -	$ 24,158	$ 130
Mutual funds and other equity securities	92	8	-	-	92	8
Total temporarily impaired securities	$ 24,250	$ 138	$ -	$ -	$ 24,250	$ 138

Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to the length of time and extent to which the fair value has been less than cost, the financial condition and near-term prospects of the issuer, and the intent and ability of the Corporation to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

NOTE 5. LOANS

The composition of loans is as follows:

	December 31, 2004	December 31, 2003
	(Dollars in thousands)	
Commercial	$ 216,290	$ 138,272
Real estate construction	235,547	168,141
Real estate - farmland	11,750	11,890
Real estate - 1 to 4 family residential mortgage	443,320	375,573
Real estate - multifamily mortgage	106,163	91,325
Real estate - non-farm nonresidential mortgage	363,993	292,169
Installment	63,315	61,323
Agricultural	25,224	22,300
	1,465,602	1,160,993
Plus net deferred loan costs	724	874
	1,466,326	1,161,867
Less allowance for loan losses	19,217	16,228
NET LOANS	$ 1,447,109	$ 1,145,639

The loan portfolio includes a concentration of loans for commercial real estate amounting to approximately $470,156,000 and $383,494,000 as of December 31, 2004 and 2003, respectively. Generally these loans are collateralized by assets of the borrowers. The loans are expected to be repaid from cash flows or from proceeds from the sale of selected assets of the borrowers. Credit losses arising from lending transactions for commercial real estate entities are comparable with the Corporation's credit loss experience on its loan portfolio as a whole.

Geographic distribution of the commercial real estate loans as of December 31, 2004 and 2003 follows:

	December 31, 2004	December 31, 2003
	(dollars in thousands)	
Illinois	$ 306,324	$ 245,245
Florida	93,970	86,964
Indiana	69,862	51,285
	$ 470,156	$ 383,494

The Corporation's opinion as to the ultimate collectibility of loans is subject to estimates regarding future cash flows from operations and the value of property, real and personal, pledged as collateral. These estimates are affected by changing economic conditions and the economic prospects of borrowers.

Loans contractually past due in excess of 90 days and loans classified as non-accrual are summarized as follows:

	December 31, 2004	December 31, 2003
	(Dollars in thousands)	
Loans 90 days past due and still accruing	$ 2,141	$ 2,638
Non-accrual loans	1,523	581
	3,664	3,219

The following table presents data on impaired loans:

	2004	2003	2002
	(Dollars in thousands)		
Impaired loans for which an allowance has been provided	$ 408	$ -	$ -
Impaired loans for which no allowance has been provided	$ 503	$ 2,214	$ 309
Total loans determined to be impaired	$ 911	$ 2,214	$ 309
Allowance for loan loss for impaired loans included in the allowance for loan losses	$ 168	$ -	$ -
Average recorded investment in impaired loans	$ 1,670	$ 1,193	$ 1,435
Interest income recognized from impaired loans	$ 28	$ -	$ -
Cash basis interest income recognized from impaired loans	$ 28	$ -	$ -

NOTE 6. ALLOWANCE FOR LOAN LOSSES

Changes in the allowance for loan losses were as follows:

	Years Ended December 31, 2004	2003	2002
	(Dollars in thousands)		
Balance, beginning of year	$ 16,228	$ 15,460	$ 13,688
Addition due to acquisition	2,069	-	-
Provision for loan losses	2,905	3,058	3,125
Recoveries applicable to loan balances previously charged off	202	225	476
Loan balances charged off	(2,187)	(2,515)	(1,829)
Balance, end of year	$ 19,217	$ 16,228	$ 15,460

NOTE 7. LOAN SERVICING

The unpaid principal balances of loans serviced by the Corporation for the benefit of other are not included in the accompanying consolidated balance sheets. These unpaid principal balances were $568,081,000 and $531,271,000 as of December 31, 2004 and 2003, respectively. Servicing loans for others generally consists of collecting mortgage payments, maintaining escrow accounts, disbursing payments to investors and collection and foreclosure processing. Loan servicing income is recorded on the accrual basis and includes servicing fees from investors and certain charges collected from borrowers, such as late payment fees and is net of amortization of capitalized mortgage servicing rights.

The balance of capitalized servicing rights included in other assets at December 31, 2004 and 2003, was $1,964,000 and $2,279,000, respectively. The fair values of these servicing rights were $2,025,000 and $2,279,000, respectively, at December 31, 2004 and 2003. The following summarizes mortgage servicing rights capitalized and amortized:

	For the Years Ended December 31, 2004	2003	2002
	(Dollars in thousands)		
Mortgage servicing rights capitalized	$ 838	$ 2,679	$ 1,467
Mortgage servicing rights amortized	$ 1,153	$ 1,874	$ 906

FIRST BUSEY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8. PREMISES AND EQUIPMENT

Premises and equipment are summarized as follows:

	December 31, 2004	December 31, 2003
	(Dollars in thousands)	
Land	$ 7,381	$ 6,639
Buildings and improvements	25,045	21,819
Furniture and equipment	21,386	18,925
	53,812	47,383
Less accumulated depreciation	27,517	25,160
	$ 26,295	$ 22,223

Depreciation expense was $2,894,000, $3,120,000 and $3,542,000 for the years ended December 31, 2004, 2003 and 2002, respectively.

NOTE 9. DEPOSITS

The composition of deposits is as follows:

	December 31, 2004	December 31, 2003
	(dollars in thousands)	
Demand deposits, noninterest-bearing	$ 213,921	$ 160,578
Interest-bearing transaction deposits	31,129	49,903
Savings deposits	113,822	106,990
Money market deposits	538,560	451,669
Time deposits	661,390	487,455
Total	$ 1,558,822	$ 1,256,595

The aggregate amount of time deposits with a minimum denomination of $100,000 was approximately $196,260,000 and $105,614,000 at December 31, 2004 and 2003, respectively. Brokered deposits of $16,423,000 are included in the balance of time deposits with a minimum denomination of $100,000 as of December 31, 2004. The Corporation had no brokered deposits as of December 31, 2003.

As of December 31, 2004, the scheduled maturities of certificates of deposit, in thousands, are as follows:

2005	$ 387,476
2006	124,153
2007	95,373
2008	22,542
2009	31,583
Thereafter	263
	$ 661,390

NOTE 10. SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE

Securities sold under agreements to repurchase, which are classified as secured borrowings, generally mature within one to four years from the transaction date. Securities sold under agreements to repurchase are reflected at the amount of cash received in connection with the transaction. The Corporation may be required to provide additional collateral based on the fair value of the underlying securities. Balances of securities sold under agreements to repurchase were $41,558,000 and $8,500,000 as of December 31, 2004 and 2003, respectively.

NOTE 11. SHORT-TERM BORROWINGS

Short-term borrowings consist of fixed-rate advances which mature in less than one year from date of origination. The advances are borrowed from the Federal Home Loan Bank of Chicago, collateralized by all unpledged U.S. Treasury and U.S. Agency securities, first mortgages on 1-4 family residential real estate and Federal Home Loan Bank of Chicago stock. Interest rates on the short-term advances outstanding as of December 31, 2004, range from 1.31% to 2.05% with an average weighted rate of 1.86%. The Corporation had no short-term borrowings outstanding as of December 31, 2003.

At December 31, 2004, First Busey Corporation had an operating line in the amount of $10,000,000 from its primary correspondent bank. The Corporation did not draw on the line in 2004, and the entire balance was available as of December 31, 2004. The line, which is collateralized by the outstanding shares of Busey Bank, matures on January 20, 2006.

FIRST BUSEY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12. LONG-TERM DEBT

Long-term debt is summarized as follows:

	December 31, 2004	December 31, 2003
	(Dollars in thousands)	
Notes payable, JPMorgan Chase N.A., formerly known as Bank One, interest payable quarterly		
$250,000 term loan, at one-year LIBOR plus 1.25% (effective rate of 2.75% at December 31, 2004), principal payment of $25,000 due annually on December 15, final payment due December 15, 2006, collateralized by unallocated shares of First Busey Corporation common stock purchased by employee stock ownership plan in August, 1997 (6,000 shares as of December 31, 2004; 9,000 shares as of December 31, 2003)	$ 50	$ 75
$2,370,000 term loan, at one-year LIBOR plus 1.25% (effective rate of 2.75% at December 31, 2004), principal payment of $237,000 due annually on December 15, final payment due December 15, 2009, collateralized by unallocated shares of First Busey Corporation common stock purchased by employee stock ownership plan in November, 1999 (75,000 shares as of December 31, 2004; 90,000 shares as of December 31, 2003)	$ 1,185	$ 1,422
$1,356,500 term loan at one-year LIBOR plus 1.25% (effective rate of 2.75% at December 31, 2004), principal payment of $135,650 due annually on December 15, final payment due December 15, 2013, collateralized by unallocated shares of First Busey Corporation common stock purchased by employee stock ownership plan in December, 2003 (67,500 shares as of December 31, 2004; 75,000 shares as of December 31, 2003)	$ 1,221	$ 1,356
$42,000,000 term loan at six-month LIBOR plus 1.25% (effective rate of 2.86% at December 31, 2004), principal payment of $4,000,000 due annually beginning January 25, 2006, final payment due on June 1, 2011, collateralized by the outstanding shares of Busey Bank.	$ 30,000	$ -
Notes payable, Federal Home Loan Banks of Chicago and Atlanta, collateralized by all unpledged U.S. Treasury and U.S. Agency securities, first mortgages on 1-4 family residential real estate and Federal Home Loan Bank of Chicago stock.	$ 132,918	$ 90,000
	$ 165,374	$ 92,853

As of December 31, 2004, funds borrowed from the Federal Home Loan Banks of Chicago and Atlanta, listed above, consisted of fixed-rate advances maturing through January, 2013, with interest rates ranging from 1.47% to 6.18%. The weighted average rate on these long-term advances was 3.95% and 4.22% as of December 31, 2004 and 2003, respectively.

As of December 31, 2004, the scheduled maturities of long-term debt, in thousands, are as follows:

2005	$ 34,990
2006	28,898
2007	22,198
2008	44,373
2009	14,373
Thereafter	$ 20,542
	$ 165,374

The Corporation had no letters of credit outstanding with the Federal Home Loan Bank of Chicago at December 31, 2004 and $1,300,000 outstanding at December 31, 2003.

NOTE 13. JUNIOR SUBORDINATED DEBT OWED TO UNCONSOLIDATED TRUSTS

In June 2001, First Busey Corporation issued $25 million in cumulative trust preferred securities through a newly formed Delaware business trust, First Busey Capital Trust I. The proceeds of the offering were invested by First Busey Capital Trust I in junior subordinated deferrable interest debentures of the Corporation. The trust is a wholly-owned subsidiary of the Corporation, and its sole assets are the junior subordinated deferrable interest debentures. Distributions are cumulative and are payable quarterly at a rate of 9.00% per annum. Interest expense on the trust preferred securities was $2,250,000 for each of the years ended December 31, 2004, 2003, and 2002. Prior redemption is permitted under certain circumstances such as changes in tax and investment company regulations. The obligations of the trust are fully and unconditionally guaranteed, on a subordinated basis, by the Corporation. The trust preferred securities qualify as Tier 1 capital for regulatory purposes.

The trust preferred securities are mandatorily redeemable upon the maturity of the debentures on June 18, 2031, and are callable beginning June 18, 2006.

Issuance costs of $1,340,000 related to the trust preferred debentures were deferred and are being amortized over the period until mandatory redemption of the debentures in June 2031.

Prior to the implementation of a new accounting standard in the first quarter of 2004, the financial statements of the Trust were included in the consolidated financial statements of the Corporation because First Busey owns all of the outstanding common equity securities of the Trust. However, because First Busey is not the primary beneficiary of the Trust, in accordance with the new accounting standard, the financial statements of the Trust are no longer included in the consolidated financial statements of the Corporation. The Corporation's prior financial statements have been reclassified to de-consolidate the Corporation's investment in the Trust. There was no cumulative effect on stockholders' equity as a result of this adoption.

In April 2004, First Busey Corporation, through First Busey Statutory Trust II, issued $15 million of cumulative trust preferred securities ("Securities") in a private placement. The Securities were issued at an initial coupon rate of 3.82875%, pay cumulative cash distributions quarterly, and are subject to repricing on a quarterly basis (3-month LIBOR plus 2.65%). Effective December 17, 2004, the rate on these securities increased to 5.15125%. Interest expense on these trust preferred securities was $426,000 for the year ended December 31, 2004.

The proceeds of the offering were invested by First Busey Statutory Trust II in junior subordinated deferrable interest debentures of First Busey Corporation which represents all of the assets of the Trust. The Securities are subject to mandatory redemption, in whole or in part, upon repayment of the junior subordinated debentures at the stated maturity or their earlier redemption, in each case at a redemption price equal to the aggregate liquidation preference of the Securities plus any accumulated and unpaid distributions thereon to the date of redemption. Prior redemption is permitted under certain circumstances, such as changes in tax and investment company regulations, and is subject to payment of premium above par value if made within five years of issuance. The obligations of the trust are fully and unconditionally guaranteed, on a subordinated basis, by the Corporation. The trust preferred securities qualify as Tier 1 capital for regulatory purposes.

Issuance costs of $75,000 related to these trust preferred debentures were deferred and are being amortized over the period until mandatory redemption of the debentures in June, 2034.

NOTE 14. INCOME TAXES

The components of income taxes consist of:

	Years Ended December 31, 2004	2003	2002
	(Dollars in thousands)		
Current	$ 12,295	$ 9,681	$ 9,540
Deferred	(1,071)	344	(1,367)
TOTAL INCOME TAX EXPENSE	$ 11,224	$ 10,025	$ 8,173

A reconciliation of federal and state income taxes at statutory rates to the income taxes included in the statements of income is as follows:

	Years Ended December 31, 2004 Amount	2004 % of Pretax Income	2003 Amount	2003 % of Pretax Income	2002 Amount	2002 % of Pretax Income
	(Dollars in thousands)					
Income tax at statutory rate	$ 11,787	35.0%	$ 10,461	35.0%	$ 9,127	35.0%
Effect of:						
Tax-exempt interest, net	(797)	(2.4%)	(819)	(2.7%)	(774)	(3.0%)
Income on bank owned life insurance	(317)	(0.9%)	(287)	(1.0%)	(260)	(1.0%)
Amortization of intangibles	51	0.1%	(35)	(0.1%)	55	0.2%
Other	500	1.5%	705	2.3%	25	0.1%
	$ 11,224	33.3%	$ 10,025	33.5%	$ 8,173	31.3%

Net deferred taxes, included in other liabilities in the accompanying balances sheets, includes the following amounts of deferred tax assets and liabilities:

	2004	2003
	(Dollars in thousands)	
Deferred tax assets:		
Allowance for loan losses	$ 7,473	$ 6,441
Property acquired in settlement of loans	825	569
Loans held for sale	50	32
Basis in deposit intangibles	-	296
Deferred compensation	641	433
Accrued vacation	178	-
Other	129	295
	9,296	8,066
Deferred tax liabilities:		
Investment securities		
Unrealized gains on securities held for sale	(6,049)	(6,060)
Other	(592)	(419)
Basis in premises and equipment	(1,553)	(1,425)
Mortgage servicing assets	(779)	(905)
Basis in deposit intangibles	(601)	-
Deferred loan fees	(288)	(337)
	(9,862)	(9,146)
NET DEFERRED TAX LIABILITY	$ (566)	$ (1,080)

NOTE 15. EMPLOYEE BENEFIT PLANS

Employees' Stock Ownership Plan

The First Busey Corporation Employees' Stock Ownership Plan (ESOP) is available to all full-time employees who meet certain age and length of service requirements. The ESOP purchased common shares of the Corporation using the proceeds of bank borrowings which is secured by the stock. The borrowings are to be repaid using fully deductible contributions to the trust fund. As the ESOP makes each payment of principal, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the Internal Revenue Code. Allocations of common stock released and forfeitures are based on the eligible compensation of each participant. Dividends on allocated shares of common stock are distributed directly to the participants, and dividends on unallocated shares are used to service the bank borrowings. All shares held by the ESOP, which were acquired prior to the issuance of Statement of Position 93-6, are included in the computation of average common shares and common share equivalents. This accounting treatment is grandfathered under AICPA Statement of Position 93-6, "Employers' Accounting for Employee Stock Ownership Plans" for shares purchased prior to December 31, 1992.

In December, 2003, First Busey Corporation's Employees' Stock Ownership Plan purchased an additional 75,000 shares of the Corporation's common stock using proceeds of $1,356,000 from bank borrowings which are secured by the stock.

As permitted by Statement of Position (SOP) 93-6, compensation expense for shares released is equal to the original acquisition cost of the shares if they were acquired prior to December 31, 1992. Compensation expense for shares released is equal to the fair market value of the shares when released if they were acquired on or after January 1, 1993. All shares released in 2004, 2003, and 2002 were acquired after January 1, 1993. During 2004, $467,000 of compensation expense was recognized for the ESOP, releasing 25,500 shares to participant accounts. During 2003, $327,000 of compensation expense was recognized for the ESOP releasing 18,000 shares to participant accounts. During 2002, $304,000 of compensation expense was recognized for the ESOP, releasing 18,000 shares to participant accounts. Compensation expense related to the ESOP is included in the chart below under "Employee Benefits". Compensation expense related to the ESOP plan, including related interest expense, was $635,000, $431,000, and $382,000, in the years ended December 31, 2004, 2003 and 2002.

Shares held in the ESOP which were acquired prior to December 31, 1992 were as follows:

	2004	2003
Allocated shares	1,074,256	1,080,007
Unallocated shares	-	-
TOTAL	1,074,256	1,080,007
Fair value of allocated shares at December 31	$ 22,420,000	$ 19,440,000

Shares held in the ESOP which were acquired after December 31, 1992 and their fair values were as follows:

	2004		2003	
	Shares	Fair Value	Shares	Fair Value
Allocated shares	99,600	$ 2,079,000	77,726	$ 1,399,000
Unallocated shares	148,500	3,099,000	174,000	3,132,000
TOTAL	248,100	$ 5,178,000	251,726	$ 4,531,000

Profit Sharing Plan

All full-time employees who meet certain age and length of service requirements are eligible to participate in the Corporation's profit-sharing plan. The contributions, if any, are determined solely by the Boards of Directors of the Corporation and its subsidiaries and in no case may the annual contributions be greater than the amounts deductible for federal income tax purposes for that year.

The rights of the participants vest ratably over a seven-year period. Contributions to the plan were $855,000, $880,000, and $857,000 for the years ended December 31, 2004, 2003, and 2002, respectively.

Expense related to the employee benefit plans are included in the statements of income as follows:

	Years Ended December 31,		
	2004	2003	2002
	(Dollars in thousands)		
Employee benefits	$ 1,401	$ 1,259	$ 1,161
Interest on employee stock ownership plan debt	89	52	78
TOTAL EMPLOYER CONTRIBUTIONS	$ 1,490	$ 1,311	$ 1,239

NOTE 16. STOCK INCENTIVE PLANS

Stock Option Plan:

In March, 1989, the Corporation adopted the 1988 Stock Option Plan pursuant to which incentive stock options and nonqualified stock options for up to 1,350,000 shares of common stock may be granted by the Executive Compensation and Succession Committee of the Board of Directors to certain executive officers and key personnel of First Busey Corporation and its subsidiaries. In March 1996, the Board of Directors approved an increase in the number of shares reserved for issuance as stock options from 1,350,000 to 2,250,000.

In January of 1999, the Corporation adopted the 1999 Stock Option Plan pursuant to which nonqualified stock options for up to 750,000 shares of common stock may be granted by the Executive Compensation and Succession Committee of the Board of Directors to certain executive officers and key personnel of First Busey Corporation and its subsidiaries.

In April, 2004, the Corporation adopted the 2004 Stock Option Plan pursuant to which nonqualified stock options for up to 1,500,000 shares of common stock may be granted by the Executive Compensation and Succession Committee of the Board of Directors to certain executive officers and key personnel of First Busey Corporation and its subsidiaries.

A summary of the status of the Corporation's stock option plan for the years ended December 31, 2004, 2003, and 2002 and the changes during the years ending on those dates is as follows:

	2004		2003		2002	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Outstanding at beginning of year	596,400	$ 12.19	871,488	$ 12.51	613,488	$ 10.76
Granted	354,000	19.36	-	-	343,500	14.56
Exercised	(173,550)	12.31	(265,263)	10.19	(81,900)	8.09
Forfeited	(6,825)	16.18	(9,825)	12.23	(3,600)	11.17
Outstanding at end of year	770,025	$ 16.47	596,400	$ 13.54	871,488	$ 12.51
Exercisable at end of year	82,125	$ 11.95	252,600	$ 12.19	345,300	$ 11.13
Weighted-average fair value per option of options granted during the year		$ 2.47		N/A		$ 3.28

The following table summarizes information about stock options outstanding at December 31, 2004:

	Options Outstanding		Options Exercisable
Exercise Prices	Number	Weighted-Average Remaining Contractual Life	Number
$ 11.92	78,750	0.96 years	78,750
12.71	3,375	1.67 years	3,375
14.56	336,300	5.96 years	-
18.07	54,000	3.96 years	-
19.59	297,800	4.70 years	-
	770,225	4.80 years	82,125

Restricted Stock Award Plan:

The 1993 Restricted Stock Award Plan provides for restricted stock awards of up to 675,000 shares of common stock which may be granted by the Compensation Committee of the Board of Directors to certain executive officers and key personnel of First Busey Corporation and its subsidiaries. Shares vest over a period established by the Compensation Committee at grant date and are based on the attainment of specified earnings per share and earnings growth. As of December 31, 2004, there were 3,225 shares under grant.

	Number of Shares		
	2004	2003	2002
Under restriction, beginning of year	6,450	10,425	-
Granted	-	-	14,925
Restrictions released	3,225	3,975	4,500
Forfeited and reissuable	-	-	-
Under restriction, end of year	3,225	6,450	10,425
Available to grant, end of year	597,300	597,300	597,300

Compensation expense is recognized for financial statement purposes over the period of performance. Compensation expense of $26,000, $55,000, and $116,000 was recognized for financial statement purposes during the years ended December 31, 2004, 2003, and 2002, respectively.

NOTE 17. TRANSACTIONS WITH DIRECTORS AND EXECUTIVE OFFICERS

The Corporation and its subsidiaries have had, and may be expected to have in the future, banking transactions in the ordinary course of business with directors, executive officers, their immediate families and affiliated companies in which they have 10% or more beneficial ownership (commonly referred to as related parties), on the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with others.

The following is an analysis of the changes in loans to related parties during the year ended December 31, 2004:

Balance at beginning of year	$ 4,969
Addition due to acquisition	11,136
New loans	9,130
Repayments	(10,565)
Balance at end of year	$ 14,670

NOTE 18. CAPITAL

The ability of the Corporation to pay cash dividends to its stockholders and to service its debt is dependent on the receipt of cash dividends from its subsidiaries. State chartered banks have certain statutory and regulatory restrictions on the amount of cash dividends they may pay. As a practical matter, dividend payments are restricted because of the desire to maintain a strong capital position in the subsidiaries.

The Corporation and the Banks are subject to various regulatory capital requirements administered by federal and state banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory, and possibly additional discretionary, actions by regulators that, if undertaken, could have a direct material effect on the Corporation's or the Banks' financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Corporation and Banks must meet specific capital guidelines that involve quantitative measures of their assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The Corporation's and the Banks' capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors. Prompt corrective action provisions are not applicable to bank holding companies.

Quantitative measures established by regulation to ensure capital adequacy require the Corporation and the Banks to maintain minimum amounts and ratios (set forth in the table below) of total and Tier I capital (as defined in the regulations) to risk-weighted assets (as defined), and Tier 1 capital (as defined) to average assets (as defined). Management believes, as of December 31, 2004, that the Corporation and the Banks meet all capital adequacy requirements to which they are subject.

As of December 31, 2004, the most recent notification from the federal and state regulatory agencies categorized the Banks as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Banks must maintain minimum total risk-based, Tier I risk-based, and Tier I leverage ratios as set forth in the table. There are no conditions or events since that notification that management believes have changed the Banks' categories. The Corporation's and the Banks' actual capital amounts and ratios as of December 31, 2004 and 2003, are also presented in the table.

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
	(Dollars in Thousands)					
AS OF DECEMBER 31, 2004:						
Total Capital (to Risk Weighted Assets)						
Consolidated	$ 157,328	10.92%	$ 115,292	8.00%	N/A	N/A
Busey Bank	$ 128,706	11.24%	$ 91,580	8.00%	$ 114,475	10.00%
Busey Bank Florida	$ 15,133	11.56%	$ 10,473	8.00%	$ 13,091	10.00%
First Capital Bank	$ 17,827	11.96%	$ 11,926	8.00%	$ 14,908	10.00%
Tier I Capital (to Risk Weighted Assets)						
Consolidated	$ 133,122	9.24%	$ 57,646	4.00%	N/A	N/A
Busey Bank	$ 108,992	9.52%	$ 45,790	4.00%	$ 68,685	6.00%
Busey Bank Florida	$ 13,495	10.31%	$ 5,237	4.00%	$ 7,855	6.00%
First Capital Bank	$ 15,960	10.71%	$ 5,963	4.00%	$ 8,945	6.00%
Tier I Capital (to Average Assets)						
Consolidated	$ 133,122	6.88%	$ 77,382	4.00%	N/A	N/A
Busey Bank	$ 108,992	7.15%	$ 60,945	4.00%	$ 76,181	5.00%
Busey Bank Florida	$ 13,495	8.06%	$ 6,694	4.00%	$ 8,368	5.00%
First Capital Bank	$ 15,960	6.91%	$ 9,233	4.00%	$ 11,541	5.00%
AS OF DECEMBER 31, 2003:						
Total Capital (to Risk Weighted Assets)						
Consolidated	$ 150,545	13.33%	$ 90,350	8.00%	N/A	N/A
Busey Bank	$ 117,133	11.30%	$ 82,934	8.00%	$ 103,667	10.00%
Busey Bank Florida	$ 12,402	15.50%	$ 6,402	8.00%	$ 8,003	10.00%
Tier I Capital (to Risk Weighted Assets)						
Consolidated	$ 131,277	11.62%	$ 45,175	4.00%	N/A	N/A
Busey Bank	$ 99,920	9.64%	$ 41,467	4.00%	$ 62,201	6.00%
Busey Bank Florida	$ 11,514	14.39%	$ 3,201	4.00%	$ 4,802	6.00%
Tier I Capital (to Average Assets)						
Consolidated	$ 131,277	8.85%	$ 59,363	4.00%	N/A	N/A
Busey Bank	$ 99,920	7.33%	$ 54,543	4.00%	$ 68,179	5.00%
Busey Bank Florida	$ 11,514	10.16%	$ 4,533	4.00%	$ 5,666	5.00%

NOTE 19. COMMITMENTS, CONTINGENCIES AND CREDIT RISK

The Corporation and its subsidiaries are parties to legal actions which arise in the normal course of their business activities. In the opinion of management, the ultimate resolution of these matters is not expected to have a material effect on the financial position or the results of operations of the Corporation and its subsidiaries.

As of December 31, 2004, Busey Bank had entered into a contractual commitment for the remodel of one of its branch locations in Champaign, Illinois. It had also entered into a separate contractual commitment for the construction of a new branch location in Normal, Illinois. Total commitment for these two projects is approximately $2,112,000. These projects are expected to be completed during 2005. In addition to these two contruction projects, Busey Bank had entered into a contractual commitment with its data processing provider for the replacement of certain hardware and software components. Commitments under this contract total $725,000. Installation of these components is expected to be complete by March 31, 2005.

The Corporation and its subsidiaries are parties to credit related financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheets.

The Corporation and its subsidiaries' exposure to credit loss is represented by the contractual amount of those commitments. The Corporation and its subsidiaries use the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments.

A summary of the contractual amount of the Corporation's exposure to off-balance-sheet risk follows:

	December 31, 2004	December 31, 2003
	(Dollars in thousands)	
Financial instruments whose contract amounts represent credit risk:		
Commitments to extend credit	$ 413,679	$ 286,037
Standby letters of credit	12,507	11,682

Commitments to extend credit are agreements to lend to a customer as long as no condition established in the contract has been violated. These commitments are generally at variable interest rates and generally have fixed expiration dates or other termination clauses and may require payment of a fee. The commitments for equity lines of credit may expire without being drawn upon. Therefore, the total commitment amounts do not necessarily represent future cash requirements. The amount of collateral obtained, if it is deemed necessary by the Corporation upon extension of credit, is based on management's credit evaluation of the customer.

Standby letters of credit are conditional commitments issued by the Corporation to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to support public and private borrowing arrangements, including bond financing and similar transactions and primarily have terms of one year or less. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The Corporation holds collateral, which may include accounts receivable, inventory, property and equipment, income producing properties, supporting those commitments if deemed necessary. In the event the customer does not perform in accordance with the terms of the agreement with the third party, the corporation would be required to fund the commitment.

The maximum potential amount of future payments the Corporation could be required to make is represented by the contractual amount shown in the summary above. If the commitment is funded, the Corporation would be entitled to seek recovery from the customer. At December 31, 2004 and 2003, no amounts have been recorded as liabilities for the corporation's potential obligations under these guarantees.

As of December 31, 2004, the Corporation has no futures, forwards, swaps or option contracts, or other financial instruments with similar characteristics with the exception of rate lock commitments on mortgage loans to be held for sale.

Lease Commitments

At December 31, 2004, the Corporation was obligated under noncancelable operating leases for office space and other commitments. Rent expense under operating leases, included in net occupancy expense of premises, was approximately $992,000, $790,000, and $699,000 for the years ended December 31, 2004, 2003 and 2002, respectively.

The projected minimum rental payments under the terms of the leases at December 31, 2004, in thousands, are as follows:

2005	$ 947
2006	935
2007	869
2008	655
2009	191
Thereafter	266
	$ 3,863

NOTE 20. DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the current amount that would be exchanged between willing parties, other than in a forced liquidation. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Corporation's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument. SFAS 107 excludes certain financial instruments and all non-financial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented may not necessarily represent the underlying fair value of the Corporation.

Cash and cash equivalents

The carrying amounts reported in the balance sheet for cash and due from banks and federal funds sold approximate those assets' fair values.

Securities

For securities available for sale, fair values are based on quoted market prices or dealer quotes, where available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities. The carrying amount of accrued interest receivable approximates fair value.

Mortgage loans held for sale

Fair value of mortgage loans held for sale are based on commitments on hand from investors or prevailing market prices.

Fair values for on-balance-sheet commitments to originate loans held for sale are based on fees currently charged to enter into similar agreements, and for fixed-rate commitments also consider the difference between current levels of interest rates and the committed rates.

Loans

For variable rate loans that reprice frequently with no significant change in credit risk, fair values are based on carrying amount. For certain homogeneous categories of loans, such as some residential mortgages, fair value is estimated using the quoted market prices for similar loans or securities backed by similar loans, adjusted for differences in loan characteristics. The fair value of other types of loans is estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities. Fair values for nonperforming loans are estimated using discounted cash flow analysis or underlying collateral values, when applicable. The carrying amount of accrued interest receivable approximates fair value.

Deposits and securities sold under agreements to repurchase

The fair value of demand deposits, savings accounts, interest-bearing transaction accounts, and certain money market deposits is defined as the amount payable on demand at the reporting date. The fair value of fixed-maturity certificates of deposit is estimated using a discounted cash flow calculation that applies interest rates currently offered for deposits of similar remaining maturities. The carrying amounts reported in the balance sheet for securities sold under agreements to repurchase approximate those assets' fair values. The carrying amount of accrued interest payable approximates fair value.

Short-term borrowings and long-term debt

Rates currently available to the Corporation for debt with similar terms and remaining maturities are used to estimate fair value of existing debt. The carrying amount of accrued interest payable approximates fair value.

Junior subordinated debt owed to unconsolidated trusts

Fair values are based upon quoted market prices or dealer quotes. For variable rate instruments, fair values are based on carrying values. The carrying amount of accrued interest payable approximates fair value.

Commitments to extend credit and standby letters of credit

The fair value of commitments is estimated using the fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the present creditworthiness of the counterparties. For fixed-rate loan commitments, fair value also considers the difference between current levels of interest rates and the committed rates. The fair value of letters of credit is based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reporting date. As of December 31, 2004 and 2003, these items are immaterial.

The estimated fair values of the Corporation's financial instruments are as follows:

	2004		2003	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(Dollars in thousands)			
Financial assets:				
Cash and cash equivalents	$ 51,091	$ 51,091	$ 52,397	$ 52,397
Securities	352,256	352,256	224,733	224,733
Loans, net	1,456,683	1,463,112	1,176,168	1,184,532
Accrued interest receivable	8,566	8,566	6,606	6,606
Financial liabilities:				
Deposits	1,558,822	1,559,370	1,256,595	1,263,205
Federal funds purchased and securities sold under agreements to repurchase	41,558	41,558	16,000	16,000
Short-term borrowings	11,250	11,250	-	-
Long-term debt	165,374	165,928	92,853	95,740
Junior subordinated debt owed to unconsolidated trusts	40,000	42,550	25,000	28,275
Accrued interest payable	3,799	3,799	2,465	2,465

In addition, other assets and liabilities of the Corporation that are not defined as financial instruments are not included in the above disclosures, such as property and equipment. Also, nonfinancial instruments typically not recognized in financial statements nevertheless may have value but are not included in the above disclosures. These include, among other items, the estimated earnings power of core deposit accounts, the earnings potential of loan servicing rights, the earnings potential of the trust operations, the trained work force, customer goodwill and similar items.

NOTE 21. REPORTABLE SEGMENTS AND RELATED INFORMATION

First Busey Corporation has four reportable segments, Busey Bank, Busey Bank Florida, First Capital Bank, and Busey Investment Group. Busey Bank provides a full range of banking services to individual and corporate customers through its branch network in Champaign, McLean and Ford Counties in Illinois, through its branch in Indianapolis, Indiana, and through its loan production office in Fort Myers, Florida. Busey Bank Florida provides a full range of banking services to individual and corporate customers in Fort Myers and Cape Coral, Florida. First Capital Bank, acquired June 1, 2004, provides a full range of banking services to individual and corporate customers in Peoria and Pekin, Illinois. Busey Investment Group is a wholly-owned subsidiary of First Busey Corporation and owns three subsidiaries: First Busey Trust & Investment Co. which provides trust and asset management services to individual and corporate customers throughout Central Illinois; First Busey Securities, Inc., a full-service broker/dealer subsidiary; and Busey Insurance Services, Inc., an insurance agency which provides personal insurance products and specializes in long-term healthcare insurance.

In prior periods, First Busey has reported First Busey Trust & Investment Co. as a separate segment. Over time, the three subsidiaries of Busey Investment Group have converged and are now directed by a common management team in a similar operating style, share similar marketing strategies, and share common office locations. Likewise, the financial results of these three subsidiaries are reviewed and monitored on a consolidated basis. Therefore, management of First Busey Corporation has identified Busey Investment Group as the more appropriate reportable segment.

The Corporation's four reportable segments are strategic business units that are separately managed as they offer different products and services and have different marketing strategies.

The segment financial information provided below has been derived from the internal profitability reporting system used by management to monitor and manage the financial performance of the Corporation. The accounting policies of the four segments are the same as those described in the summary of significant accounting policies in the annual report. The Corporation accounts for intersegment revenue and transfers at current market value.

The following summarized information relates to the Corporation's reportable segments:

	December 31, 2004	2003	2002
	(Dollars in thousands)		
Interest Income:			
Busey Bank	70,644	68,869	72,841
Busey Bank Florida	8,475	4,716	2,981
First Capital Bank	6,521	-	-
Busey Investment Group	147	150	176
All Other	132	114	87
Total Interest Income	85,919	73,849	76,085
Interest Expense:			
Busey Bank	21,720	21,229	26,599
Busey Bank Florida	2,744	2,126	1,588
First Capital Bank	2,348	-	-
Busey Investment Group	-	-	-
All Other	3,229	2,263	2,307
Total Interest Expense	30,041	25,618	30,494
Other Income:			
Busey Bank	15,578	17,996	15,841
Busey Bank Florida	504	552	434
First Capital Bank	650	-	-
Busey Investment Group	7,310	6,531	6,885
All Other	(252)	(394)	(623)
Total Other Income	23,790	24,685	22,537

	December 31, 2004	2003	2002
	(Dollars in thousands)		
Net Income:			
Busey Bank	20,683	19,758	18,292
Busey Bank Florida	1,573	287	24
First Capital Bank	1,170	-	-
Busey Investment Group	1,989	1,620	1,705
All Other	(2,961)	(1,801)	(2,117)
Total Net Income	22,454	19,864	17,904
Goodwill:			
Busey Bank	5,832	5,832	5,832
Busey Bank Florida	-	-	-
First Capital Bank	24,405	-	-
Busey Investment Group	-	-	-
All Other	1,548	1,548	1,548
Total Goodwill	31,785	7,380	7,380
Assets:			
Busey Bank	1,523,648	1,394,354	1,346,062
Busey Bank Florida	175,778	113,441	73,193
First Capital Bank	249,575	-	-
Busey Investment Group	6,053	5,265	5,113
All Other	9,387	9,024	11,210
Total Assets	1,964,441	1,522,084	1,435,578

FIRST BUSEY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 22. PARENT COMPANY ONLY FINANCIAL INFORMATION

Condensed financial data for First Busey Corporation is presented below.

BALANCE SHEETS

	December 31,	
	2004	2003
	(Dollars in thousands)	
ASSETS		
Cash and due from subsidiary bank	$ 7,376	$ 5,498
Securities available for sale	2,766	3,241
Loans	2,585	2,473
Investments in subsidiaries:		
Bank	180,916	127,498
Non-bank	11,011	10,678
Premises and equipment, net	118	101
Goodwill	1,548	1,548
Other assets	6,512	2,983
TOTAL ASSETS	$ 212,832	$ 154,020
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Long-term debt	$ 30,000	$ -
Long-term ESOP debt	2,456	2,853
Junior subordinated debentures due to unconsolidated trusts	40,000	25,000
Other liabilities	1,504	990
TOTAL LIABILITIES	73,960	28,843
Stockholders' equity before unearned ESOP shares and deferred compensation for restricted stock awards	141,343	128,071
Unearned ESOP shares and deferred compensation for restricted stock awards	(2,471)	(2,894)
TOTAL STOCKHOLDERS' EQUITY	138,872	125,177
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 212,832	$ 154,020

STATEMENTS OF INCOME

	Years Ended December 31,		
	2004	2003	2002
	(Dollars in thousands)		
Operating income:			
Dividends from subsidiaries:			
Bank	$ 12,600	$ 12,000	$ 12,000
Non-bank	1,000	1,500	2,050
Interest and dividend income	199	154	141
Other income	1,275	1,101	928
TOTAL OPERATING INCOME	15,074	14,755	15,119
Expenses:			
Salaries and employee benefits	1,838	1,633	1,503
Interest expense	3,305	2,303	2,325
Operating expense	952	882	1,475
TOTAL EXPENSES	6,095	4,818	5,303
INCOME BEFORE INCOME TAX BENEFIT AND EQUITY IN UNDISTRIBUTED INCOME OF SUBSIDIARIES	8,979	9,937	9,816
Income tax benefit	2,225	1,723	2,007
INCOME BEFORE EQUITY IN UNDISTRIBUTED INCOME OF SUBSIDIARIES	11,204	11,660	11,823
Equity in undistributed income of subsidiaries:			
Bank	10,826	8,044	6,316
Non-bank	424	160	(235)
NET INCOME	$ 22,454	$ 19,864	$ 17,904

STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
	2004	2003	2002
	(Dollars in thousands)		
Cash Flows from Operating Activities			
Net income	$ 22,454	$ 19,864	$ 17,904
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	72	63	35
Equity in undistributed net income of subsidiaries	(11,250)	(8,204)	(6,081)
Stock-based compensation	26	55	116
Fair value adjustment on employee stock ownership plan shares allocated	102	59	(15)
Security gains, net	(164)	(93)	(1)
Gain on disposal of premises and equipment	-	-	(22)
Changes in assets and liabilities:			
(Increase) decrease in other assets	(4,222)	46	2,232
Increase (decrease) in other liabilities	1,309	(57)	(73)
NET CASH PROVIDED BY OPERATING ACTIVITIES	8,327	11,733	14,095
Cash Flows from Investing Activities			
Proceeds from sales of securities available for sale	575	3,770	67
Purchases of securities available for sale	(194)	(3,718)	(532)
Increase in loans	(112)	(335)	(313)
Proceeds from sales of premises and equipment	-	-	32
Purchases of premises and equipment	(89)	(36)	(128)
Capital contribution to subsidiary	(42,366)	-	-
NET CASH USED IN INVESTING ACTIVITIES	(42,186)	(319)	(874)
Cash Flows from Financing Activities			
Proceeds from short-term borrowings	-	-	500
Principal payments on short-term borrowings	-	-	(2,500)
Proceeds from issuance of long-term debt	42,000	-	-
Principal payments on long-term debt	(12,000)	-	-
Proceeds from issuance of junior subordinated debentures due to First Busey Statutory Trust II	15,000	-	-
Purchases of treasury stock	(2,264)	(4,079)	(3,792)
Proceeds from sales of treasury stock	3,384	5,509	876
Cash dividends paid	(10,383)	(9,215)	(8,126)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	35,737	(7,785)	(13,042)
NET INCREASE IN CASH AND DUE FROM SUBSIDIARY BANKS	1,878	3,629	179
Cash and due from subsidiary banks, beginning	5,498	1,869	1,690
Cash and due from subsidiary banks, ending	$ 7,376	$ 5,498	$ 1,869

FIRST BUSEY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 23. UNAUDITED INTERIM FINANCIAL DATA

The following table reflects summarized quarterly data for the periods described (unaudited), in thousands, except per share data:

	2004			
	December 31	September 30	June 30	March 31
Interest income	$24,470	$23,281	$19,912	$18,256
Interest expense	9,092	8,437	6,618	5,894
Net interest income	15,378	14,844	13,294	12,362
Provision for loan losses	585	1,240	655	425
Noninterest income	6,041	6,021	6,034	5,694
Noninterest expense	12,272	11,150	10,196	9,467
Income before income taxes	8,562	8,475	8,477	8,164
Income taxes	2,793	2,691	2,936	2,804
Net income	$ 5,769	$ 5,784	$ 5,541	$ 5,360
Basic earnings per share	$ 0.28	$ 0.28	$ 0.27	$ 0.26
Diluted earnings per share	$ 0.28	$ 0.28	$ 0.27	$ 0.26

	2003			
	December 31	September 30	June 30	March 31
Interest income	$18,260	$18,417	$18,504	$18,668
Interest expense	6,007	6,118	6,650	6,843
Net interest income	12,253	12,299	11,854	11,825
Provision for loan losses	1,680	448	330	600
Noninterest income	5,621	5,718	6,871	6,475
Noninterest expense	9,580	10,023	9,984	10,382
Income before income taxes	6,614	7,546	8,411	7,318
Income taxes	2,258	2,236	3,055	2,476
Net income	$ 4,356	$ 5,310	$ 5,356	$ 4,842
Basic earnings per share	$ 0.21	$ 0.26	$ 0.26	$ 0.24
Diluted earnings per share	$ 0.21	$ 0.26	$ 0.26	$ 0.24

NOTE 24. SUBSEQUENT EVENT

On February 24, 2005, the Board of Directors of First Busey Corporation entered into an agreement with the Board of Directors of Tarpon Coast Bancorp, Inc. to acquire all of the issued and outstanding stock of Tarpon Coast for approximately $35.6 million or $27.00 per share. Tarpon shareholders will receive $27.00 per share in a combination of First Busey common shares and cash. The agreement is subject to approval by the shareholders of Tarpon Coast and the receipt of the required regulatory approvals. The acquisition is expected to close on or before August 30, 2005.

EXHIBIT 10.6

LOAN AGREEMENT

BETWEEN

BANK ONE, NA

AND

FIRST BUSEY CORPORATION

Dated as of June 1, 2004

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LOAN AGREEMENT

This LOAN AGREEMENT ("Agreement"), dated as of June 1, 2004, is executed and delivered by and between FIRST BUSEY CORPORATION, a financial holding company incorporated under the laws of the State of Nevada, having its principal place of business at the location referenced in Section 6.3 below ("Borrower"), and BANK ONE, NA, a national banking association, having its principal place of business at the location referenced in Section 6.3 below ("Lender").

R E C I T A L S:

A. The Borrower issued to Lender a Promissory Note, dated January 24, 2004, in the amount of $10,000,000 (the "Old Note") and Borrower and Lender entered a LIBOR Agreement dated January 24, 2004 relating to the Old Note.

B. The Borrower's obligations under the Old Note were secured by the Amended and Restated Stock Pledge Agreement, dated October 29, 1999 (the "Old Pledge Agreement").

C. As of the date hereof, the Borrower does not owe anything to Lender under the Old Note.

D. The Borrower desires to borrow $42,000,000 from Lender (the "Term Loan") which will be evidenced by a Promissory Note, dated June 1, 2004, as the same may be amended, restated, supplemented or modified from time to time (the "Term Note"), and the Borrower wishes to establish a revolving line of credit of $10,000,000 with Lender (the "Revolving Loan" with the Term Loan and the Revolving Loan being referred to collectively as the "Loans") which will be evidenced by a Promissory Note, dated June 1, 2004, as the same may be amended, restated, supplemented or modified from time to time (the "Revolving Note" with the Term Note and the Revolving Note being collectively referred to herein as the "Notes").

E. To secure the obligations of Borrower to Lender under the Notes, Borrower and Lender executed and delivered that certain Stock Pledge and Security Agreement, dated as of June 1, 2004 ("Pledge Agreement"), pursuant to which Borrower pledged certain securities to and in favor of Lender.

F. The Lender is willing to lend to the Borrower up to an aggregate principal amount of Fifty-Two Million Dollars ($52,000,000) under the Loans in accordance with the terms, subject to the conditions, and in reliance on the representations, warranties, and covenants, set forth herein and in the other documents and instruments entered into, or delivered in connection with, or relating to, the Loans (collectively, including this Agreement, the "Loan Documents").

G. The Borrower shall use the proceeds of the Loans to acquire all of the issued and outstanding shares of First Capital Bankshares, Inc. pursuant to the Merger Agreement, dated January 5, 2004, by and between Borrower and FBC Acquisition II Corporation and First Capital Bankshares, Inc. ("FCB") for an aggregate purchase price of Forty-Two Million Dollars

($42,000,000), with any remaining proceeds to be used for general corporate purposes.

H. The Borrower is a financial holding company that, as of the date hereof, owns: (i) 1,100,000 shares ("Busey Shares") of the outstanding common stock of Busey Bank, an Illinois state-chartered bank with its main banking premises located in Urbana, Illinois ("Busey"), and such Busey Shares represent 100% of the outstanding capital stock of Busey Bank.

I. The Busey Shares and all other shares pledged in substitution may be referred to collectively as the "Pledge Subsidiary Shares."

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants, and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

THE LOANS AND THE NOTES

I. CERTAIN DEFINITIONS. AS USED IN THIS AGREEMENT, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING DEFINITIONS.

A. "ADVANCE" SHALL MEAN ANY ADVANCE MADE WITH RESPECT TO THE LOANS AND SHALL INCLUDE THE INITIAL ADVANCES MADE AT CLOSING AS WELL AS ADVANCES THAT RESULT FROM THE CONVERSION OR RENEWAL OF PREVIOUS ADVANCES.

B. "AFFILIATE" SHALL MEAN, WITH RESPECT TO A PERSON, ANY OTHER PERSON CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH SUCH PERSON.

C. "BANK SUBSIDIARIES" SHALL MEAN BUSEY, BUSEY FLORIDA, AND FIRST CAPITAL.

D. "BUSEY FLORIDA" SHALL MEAN BUSEY BANK FLORIDA.

E. "BUSINESS DAY" SHALL MEAN: (i) FOR ALL PURPOSES OTHER THAN AS COVERED BY CLAUSE (ii) HEREOF, ANY DAY, OTHER THAN SATURDAY, SUNDAY, A DAY THAT IS A LEGAL HOLIDAY UNDER THE LAWS OF THE STATE OF ILLINOIS OR ANY OTHER DAY ON WHICH BANKING INSTITUTIONS LOCATED IN ILLINOIS ARE AUTHORIZED OR REQUIRED BY LAW OR OTHER GOVERNMENTAL ACTION TO CLOSE; AND (ii) WITH RESPECT TO DETERMINATIONS IN CONNECTION WITH, AND PAYMENTS OF PRINCIPAL AND INTEREST IN EURODOLLAR ADVANCES, ANY DAY

WHICH IS A BUSINESS DAY DESCRIBED IN CLAUSE (i) AND WHICH IS ALSO A DAY FOR TRADING BY AND BETWEEN BANKS IN U.S. DOLLAR-DENOMINATED DEPOSITS IN THE LONDON INTERBANK EURODOLLAR MARKET.

F. "ENVIRONMENTAL CLAIM" AS DEFINED IN SECTION 4.2(i),(iV).

G. "EURODOLLAR ADVANCE" SHALL MEAN AN ADVANCE THAT BEARS INTEREST BASED ON THE LIBOR RATE.

H. "EURODOLLAR RESERVE REQUIREMENT" SHALL MEAN THE MAXIMUM RESERVE REQUIREMENT PERCENTAGE (EXPRESSED AS A DECIMAL) AS SPECIFIED IN REGULATION D OF THE FRB THAT THE LENDER DETERMINES WOULD BE APPLICABLE ON THE FIRST DAY OF ANY INTEREST PERIOD IN RESPECT OF ANY EURODOLLAR ADVANCE, BUT SUBJECT TO ANY AMENDMENTS TO SUCH RESERVE REQUIREMENT BY THE FRB, AND TAKING INTO ACCOUNT ANY TRANSITIONAL ADJUSTMENTS THERETO BECOMING EFFECTIVE DURING SUCH INTEREST PERIOD. EURODOLLAR ADVANCES SHALL BE DEEMED TO BE EUROCURRENCY LIABILITIES AS DEFINED IN REGULATION D WITHOUT BENEFIT OF, OR CREDIT FOR, PRORATIONS, EXEMPTIONS OR OFFSETS UNDER REGULATION D.

I. "FIRST CAPITAL" SHALL MEAN FIRST CAPITAL BANK.

J. "FRB" SHALL MEAN THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

K. "GOVERNMENT AGENCY" SHALL MEAN ANY FEDERAL OR STATE GOVERNMENTAL DEPARTMENT, COMMISSION, BOARD, REGULATORY AUTHORITY OR AGENCY INCLUDING, WITHOUT LIMITATION, THE FRB, THE OBRE, THE OFFICE OF THRIFT SUPERVISION (THE "OTS"), AND THE FEDERAL DEPOSIT INSURANCE CORPORATION (THE "FDIC") (COLLECTIVELY, THE "GOVERNMENTAL AGENCIES").

L. "GOVERNMENTAL AUTHORIZATIONS" SHALL MEAN LICENSE, PERMIT OR APPROVAL BY ANY OR ALL GOVERNMENTAL AGENCY AS REQUIRED.

M. "IMMEDIATE FAMILY MEMBER" OF A PERSON SHALL MEAN A LINEAL DESCENDANT OF SUCH PERSON.

N. "INDEBTEDNESS" OF A PERSON SHALL MEAN AND INCLUDE: (i) ALL ITEMS ARISING FROM THE BORROWING OF MONEY THAT, ACCORDING TO GAAP NOW IN EFFECT, WOULD BE INCLUDED IN DETERMINING TOTAL LIABILITIES AS SHOWN ON THE BALANCE SHEET OF SUCH PERSON; (ii) ALL OBLIGATIONS SECURED BY ANY LIEN IN PROPERTY OR ASSETS OWNED BY SUCH PERSON IRRESPECTIVE OF WHETHER SUCH OBLIGATIONS SHALL HAVE BEEN ASSUMED; (iii) ALL GUARANTEES AND SIMILAR CONTINGENT LIABILITIES WITH RESPECT TO OBLIGATIONS OF OTHERS; AND (iV) ALL OTHER OBLIGATIONS (INCLUDING, WITHOUT LIMITATION, LETTERS OF CREDIT) EVIDENCING OBLIGATIONS TO OTHERS.

O. "INTEREST PERIOD" SHALL MEAN, FOR A DESIGNATED ADVANCE, THE PERIOD OF TIME DURING WHICH THE INTEREST RATE SHALL APPLY. THE INTEREST PERIOD FOR ANY EURODOLLAR ADVANCE SHALL BE 30, 60, 90, OR 180 DAYS FROM AND AFTER THE DATE ON WHICH SUCH EURODOLLAR ADVANCE IS MADE, BUT SHALL NOT EXCEED THE TERM LOAN MATURITY DATE OR THE REVOLVING LOAN MATURITY DATE.

P. "LIBOR RATE" MEANS, WITH RESPECT TO EACH INTEREST PERIOD, A RATE PER ANNUM (ROUNDED UPWARD, IF NECESSARY, TO THE NEAREST 1/16 OF 1%) DETERMINED PURSUANT TO THE FOLLOWING FORMULA:

$$\text{LIBOR Rate} = \frac{\text{Telerate Quoted Rate}}{\text{1-Eurodollar Reserve Requirement}}$$

Q. "LIEN" MEANS A LIEN, CLAIM, CHARGE, MORTGAGE, ASSIGNMENT, EASEMENT, PRIORITY, PREFERENCE, RESTRICTION, ENCUMBRANCE, PLEDGE, OR SECURITY INTEREST, OF ANY KIND, NATURE, OR CHARACTER.

R. "MERGER AGREEMENT" SHALL MEAN MERGER AGREEMENT DATED JANUARY 5, 2004, BY AND BETWEEN BORROWER, FBC ACQUISITION II CORP, AND FIRST CAPITAL BANKSHARES, INC. ("FCB") FOR AN AGGREGATE PURCHASE PRICE OF FORTY-TWO MILLION DOLLARS ($42,000,000.00), WITH ANY REMAINING PROCEEDS TO BE USED FOR GENERAL CORPORATE PURPOSES.

S. "OBRE" MEANS THE OFFICE OF BANKS AND REAL ESTATE OF THE STATE OF ILLINOIS.

T. "PERSON" SHALL MEAN AN INDIVIDUAL, A PARTNERSHIP, A CORPORATION, A LIMITED LIABILITY COMPANY, AN ASSOCIATION, A JOINT STOCK COMPANY, A TRUST, A JOINT VENTURE, AN UNINCORPORATED ORGANIZATION, AND ANY DOMESTIC OR FOREIGN FEDERAL, STATE, LOCAL, OR GOVERNMENT, AND EACH POLITICAL SUBDIVISION THEREOF, AND OTHER BUREAU, BOARD, AGENCY, COMMISSION, COURT, TRIBUNAL, DEPARTMENT, INSTRUMENTALITY, AND ENTITY EXERCISING EXECUTIVE, LEGISLATIVE, JUDICIAL, REGULATORY, OR ADMINISTRATIVE FUNCTIONS.

U. "PRIME RATE" SHALL MEAN THE RATE OF INTEREST (EXPRESSED AS A PERCENTAGE PER ANNUM) MOST RECENTLY ANNOUNCED OR PUBLISHED PUBLICLY FROM TIME TO TIME BY THE LENDER AS ITS PRIME RATE OR BASE RATE OF INTEREST, WHICH IS NOT NECESSARILY THE LOWEST OR MOST FAVORABLE RATE OF INTEREST CHARGED BY THE LENDER ON COMMERCIAL LOANS AT ANY ONE TIME. THE RATE OF INTEREST SHALL CHANGE AUTOMATICALLY AND IMMEDIATELY AS AND WHEN THE PRIME RATE OR BASE RATE SHALL CHANGE, WITHOUT NOTICE TO THE BORROWER, AND ANY NOTICE TO WHICH IT MAY BE ENTITLED IS HEREBY WAIVED, AND ANY SUCH CHANGE IN THE LENDER'S PRIME RATE OR BASE RATE SHALL NOT AFFECT ANY OF THE TERMS AND CONDITIONS OF THE NOTES (AS

DEFINED BELOW) OR THIS AGREEMENT, ALL OF WHICH SHALL REMAIN IN FULL FORCE AND EFFECT.

V. "PRIME RATE ADVANCE" SHALL MEAN AN ADVANCE THAT BEARS INTEREST BASED ON THE PRIME RATE.

W. "SUBSIDIARIES" MEANS FBC ACQUISITION II CORPORATION AND THE BANK SUBSIDIARIES.

X. "TELERATE QUOTED RATE" SHALL MEAN, WITH RESPECT TO EACH INTEREST PERIOD, AND IN ACCORDANCE WITH THE NORMAL PRACTICE OF THE LENDER IN THE LONDON INTERBANK EURODOLLAR MARKET, THE OFFERED RATE FOR THE PERIOD EQUAL TO, OR NEXT GREATER THAN, THE INTEREST PERIOD FOR U.S. DOLLAR DEPOSITS OF NOT LESS THAN $1,000,000.00 AS OF 11:00 A.M. (CITY OF LONDON, ENGLAND TIME) TWO (2) BUSINESS DAYS PRIOR TO THE FIRST DAY OF THE INTEREST PERIOD AS SHOWN ON THE DISPLAY DESIGNATED AS "BRITISH BANKERS ASSOCIATION INTEREST SETTLEMENT RATES" ON REUTERS SCREEN FRDB, OR SUCH OTHER SCREEN AS MAY REPLACE SUCH SCREEN ON REUTERS FOR THE PURPOSE OF DISPLAYING SUCH RATE. IN THE EVENT THAT SUCH RATE IS NOT AVAILABLE ON REUTERS, THEN SUCH OFFERED RATE SHALL BE OTHERWISE INDEPENDENTLY DETERMINED BY LENDER IN ITS REASONABLE JUDGMENT FROM AN ALTERNATE, SUBSTANTIALLY SIMILAR INDEPENDENT SOURCE AVAILABLE TO LENDER OR SHALL BE CALCULATED BY LENDER BY A SUBSTANTIALLY SIMILAR METHODOLOGY AS THAT THERETOFORE USED TO DETERMINE SUCH OFFERED RATE.

II. THE LOANS. THE LENDER AGREES TO EXTEND TO THE BORROWER THE FOLLOWING CREDIT FACILITIES IN AN AGGREGATE PRINCIPAL AMOUNT AT ANY TIME OUTSTANDING NOT TO EXCEED FIFTY-TWO MILLION DOLLARS ($52,000,000):

A. THE TERM LOAN. THE LENDER AGREES TO EXTEND THE TERM LOAN TO THE BORROWER IN ACCORDANCE WITH THE TERMS OF, AND SUBJECT TO THE CONDITIONS SET FORTH IN, THIS AGREEMENT, THE TERM NOTE (AS DEFINED BELOW), AND THE OTHER LOAN DOCUMENTS. AN INITIAL ADVANCE UNDER THE TERM LOAN SHALL BE MADE ON THE CLOSING DATE AND ANY OBLIGATION UNDER THE TERM LOAN SHALL EXPIRE IF NOT DRAWN WITHIN 30 DAYS THEREAFTER, ANY SUCH ADVANCE MAY BE CONVERTED OR RENEWED FROM TIME TO TIME IN ACCORDANCE WITH THE TERMS AND SUBJECT TO THE CONDITIONS SET FORTH IN THIS AGREEMENT. SUBJECT TO SECTION VI, ANY ADVANCE UNDER THE TERM LOAN SHALL BE TREATED AS:

1. A EURODOLLAR ADVANCE AND SHALL BEAR INTEREST PER ANNUM AT A RATE EQUAL TO THE LIBOR RATE PLUS ONE HUNDRED AND TWENTY-FIVE (125) BASIS POINTS; OR

2. AT THE BORROWER'S ELECTION MADE IN ACCORDANCE WITH THE TERMS AND SUBJECT TO THE CONDITIONS SET FORTH HEREIN, A PRIME RATE ADVANCE AND SHALL BEAR INTEREST PER ANNUM EQUAL TO THE PRIME RATE.

B. THE REVOLVING LOAN. THE LENDER AGREES TO EXTEND THE REVOLVING LOAN TO THE BORROWER IN ACCORDANCE WITH THE TERMS OF, AND SUBJECT TO THE CONDITIONS SET FORTH IN, THIS AGREEMENT, THE REVOLVING NOTE (AS DEFINED BELOW), AND THE OTHER LOAN DOCUMENTS. AN INITIAL ADVANCE UNDER THE REVOLVING LOAN SHALL BE MADE ON THE CLOSING DATE AT THE REQUEST OF THE BORROWER AND SUBSEQUENT ADVANCES CAN BE MADE AS PROVIDED IN THE AGREEMENT AT THE REQUEST OF THE BORROWER AND, THEREAFTER, ANY SUCH ADVANCE MAY BE CONVERTED OR RENEWED FROM TIME TO TIME IN ACCORDANCE WITH THE TERMS AND SUBJECT TO THE CONDITIONS SET FORTH IN THIS AGREEMENT. SUBJECT TO SECTION 1.6, ANY ADVANCE UNDER THE REVOLVING LOAN SHALL BE TREATED AS:

1. A EURODOLLAR ADVANCE AND SHALL BEAR INTEREST PER ANNUM AT A RATE EQUAL TO THE LIBOR RATE PLUS ONE HUNDRED AND TWENTY-FIVE (125) BASIS POINTS; OR

2. AT THE BORROWER'S ELECTION MADE IN ACCORDANCE WITH THE TERMS AND SUBJECT TO THE CONDITIONS SET FORTH HEREIN, A PRIME RATE ADVANCE AND SHALL BEAR INTEREST PER ANNUM EQUAL TO THE PRIME RATE.

C. REQUIRED PAYMENTS.

1. THE TERM LOAN SHALL BE PAID AS FOLLOWS: A PRINCIPAL PAYMENT OF FOUR MILLION DOLLARS ($4,000,000) WILL BE MADE ON THE TERM LOAN BY JANUARY 25, 2006 AND ANNUALLY BY EACH SUBSEQUENT JANUARY 25TH THEREAFTER. THE BORROWER MAY PAY THE ANNUAL PRINCIPAL PAYMENT IN QUARTERLY INSTALLMENTS OR ANNUALLY IN ITS SOLE DISCRETION. THE FINAL PAYMENT OF ALL OUTSTANDING AMOUNTS DUE UNDER THE TERM LOAN, INCLUDING, BUT NOT LIMITED TO, PRINCIPAL, ACCRUED BUT UNPAID INTEREST, AND ANY EXPENSES PURSUANT TO SECTION VIII, SHALL BE PAID ON JUNE 1, 2011, OR SUCH LATER DATE THROUGH WHICH THE TERM LOAN MAY BE EXTENDED OR RENEWED IN THE SOLE AND ABSOLUTE DISCRETION OF THE LENDER (THE "TERM LOAN MATURITY DATE"), OR SUCH EARLIER DATE ON WHICH SUCH AMOUNTS SHALL BECOME DUE AND PAYABLE ON ACCOUNT OF

ACCELERATION BY THE LENDER IN ACCORDANCE WITH THE TERMS OF THE TERM NOTE AND THIS AGREEMENT

2. THE REVOLVING LOAN, INCLUDING, BUT NOT LIMITED TO, PRINCIPAL, ACCRUED BUT UNPAID INTEREST, AND ANY EXPENSES PURSUANT TO SECTION VIII, SHALL BE DUE AND PAYABLE ON JANUARY 21, 2005, OR SUCH LATER DATE THROUGH WHICH THE REVOLVING LOAN MAY BE EXTENDED OR RENEWED IN THE SOLE AND ABSOLUTE DISCRETION OF THE LENDER (THE "REVOLVING LOAN MATURITY DATE"), OR SUCH EARLIER DATE ON WHICH SUCH AMOUNTS SHALL BECOME DUE AND PAYABLE ON ACCOUNT OF ACCELERATION BY THE LENDER IN ACCORDANCE WITH THE TERMS OF THE REVOLVING NOTE AND THIS AGREEMENT.

3. INTEREST SHALL ACCRUE ON THE TERM LOAN AND THE REVOLVING LOAN BEGINNING ON THE CLOSING DATE, AND SHALL BE PAYABLE QUARTERLY, IN ARREARS, ON THE THE 25TH DAY OF APRIL, JULY, OCTOBER, AND JANUARY, COMMENCING ON JULY 25, 2004 AND CONTINUING QUARTERLY THEREAFTER, IF NOT SOONER PAID, ON THE TERM LOAN MATURITY DATE OR REVOLVING LOAN MATURITY DATE, AS APPLICABLE. ALL AMOUNTS OUTSTANDING FROM TIME TO TIME UNDER EACH OF THE NOTES SHALL BEAR INTEREST ON THE BASIS OF A 360-DAY YEAR, COUNTING THE ACTUAL NUMBER OF DAYS ELAPSED TO AND INCLUDING THE DATE OF PAYMENT.

III. THE NOTES. THE TERM LOAN SHALL BE EVIDENCED BY A PROMISSORY NOTE IN THE AGGREGATE PRINCIPAL AMOUNT OF FORTY-TWO MILLION DOLLARS ($42,000,000), TO BE EXECUTED AND DELIVERED CONCURRENTLY HEREWITH, SUBSTANTIALLY IN THE FORM OF EXHIBIT A HERETO. THE REVOLVING LOAN SHALL BE EVIDENCED BY A PROMISSORY NOTE IN THE AGGREGATE PRINCIPAL AMOUNT OF TEN MILLION DOLLARS ($10,000,000), TO BE EXECUTED AND DELIVERED CONCURRENTLY HEREWITH, SUBSTANTIALLY IN THE FORM OF EXHIBIT B HERETO. THE NOTES IN THIS AGREEMENT SHALL REFER TO EACH NOTE THAT MAY BE DELIVERED IN SUBSTITUTION OR EXCHANGE FOR ANY OF SUCH NOTES AND, WHEN APPLICABLE, SHALL INCLUDE THE SINGULAR NUMBER AS WELL AS THE PLURAL.

IV. GENERAL PAYMENT PROVISIONS.

A. USURY. THE PARTIES HERETO INTEND TO CONFORM STRICTLY TO APPLICABLE USURY LAWS AS IN EFFECT FROM TIME TO TIME DURING THE TERMS OF THE LOANS. ACCORDINGLY, IF THE TRANSACTION CONTEMPLATED HEREBY WOULD BE USURIOUS UNDER APPLICABLE LAW (INCLUDING THE LAWS OF THE UNITED STATES OF AMERICA, OR OF ANY OTHER JURISDICTION WHOSE LAWS MAY BE MANDATORILY APPLICABLE), THEN, IN THAT EVENT, NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT OR ANY OF THE NOTES, THE BORROWER AND THE LENDER AGREE THAT THE AGGREGATE OF ALL CONSIDERATION THAT CONSTITUTES INTEREST UNDER APPLICABLE LAW THAT IS CONTRACTED FOR, CHARGED OR RECEIVED UNDER, OR IN CONNECTION WITH, THIS AGREEMENT SHALL UNDER NO CIRCUMSTANCES EXCEED THE MAXIMUM AMOUNT OF INTEREST ALLOWED BY APPLICABLE LAW, AND ANY EXCESS SHALL BE CREDITED TO THE BORROWER BY THE LENDER (OR IF SUCH CONSIDERATION SHALL HAVE BEEN PAID IN FULL, SUCH EXCESS REFUNDED TO THE BORROWER BY THE LENDER).

B. DEFAULT RATE OF INTEREST. UPON THE OCCURRENCE OF ANY DEFAULT (AS SUCH TERM IS DEFINED IN SECTION I), EXCEPT FOR A DEFAULT PURSUANT TO SECTION I.J, THE RATE OF INTEREST ON THE NOTES (THE "DEFAULT RATE OF INTEREST") SHALL BE ONE HUNDRED AND FIFTY BASIS POINTS ABOVE THE INTEREST RATE OTHERWISE APPLICABLE FROM THE DATE OF OCCURRENCE, AND DURING THE CONTINUANCE, OF THE DEFAULT; PROVIDED, FURTHER, THAT UPON THE OCCURRENCE OF AN EVENT OF DEFAULT UNDER SECTION I.J HEREOF, THE DEFAULT RATE OF INTEREST SHALL BE THREE HUNDRED BASIS POINTS ABOVE THE INTEREST RATE OTHERWISE APPLICABLE FROM THE DATE, AND DURING THE CONTINUANCE, OF THE EVENT OF DEFAULT.

C. APPLICATION OF PAYMENTS. ALL PAYMENTS RECEIVED BY THE LENDER FROM, OR ON BEHALF OF, THE BORROWER SHALL BE APPLIED IN THE FOLLOWING ORDER OF PRIORITY: FIRST, TO AMOUNTS DUE UNDER SECTION VIII, SECOND TO ACCRUED INTEREST UNDER THE TERM NOTE, THIRD TO ACCRUED INTEREST UNDER THE REVOLVING NOTE, FOURTH TO PRINCIPAL AMOUNTS OUTSTANDING UNDER THE REVOLVING NOTE, AND FIFTH TO PRINCIPAL AMOUNTS OUTSTANDING UNDER THE TERM NOTE; PROVIDED, HOWEVER, THAT AFTER THE DATE ON WHICH THE FINAL PAYMENT OF PRINCIPAL WITH RESPECT TO ANY LOAN IS DUE OR FOLLOWING AND DURING ANY DEFAULT, ALL PAYMENTS RECEIVED ON ACCOUNT OF THE BORROWER'S LIABILITIES (AS SUCH TERM IS DEFINED IN SECTION VII) SHALL BE APPLIED IN WHATEVER ORDER, COMBINATION AND AMOUNTS AS THE LENDER DETERMINES, IN ITS SOLE AND ABSOLUTE DISCRETION, TO ALL COSTS, EXPENSES AND OTHER INDEBTEDNESS OWING TO THE LENDER EXCEPT IN SUCH CASE OF PREPAYMENTS, PRINCIPAL ONLY. NO AMOUNT PAID OR PREPAID ON THE TERM LOAN MAY BE REBORROWED.

D. METHOD OF PAYMENT. THE BORROWER WILL PAY TO THE LENDER IN IMMEDIATELY AVAILABLE FUNDS, AT ITS OFFICE AT THE ADDRESS AS SPECIFIED IN SECTION III, OR SUCH OTHER ADDRESS AS THE LENDER SHALL SPECIFY IN WRITING, ALL AMOUNTS PAYABLE TO IT IN RESPECT OF THE PRINCIPAL OF, OR INTEREST ON, EACH OF THE NOTES THEN-HELD BY THE LENDER, WITHOUT ANY

PRESENTMENT, DEMAND, PROTEST, OR OTHER NOTICE OF ANY KIND. ALL SUMS AND AMOUNTS DUE, OWING, OR OTHERWISE TO BE PAID UNDER ANY OF THE LOAN DOCUMENTS SHALL BE PAID IN SUCH COIN OR CURRENCY OF THE UNITED STATES WHICH SHALL BE LEGAL TENDER IN PAYMENT OF ALL DEBTS AND DUES, PUBLIC AND PRIVATE, AT THE TIME OF PAYMENTS. LENDER IS HEREBY AUTHORIZED TO RECORD ON THE FACE OF ANY NOTE (OR ANY SCHEDULE ATTACHED THERETO), OR TO OTHERWISE RECORD IN ITS BOOKS AND RECORDS, ALL AMOUNTS DUE ON ANY NOTE AND ANY MODIFICATION, AMENDMENT, ALTERATION, GUARANTY OR ASSUMPTION OF ANY SUCH NOTE (WHICH RECORDINGS, ABSENT MANIFEST ERROR, SHALL BE CONCLUSIVE AND BINDING EVIDENCE OF THE BALANCE DUE AND OWING ON SUCH NOTE); PROVIDED, HOWEVER, THAT THE FAILURE OF LENDER TO MAKE ANY SUCH NOTATIONS OR RECORDINGS SHALL NOT LIMIT OR OTHERWISE AFFECT ANY OBLIGATIONS OF BORROWER OR RIGHT OF LENDER HEREUNDER, OR UNDER ANY NOTE OR ANY LOAN DOCUMENT.

E. PREPAYMENT. THE BORROWER MAY, UPON AT LEAST ONE BUSINESS DAY'S NOTICE TO THE LENDER, PREPAY, WITHOUT PENALTY, ALL OR A PORTION OF THE PRINCIPAL AMOUNT OUTSTANDING UNDER THE REVOLVING LOAN AND THE TERM LOAN IN A MINIMUM AGGREGATE AMOUNT OF $100,000 OR ANY LARGER INTEGRAL MULTIPLE OF $50,000 BY PAYING THE PRINCIPAL AMOUNT TO BE PREPAID. IN ADDITION, NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH IN THE IMMEDIATELY PRECEDING SENTENCE, THE DATE OF ANY PREPAYMENT PURSUANT TO THIS SECTION SHALL BE CONSIDERED TO BE THE BUSINESS DAY FOLLOWING RECEIPT OF THE PREPAYMENT BY THE LENDER UNLESS SUCH PREPAYMENT IS RECEIVED BY THE LENDER BEFORE 1:00 P.M. CHICAGO TIME AND IS MADE IN IMMEDIATELY AVAILABLE FUNDS.

F. PAYMENTS TO BE MADE ON BUSINESS DAYS. IF ANY PAYMENT TO BE MADE BY THE BORROWER HEREUNDER SHALL BECOME DUE ON A DAY OTHER THAN A BUSINESS DAY, THEN SUCH PAYMENT SHALL BE MADE ON THE NEXT SUCCEEDING BUSINESS DAY AND SUCH EXTENSION OF TIME SHALL BE INCLUDED IN COMPUTING ANY INTEREST IN RESPECT OF SUCH PAYMENT.

V. ADVANCES PRIOR TO INTEREST RATE DETERMINATION. NOTWITHSTANDING ANY PROVISION HEREIN TO THE CONTRARY, IF LENDER DETERMINES, IN ITS SOLE AND ABSOLUTE DISCRETION, THAT MAKING A EURODOLLAR ADVANCE WOULD VIOLATE ANY APPLICABLE LAW, RULE, REGULATION, OR DIRECTIVE, OR THAT, FOR ANY REASON WHATSOEVER, THE LIBOR RATE IS NOT THEN BEING QUOTED FOR THE RELEVANT INTEREST PERIOD AND IN THE AMOUNT OF SUCH ADVANCE, THEN THE LENDER SHALL GIVE THE BORROWER PROMPT NOTICE THEREOF AND: (A) THE OBLIGATION OF LENDER TO MAKE AVAILABLE ANY EURODOLLAR ADVANCE SHALL BE SUSPENDED; AND (B) ANY ADVANCE OR SUBSEQUENT ADVANCES TO BE CONVERTED INTO, OR RENEWED AS, A EURODOLLAR ADVANCE SHALL BE CONVERTED INTO A PRIME RATE ADVANCE.

VI. DETERMINATION OF INTEREST RATE ON ADVANCES; RENEWALS AND CONVERSIONS.

A. SO LONG AS NO EVENT OF DEFAULT HAS OCCURRED AND IS CONTINUING, AND THE CONDITIONS SET FORTH IN ARTICLE II HAVE BEEN FULLY SATISFIED, THE BORROWER SHALL HAVE THE OPTION, SUBJECT TO THE OTHER PROVISIONS OF THIS AGREEMENT, TO: (i) REQUEST THAT ADVANCES UNDER ANY LOAN BE TREATED AS A EURODOLLAR ADVANCE BY GIVING TELEPHONIC NOTICE TO THE LENDER PRIOR TO 11:00 A.M. (CHICAGO TIME) AT LEAST TWO (2) BUSINESS DAYS PRIOR TO THE CLOSING DATE OR SUCH OTHER REQUESTED DATE OF THE ADVANCE; PROVIDED THAT THE BORROWER GIVES THE LENDER WRITTEN CONFIRMATION OF ITS TELEPHONIC NOTICE IN THE FORM OF EXHIBIT C HERETO BY FACSIMILE PRIOR TO THE CLOSING DATE; AND (ii) CONVERT (FROM ONE TYPE OF ADVANCE TO ANOTHER TYPE OF ADVANCE), ON ANY BUSINESS DAY, ALL, BUT NOT ANY PARTIAL AMOUNT, OF THE OUTSTANDING PRINCIPAL AMOUNT OF ANY ADVANCE BY GIVING TO THE LENDER AT LEAST TWO (2) BUSINESS DAYS PRIOR TELEPHONIC NOTICE THEREOF IN THE CASE OF A CONVERSION TO A EURODOLLAR ADVANCE, OR ONE (1) BUSINESS DAY PRIOR TELEPHONIC NOTICE THEREOF IN THE CASE OF A CONVERSION TO A PRIME RATE ADVANCE; PROVIDED THAT THE BORROWER GIVES THE LENDER WRITTEN CONFIRMATION OF ITS TELEPHONIC NOTICE IN THE FORM OF EXHIBIT C HERETO BY FACSIMILE PRIOR TO THE DAY ANY SUCH CONVERSION IS MADE HEREUNDER. IN THE ABSENCE OF NOTICE TO THE CONTRARY PURSUANT TO THE IMMEDIATELY PRECEDING SENTENCE AND SUBJECT TO THE REQUIREMENTS SET FORTH IN THIS AGREEMENT, AN EXISTING ADVANCE WILL AUTOMATICALLY BE RENEWED AS THE SAME TYPE OF ADVANCE ON THE LAST DAY OF THE CURRENT INTEREST PERIOD TO TAKE EFFECT FOR THE NEXT INTEREST PERIOD. NO EURODOLLAR ADVANCE MAY BE CONVERTED INTO A PRIME RATE ADVANCE PURSUANT TO THIS SECTION VIA OR OTHERWISE, EXCEPT ON THE LAST DAY OF THE INTEREST PERIOD APPLICABLE TO SUCH CONVERTING ADVANCE. BORROWER MAY NOT SELECT AN INTEREST PERIOD THAT EXTENDS BEYOND THE TERM LOAN MATURITY DATE OR THE REVOLVING LOAN MATURITY DATE. THE INITIAL ADVANCE UNDER THIS AGREEMENT SHALL BE A EURODOLLAR ADVANCE.

B. IN THE EVENT AN EVENT OF DEFAULT HAS OCCURRED AND IS CONTINUING OR THE CONDITIONS SET FORTH IN ARTICLE II HAVE NOT BEEN FULLY SATISFIED ON THE DATE OF A REQUESTED EURODOLLAR ADVANCE (INCLUDING A RENEWAL OF A EURODOLLAR ADVANCE OR THE CONVERSION OF A PRIME RATE ADVANCE INTO A EURODOLLAR ADVANCE), THEN SUCH EURODOLLAR ADVANCE SHALL BE TREATED AS A PRIME RATE ADVANCE.

VII. COLLATERAL. THE BORROWER'S OBLIGATIONS UNDER THIS AGREEMENT, THE TERM NOTE, THE REVOLVING NOTE, AND ALL OTHER LOAN DOCUMENTS (COLLECTIVELY, THE "BORROWER'S LIABILITIES") SHALL BE SECURED BY A PLEDGE OF THE PLEDGED SUBSIDIARY SHARES PURSUANT TO THE TERMS OF THE PLEDGE AGREEMENT, DATED AS OF THE CLOSING DATE, BY AND BETWEEN THE BORROWER AND THE LENDER IN THE FORM ATTACHED AS EXHIBIT D HERETO.

VIII. EXPENSES. IRRESPECTIVE OF WHETHER ANY LOAN IS MADE, THE BORROWER WILL: (A) PROMPTLY PAY ALL REASONABLE COSTS AND EXPENSES OF THE LENDER INCIDENT TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT INCLUDING, BUT NOT LIMITED TO, ALL COSTS AND EXPENSES INCURRED IN CONNECTION WITH THE PREPARATION, NEGOTIATION, DELIVERY, AND EXECUTION OF ANY OF THE LOAN DOCUMENTS, AND IN CONNECTION WITH ANY MODIFICATION, AMENDMENT, ALTERATION OF ANY OF THE LOAN DOCUMENTS, AND IN CONNECTION WITH THE ENFORCEMENT OR COLLECTION OF ANY OF THE LOAN DOCUMENTS, INCLUDING, WITHOUT LIMITATION, THE LENDER'S OUT-OF-POCKET EXPENSES AND THE CHARGES AND DISBURSEMENTS TO COUNSEL RETAINED BY THE LENDER; AND (B) PROMPTLY PAY AND SAVE THE LENDER AND ALL OTHER HOLDERS OF THE NOTES HARMLESS AGAINST ANY AND ALL LIABILITY WITH RESPECT TO AMOUNTS PAYABLE AS A RESULT OF: (I) ANY TAXES WHICH MAY BE DETERMINED TO BE PAYABLE IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THIS AGREEMENT, THE NOTES OR THE OTHER LOAN DOCUMENTS OR ANY MODIFICATION, AMENDMENT OR ALTERATION OF THE TERMS OR PROVISIONS OF THIS AGREEMENT, THE NOTES OR THE OTHER LOAN DOCUMENTS; (II) ANY INTEREST OR PENALTIES RESULTING FROM NONPAYMENT OR DELAY IN PAYMENT OF SUCH EXPENSES, CHARGES, DISBURSEMENTS, LIABILITIES OR TAXES; AND (III) ANY INCOME TAXES IN RESPECT OF ANY REIMBURSEMENT BY THE BORROWER FOR ANY OF SUCH VIOLATIONS, TAXES, INTERESTS OR PENALTIES PAID BY THE LENDER. THE OBLIGATIONS OF THE BORROWER UNDER THIS SECTION VIII SHALL SURVIVE THE REPAYMENT IN FULL OF THE NOTES. ANY OF THE FOREGOING AMOUNTS INCURRED BY THE LENDER AND NOT PAID BY THE BORROWER UPON DEMAND SHALL BEAR INTEREST FROM THE DATE INCURRED AT THE PRIME RATE PLUS THREE HUNDRED BASIS POINTS PER ANNUM AND SHALL BE DEEMED PART OF THE BORROWER'S LIABILITIES HEREUNDER.

IX. THE CLOSING. THE INITIAL FUNDING OF THE LOANS (THE "CLOSING") WILL OCCUR AT THE OFFICES OF THE LENDER AT 120 SOUTH LASALLE STREET, CHICAGO, ILLINOIS AT 9:30 A.M. ON JUNE1, 2004(THE "CLOSING DATE"), OR AT SUCH OTHER PLACE OR TIME OR ON SUCH OTHER DATE AS THE PARTIES HERETO MAY AGREE, BY DISBURSING THE PROCEEDS OF THE LOANS IN ACCORDANCE WITH THE BORROWER'S WRITTEN INSTRUCTIONS RECEIVED AT LEAST ONE BUSINESS DAY PRIOR TO CLOSING (THE "DISBURSEMENT INSTRUCTIONS").

CONDITIONS

The Lender's obligation to make any Loan shall be subject to the performance by the Borrower prior to the Closing Date of all of its agreements theretofore to be performed under this Agreement and to the satisfaction of the following further conditions precedent:

I. DOCUMENTS. THE OBLIGATION OF THE LENDER TO MAKE ANY LOAN IS, IN ADDITION TO THE CONDITIONS PRECEDENT SPECIFIED ELSEWHERE IN THIS ARTICLE II, SUBJECT TO THE CONDITION PRECEDENT THAT THE LENDER SHALL HAVE RECEIVED ALL OF THE FOLLOWING, WHERE APPROPRIATE, DULY EXECUTED AND DATED THE CLOSING DATE AND IN FORM AND SUBSTANCE SATISFACTORY TO THE LENDER AND ITS COUNSEL:

A. THE NOTES;

B. THE PLEDGE AGREEMENT;

C. THE ACTUAL CERTIFICATES REPRESENTING ALL OF THE SECURITIES CONSTITUTING THE PLEDGED PROPERTY (AS DEFINED IN THE PLEDGE AGREEMENT) TOGETHER WITH IRREVOCABLE STOCK POWERS FOR EACH SUCH CERTIFICATE ENDORSED BY THE BORROWER IN BLANK;

D. THE DISBURSEMENT INSTRUCTIONS;

E. GOOD STANDING CERTIFICATES FOR: (i) THE BORROWER ISSUED BY THE SECRETARY OF STATE OF THE STATE OF NEVADA; (ii) BUSEY BANK AND FIRST CAPITAL ISSUED BY THE OBRE; AND (iii) BUSEY FLORIDA ISSUED BY THE OTS;

F. COPIES CERTIFIED BY THE SECRETARY OR AN ASSISTANT SECRETARY OF THE BORROWER OF RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE BORROWER AUTHORIZING THE EXECUTION AND DELIVERY (INCLUDING THE AUTHORITY TO PLEDGE THE PLEDGED PROPERTY) OF THIS AGREEMENT, THE NOTES, AND THE OTHER LOAN DOCUMENTS, AND THE PERFORMANCE BY BORROWER OF ITS OBLIGATIONS HEREUNDER, UNDER THE NOTES, AND THE OTHER LOAN DOCUMENTS;

G. COPIES CERTIFIED BY THE SECRETARY OR AN ASSISTANT SECRETARY OF THE BORROWER OF ALL DOCUMENTS EVIDENCING ALL NECESSARY CONSENTS, APPROVALS AND DETERMINATIONS OF ANY FEDERAL OR STATE GOVERNMENTAL DEPARTMENT, COMMISSION, BOARD, REGULATORY AUTHORITY OR AGENCY INCLUDING, WITHOUT LIMITATION, THE GOVERNMENTAL AGENCIES GOVERNMENTAL AGENCY WITH RESPECT TO THE TRANSACTIONS CONTEMPLATED

IN THE LOAN DOCUMENTS, INCLUDING APPROVALS OF THE GOVERNMENTAL AGENCIES OF THE MERGER, AND ANY OTHER TRANSACTIONS BETWEEN THE LENDER, ON THE ONE PART, AND BORROWER OR ANY OF THE BANK SUBSIDIARIES, ON THE OTHER PART;

H. AN INCUMBENCY CERTIFICATE OF THE SECRETARY OR AN ASSISTANT SECRETARY OF THE BORROWER CERTIFYING THE NAMES OF THE OFFICER OR OFFICERS OF THE BORROWER AUTHORIZED TO SIGN THIS AGREEMENT, THE NOTES AND THE OTHER LOAN DOCUMENTS, TOGETHER WITH A SAMPLE OF THE TRUE, ACCURATE, AND COMPLETE SIGNATURE OF EACH SUCH OFFICER (THE LENDER MAY CONCLUSIVELY RELY ON SUCH CERTIFICATE UNTIL FORMALLY ADVISED BY A LIKE CERTIFICATE OF ANY CHANGES THEREIN);

I. A CERTIFICATE SIGNED BY THE PRESIDENT OR A VICE PRESIDENT OF THE BORROWER CERTIFYING THAT THE CONDITIONS SPECIFIED IN ARTICLE II HAVE BEEN FULLY SATISFIED AND THAT NO EVENT OF DEFAULT HAS OCCURRED;

J. A CERTIFICATE SIGNED BY THE CHAIRMAN OF THE BORROWER WITH REGARDS TO THE MERGER AGREEMENT THAT ALL PARTIES PURSUANT TO THE MERGER AGREEMENT HAVE COMPLIED WITH ALL TERMS AND CONDITIONS SET FORTH THEREIN;

K. A CERTIFIED COPY OF THE CERTIFICATE OF MERGER RELATING TO THE MERGER, WHICH SHALL BE DELIVERED WITHIN FIFTEEN (15) DAYS AFTER THE CLOSING DATE;

L. A LETTER, ENTERED INTO BY AND AMONG THE BORROWER, THE LENDER, AND A THIRD PARTY CUSTODIAN AND PROVIDING FOR THE HOLDING OF THE PLEDGED SUBSIDIARY SHARES FOR THE BENEFIT AND SECURITY OF THE LENDER, AS SOON AS POSSIBLE, BUT IN ANY EVENT NOT MORE THAN THIRTY (30) DAYS AFTER THE CLOSING DATE.

II. OTHER CONDITIONS OF BORROWING.

Notwithstanding any other provision of this Agreement, the Lender shall not be required to make any Advance under any Loan at any time if, as of the date of any request for an Advance or as of the proposed date for an Advance:

A. THERE HAS OCCURRED, IN THE LENDER'S SOLE AND COMPLETE DISCRETION, A MATERIAL ADVERSE CHANGE IN THE FINANCIAL CONDITION OR AFFAIRS OF THE BORROWER OR ANY OF THE SUBSIDIARIES SINCE DECEMBER 31, 2003;

B. ANY OF THE REPRESENTATIONS AND WARRANTIES OF THE BORROWER CONTAINED IN THIS AGREEMENT, (INCLUDING IN ARTICLE III) OR THE INFORMATION SET FORTH IN THE RECITALS HERETO SHALL NOT BE TRUE, ACCURATE, AND COMPLETE ON AND AS OF THE DATE OF ANY ADVANCE, WITH THE SAME EFFECT AS THOUGH SUCH REPRESENTATIONS AND WARRANTIES HAD BEEN MADE,

OR SUCH INFORMATION HAD BEEN PRESENTED, ON AND AS OF SUCH DATE;

C. ANY EVENT OF DEFAULT (AS SUCH TERM IS DEFINED IN SECTION I BELOW) HAS OCCURRED OR ANY EVENT WHICH, WITH THE GIVING OF NOTICE OR LAPSE OF TIME, OR BOTH, WOULD CONSTITUTE AN EVENT OF DEFAULT;

D. ANY LITIGATION OR GOVERNMENTAL PROCEEDING HAS BEEN INSTITUTED OR THREATENED AGAINST THE BORROWER OR ANY OF THE SUBSIDIARIES OR ANY OF THEIR OFFICERS OR SHAREHOLDERS WHICH, IN THE SOLE DISCRETION OF THE LENDER, MAY ADVERSELY AFFECT THE FINANCIAL CONDITION, BUSINESS, PROPERTIES, ASSETS, LIABILITIES, OPERATIONS, PROSPECTS, OR RESULTS OF OPERATIONS OF THE BORROWER OR ANY OF THE SUBSIDIARIES;

E. ALL NECESSARY OR APPROPRIATE ACTIONS AND PROCEEDINGS SHALL NOT HAVE BEEN TAKEN IN CONNECTION WITH, OR RELATING TO, THE LOAN DOCUMENTS AND THE TRANSACTIONS CONTEMPLATED THEREBY, AND ALL DOCUMENTS INCIDENT THERETO SHALL NOT HAVE BEEN COMPLETED AND TENDERED FOR DELIVERY, IN SUBSTANCE AND FORM SATISFACTORY TO THE LENDER, INCLUDING, BUT NOT LIMITED TO, IF APPROPRIATE IN THE OPINION OF THE LENDER, THE LENDER'S FAILURE TO HAVE RECEIVED EVIDENCE THAT ALL NECESSARY APPROVALS FROM GOVERNMENTAL AGENCIES TO ENTER INTO THIS AGREEMENT AND TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED HEREIN HAVE BEEN RECEIVED;

F. THE LENDER SHALL NOT HAVE RECEIVED IN SUBSTANCE AND FORM REASONABLY SATISFACTORY TO THE LENDER, ALL CERTIFICATES, AFFIDAVITS, SCHEDULES, RESOLUTIONS, OPINIONS, NOTES, AND OTHER DOCUMENTS WHICH ARE REQUIRED HEREUNDER, OR WHICH IT MAY REASONABLY REQUEST; OR

G. ANY OF THE PLEDGED SUBSIDIARY SHARES ARE SUBJECT TO ANY LIEN, OTHER THAN IN FAVOR OF THE LENDER.

REPRESENTATIONS AND WARRANTIES

To induce the Lender to make the Loans provided for herein, the Borrower hereby represents and warrants as set forth below.

I. CORPORATE ORGANIZATION. THE BORROWER: (A) IS A CORPORATION DULY ORGANIZED VALIDLY EXISTING AND IN GOOD STANDING UNDER THE LAWS OF THE STATE OF NEVADA; (B) IS DULY QUALIFIED AS A FOREIGN CORPORATION AND IN GOOD STANDING IN ALL STATES IN WHICH IT IS DOING BUSINESS EXCEPT WHERE THE FAILURE TO SO QUALIFY WOULD NOT HAVE A MATERIAL ADVERSE EFFECT ON THE FINANCIAL CONDITION, BUSINESS, PROPERTIES,

ASSETS, LIABILITIES, OPERATIONS, PROSPECTS, OR RESULTS OF OPERATIONS OF BORROWER; AND (C) HAS ALL REQUISITE POWER AND AUTHORITY, CORPORATE OR OTHERWISE, TO OWN, OPERATE AND LEASE ITS PROPERTIES AND TO CARRY ON ITS BUSINESS AS NOW BEING CONDUCTED AND AS PROPOSED TO BE CONDUCTED. BUSEY AND FIRST CAPITAL ARE DULY ORGANIZED, VALIDLY EXISTING AND CHARTERED UNDER THE LAWS OF ILLINOIS, AND HAVE ALL REQUISITE POWER AND AUTHORITY, CORPORATE OR OTHERWISE, TO OWN, OPERATE AND LEASE ITS PROPERTIES AND TO CARRY ON ITS BUSINESS AS NOW BEING CONDUCTED AND AS PROPOSED TO BE CONDUCTED. BUSEY FLORIDA IS DULY ORGANIZED, VALIDLY EXISTING AND CHARTERED UNDER THE OTS, AND HAS ALL REQUISITE POWER AND AUTHORITY, CORPORATE OR OTHERWISE, TO OWN, OPERATE AND LEASE ITS PROPERTIES AND TO CARRY ON ITS BUSINESS AS NOW BEING CONDUCTED AND AS PROPOSED TO BE CONDUCTED. THE DEPOSIT ACCOUNTS OF EACH OF THE BANK SUBSIDIARIES ARE FULLY INSURED BY THE FDIC. THE BORROWER AND EACH OF THE BANK SUBSIDIARIES HAVE MADE PAYMENT (ON A TIMELY BASIS) OF ALL FRANCHISE AND SIMILAR TAXES IN THE STATE OF NEVADA, THE STATE OF ILLINOIS, AND THE STATE OF FLORIDA AND IN ALL OF THE RESPECTIVE JURISDICTIONS IN WHICH THEY ARE INCORPORATED, CHARTERED OR QUALIFIED, EXCEPT FOR ANY SUCH TAXES: (A) WHERE THE FAILURE TO PAY SUCH TAXES WOULD NOT HAVE A MATERIAL ADVERSE EFFECT ON THE FINANCIAL CONDITION, BUSINESS, PROPERTIES, ASSETS, LIABILITIES, OPERATIONS, PROSPECTS, OR RESULTS OF OPERATIONS OF BORROWER OR ANY OF THE BANK SUBSIDIARIES; (B) THE VALIDITY OF WHICH IS BEING CONTESTED IN GOOD FAITH; AND (C) FOR WHICH PROPER RESERVES HAVE BEEN SET ASIDE ON THE BOOKS OF THE BORROWER OR THE BANK SUBSIDIARIES, AS THE CASE MAY BE.

II. CAPITAL STOCK OF THE BORROWER

A. SCHEDULE 3.2 CORRECTLY SETS FORTH: (i) THE STATE OR STATES IN WHICH THE BORROWER CONDUCTS ITS BUSINESSES; AND (ii) A LIST OF ALL DIRECT AND INDIRECT SUBSIDIARIES OF THE BORROWER. EXCEPT AS OTHERWISE STATED IN SCHEDULE 3.2, THERE IS NO PLAN, AGREEMENT OR UNDERSTANDING PROVIDING FOR, OR CONTEMPLATING, THE ISSUANCE OF ANY ADDITIONAL SHARES OF CAPITAL STOCK OF THE BORROWER.

B. ALL OF THE OUTSTANDING CAPITAL STOCK OF THE BORROWER HAS BEEN DULY AUTHORIZED, LEGALLY AND VALIDLY ISSUED, FULLY PAID AND NONASSESSABLE. NONE OF BORROWER'S CAPITAL STOCK HAS BEEN ISSUED IN VIOLATION OF ANY SHAREHOLDER'S PREEMPTIVE RIGHTS. EXCEPT AS OTHERWISE STATED IN SCHEDULE 3.2, THERE ARE, AS OF THE DATE HEREOF, NO OUTSTANDING OPTIONS, RIGHTS, WARRANTS OR OTHER AGREEMENTS OR INSTRUMENTS OBLIGATING THE BORROWER TO ISSUE, DELIVER OR SELL, OR CAUSE TO BE ISSUED, DELIVERED OR SOLD, ADDITIONAL SHARES OF THE CAPITAL STOCK OF THE BORROWER OR OBLIGATING THE BORROWER TO GRANT, EXTEND OR ENTER INTO

ANY SUCH AGREEMENT OR COMMITMENT.

III. CAPITAL STOCK OF THE BANK SUBSIDIARIES.

A. SCHEDULE 3.3 CORRECTLY SETS FORTH: (i) THE STATE OR STATES IN WHICH EACH OF THE BANK SUBSIDIARIES CONDUCTS ITS RESPECTIVE BUSINESSES; AND (ii) A LIST OF EACH CLASS OF STOCK OF EACH OF THE BANK SUBSIDIARIES AS WELL AS THE OWNERS OF RECORD AND BENEFICIAL OWNERS THEREOF, INCLUDING THE NUMBER OF SHARES HELD BY EACH. EXCEPT AS OTHERWISE STATED IN SCHEDULE 3.3, THERE IS NO PLAN, AGREEMENT OR UNDERSTANDING PROVIDING FOR, OR CONTEMPLATING, THE ISSUANCE OF ANY ADDITIONAL SHARES OF CAPITAL STOCK OF ANY OF THE BANK SUBSIDIARIES.

B. ALL OF THE OUTSTANDING CAPITAL STOCK OF EACH OF THE BANK SUBSIDIARIES, INCLUDING ALL OF THE PLEDGED SUBSIDIARY SHARES, HAVE BEEN DULY AUTHORIZED, LEGALLY AND VALIDLY ISSUED, FULLY PAID AND NONASSESSABLE, AND THE PLEDGED SUBSIDIARY SHARES ARE OWNED BY THE BORROWER, FREE AND CLEAR OF ALL LIENS, EXCEPT AS MAY EXIST FOR THE BENEFIT OF THE LENDER. NONE OF THE PLEDGED SUBSIDIARY SHARES HAVE BEEN ISSUED IN VIOLATION OF ANY SHAREHOLDER'S PREEMPTIVE RIGHTS. EXCEPT AS OTHERWISE STATED IN SCHEDULE 3.3, THERE ARE, AS OF THE DATE HEREOF, NO OUTSTANDING OPTIONS, RIGHTS, WARRANTS OR OTHER AGREEMENTS OR INSTRUMENTS OBLIGATING THE BORROWER TO ISSUE, DELIVER OR SELL, OR CAUSE TO BE ISSUED, DELIVERED OR SOLD, ADDITIONAL SHARES OF THE CAPITAL STOCK OF ANY OF THE BANK SUBSIDIARIES, OR OBLIGATING THE BORROWER OR ANY OF THE BANK SUBSIDIARIES TO GRANT, EXTEND OR ENTER INTO ANY SUCH AGREEMENT OR COMMITMENT.

IV. MARGIN SECURITIES. THE BORROWER DOES NOT OWN ANY "MARGIN SECURITY" AS SUCH TERM IS DEFINED IN REGULATION G OF THE FRB.

V. FINANCIAL STATEMENTS.

A. THE BORROWER HAS DELIVERED TO THE LENDER: (i) COPIES OF THE CONSOLIDATED AND CONSOLIDATING FINANCIAL STATEMENTS OF THE BORROWER AS OF AND FOR THE YEAR OR OTHER PERIOD ENDING DECEMBER 31, 2003 AND THE RELATED STATEMENTS OF INCOME AND CASH FLOWS FOR THE 12-MONTH PERIOD THEN-ENDING, AUDITED BY MCGLADREY & PULLEN ("MCGLADREY"), ITS CERTIFIED PUBLIC ACCOUNTANTS AND FOR THE THREE MONTH PERIOD ENDING MARCH 31, 2004 (THE "FINANCIAL STATEMENTS"); (ii) COPIES OF THE ANNUAL REPORT ON FORM 10-K FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") FOR THE PERIOD ENDING DECEMBER 31, 2003; (iii) COPIES OF THE QUARTERLY REPORT ON FORM 10-Q FILED WITH THE SEC FOR THE PERIOD ENDING MARCH 31, 2004 (THE ANNUAL AND QUARTERLY REPORTS BEING COLLECTIVELY REFERRED TO AS THE "SEC REPORTS") THE FINANCIAL STATEMENTS HAVE BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ("GAAP") APPLIED ON A BASIS

CONSISTENT WITH PRIOR PERIODS. SINCE MARCH 31, 2004, THERE HAS BEEN NO ADVERSE CHANGE IN THE FINANCIAL CONDITION, BUSINESS, PROPERTIES, ASSETS, LIABILITIES, OPERATIONS, PROSPECTS, OR RESULTS OF OPERATIONS OF THE BORROWER OR ANY OF ITS SUBSIDIARIES.

B. THE BORROWER HAS DELIVERED TO THE LENDER COPIES OF ALL CALL REPORTS FILED BY BUSEY, BUSEY FLORIDA, AND FIRST CAPITAL BANK FOR THE PERIOD ENDING DECEMBER 31, 2003 AND COPIES OF FORM FRY-9C FILINGS FILED BY THE BORROWER AND FIRST CAPITAL BANCSHARES FOR THE PERIOD ENDING DECEMBER 31, 2003 (SUCH CALL REPORTS AND FORMS FRY-9C, TOGETHER WITH THE FINANCIAL STATEMENTS, COLLECTIVELY, THE "REPORTS"). ALL OF THE REPORTS AND THE SEC REPORTS ARE TRUE, ACCURATE, AND COMPLETE AND ARE IN ACCORDANCE WITH THE RESPECTIVE BOOKS OF ACCOUNT AND RECORDS OF THE BORROWER AND ITS SUBSIDIARIES, AND HAVE BEEN PREPARED IN ACCORDANCE WITH APPLICABLE BANKING REGULATIONS, RULES AND GUIDELINES ON A BASIS CONSISTENT WITH PRIOR PERIODS, AND FAIRLY AND ACCURATELY PRESENT THE FINANCIAL CONDITION, BUSINESS, PROPERTIES, ASSETS, LIABILITIES, OPERATIONS, PROSPECTS, AND RESULTS OF OPERATIONS OF THE BORROWER AND ITS SUBSIDIARIES AS OF THEIR RESPECTIVE DATES. THE REPORTS AND THE SEC REPORTS CONTAIN AND REFLECT ADEQUATE PROVISIONS FOR TAXES, RESERVES AND OTHER LIABILITIES OF THE BORROWER AND ITS BANK SUBSIDIARIES IN ACCORDANCE WITH GAAP. NEITHER THE BORROWER NOR ANY OF THE BANK SUBSIDIARIES HAS ANY MATERIAL DEBT, LIABILITY OR OBLIGATION OF ANY NATURE (WHETHER ACCRUED, CONTINGENT, ABSOLUTE OR OTHERWISE) THAT IS NOT PROVIDED FOR OR DISCLOSED IN THE REPORTS AND THE SEC REPORTS.

VI. TITLE TO PROPERTIES.

A. THE BORROWER AND EACH OF THE BANK SUBSIDIARIES HAS, RESPECTIVELY, GOOD AND MARKETABLE FEE TITLE TO ALL REAL PROPERTY, AND GOOD AND MARKETABLE TITLE TO ALL OTHER PROPERTY AND ASSETS REFLECTED IN THE REPORTS, EXCLUDING: (i) REAL PROPERTY AND OTHER PROPERTIES AND ASSETS ACQUIRED AND/OR BEING ACQUIRED FROM DEBTORS IN FULL OR PARTIAL SATISFACTION OF OBLIGATIONS OWED TO ANY OF THE BANK SUBSIDIARIES; (ii) PROPERTY OR OTHER ASSETS LEASED BY THE BORROWER OR ANY OF THE BANK SUBSIDIARIES; AND (iii) PROPERTY AND ASSETS SOLD OR OTHERWISE DISPOSED OF SUBSEQUENT TO THE DATE OF SUCH REPORTS. ALL PROPERTY AND ASSETS OF ANY KIND (REAL OR PERSONAL, TANGIBLE OR INTANGIBLE) OF THE BORROWER AND EACH OF THE BANK SUBSIDIARIES ARE FREE AND CLEAR FROM ANY AND ALL LIENS AND DEFECTS IN TITLE, EXCEPT FOR ANY LIENS GRANTED HEREWITH OR PREVIOUSLY BY THE BORROWER TO THE LENDER. EXCEPT AS IDENTIFIED IN SCHEDULE 3.6, NO FINANCING STATEMENT UNDER THE UNIFORM COMMERCIAL CODE THAT NAMES THE BORROWER OR ANY OF THE BANK SUBSIDIARIES HAS BEEN FILED, AND NEITHER THE BORROWER NOR ANY OF THE BANK SUBSIDIARIES HAS SIGNED ANY FINANCING STATEMENT OR ANY SECURITY AGREEMENT AUTHORIZING ANY SECURED PARTY THEREUNDER TO FILE ANY SUCH FINANCING

STATEMENT.

B. THE BORROWER AND EACH OF THE BANK SUBSIDIARIES ENJOYS PEACEFUL AND UNDISTURBED POSSESSION UNDER ALL OF THE LEASES COVERING ALL PROPERTY AND OTHER ASSETS LEASED BY BORROWER AND EACH OF THE BANK SUBSIDIARIES, AS APPLICABLE (ALL OF WHICH PERMIT THE CUSTOMARY OPERATIONS OF THE BORROWER AND EACH OF THE BANK SUBSIDIARIES, AS APPLICABLE). NONE OF SUCH LEASES IS IN MATERIAL DEFAULT AND NO EVENT HAS OCCURRED WHICH WITH THE PASSAGE OF TIME OR THE GIVING OF NOTICE, OR BOTH, WOULD CONSTITUTE A MATERIAL DEFAULT UNDER ANY THEREOF.

VII. TRANSACTION IS LEGAL AND AUTHORIZED. THE BORROWING OF THE PRINCIPAL AMOUNT OF THE LOANS, THE EXECUTION OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND COMPLIANCE BY THE BORROWER WITH ALL OF THE PROVISIONS OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS ARE WITHIN THE CORPORATE AND OTHER POWERS OF THE BORROWER. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS HAVE BEEN DULY AUTHORIZED, EXECUTED AND DELIVERED, AND ARE LEGAL, VALID AND BINDING OBLIGATIONS OF THE BORROWER, ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.

VIII. NO DEFAULTS OR RESTRICTIONS. NEITHER THE EXECUTION AND DELIVERY OF THE LOAN DOCUMENTS NOR COMPLIANCE WITH THEIR RESPECTIVE TERMS AND CONDITIONS WILL: (A) CONFLICT WITH, OR RESULT IN A BREACH OF, OR CONSTITUTE A DEFAULT UNDER: (I) ANY OF THE TERMS, OBLIGATIONS, COVENANTS, CONDITIONS OR PROVISIONS OF ANY CORPORATE RESTRICTION OR OF ANY INDENTURE, MORTGAGE, DEED OF TRUST, PLEDGE, BANK LOAN, CREDIT AGREEMENT, CORPORATE CHARTER, BYLAW OR ANY OTHER AGREEMENT, DOCUMENT, OR INSTRUMENT TO WHICH THE BORROWER OR ANY OF THE BANK SUBSIDIARIES IS A PARTY OR BY WHICH ANY OF THEM OR ANY OF THEIR PROPERTIES OR ASSETS MAY BE BOUND OR AFFECTED; OR (II) ANY JUDGMENT, ORDER, WRIT, INJUNCTION, DECREE OR DEMAND OF ANY COURT, ARBITRATOR, GRAND JURY, OR GOVERNMENTAL AGENCY; OR (B) RESULT IN THE CREATION OR IMPOSITION OF ANY LIEN UPON ANY PROPERTY OR ASSET OF THE BORROWER OR ANY OF THE BANK SUBSIDIARIES UNDER THE TERMS OR PROVISIONS OF ANY OF THE FOREGOING. NEITHER THE BORROWER NOR ANY OF THE BANK SUBSIDIARIES IS IN DEFAULT IN THE PERFORMANCE, OBSERVANCE OR FULFILLMENT OF ANY OF THE TERMS, OBLIGATIONS, COVENANTS, CONDITIONS OR PROVISIONS CONTAINED IN ANY INDENTURE, INSTRUMENT, OR OTHER AGREEMENT CREATING, EVIDENCING OR SECURING INDEBTEDNESS OF ANY KIND OR PURSUANT TO WHICH ANY SUCH INDEBTEDNESS IS ISSUED, OR OTHER AGREEMENT OR INSTRUMENT TO WHICH THE BORROWER OR ANY OF THE BANK SUBSIDIARIES IS A PARTY OR BY WHICH THE BORROWER OR ANY OF THE BANK SUBSIDIARIES OR THEIR PROPERTIES MAY BE BOUND OR AFFECTED.

IX. GOVERNMENTAL CONSENT. NO GOVERNMENTAL ORDERS, PERMISSIONS, CONSENTS, APPROVALS OR AUTHORIZATIONS ARE REQUIRED TO BE OBTAINED BY THE BORROWER OR ANY OF THE BANK SUBSIDIARIES, AND NO REGISTRATIONS OR DECLARATIONS ARE REQUIRED TO BE FILED BY THE BORROWER OR ANY OF THE BANK SUBSIDIARIES IN CONNECTION WITH, OR CONTEMPLATION OF, THE EXECUTION AND DELIVERY OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, OR THE CONSUMMATION OF THE TRANSACTION CONTEMPLATED THEREBY.

X. TAXES. THE BORROWER AND EACH OF THE BANK SUBSIDIARIES HAS FILED ON A TIMELY BASIS ALL UNITED STATES INCOME TAX RETURNS AND ALL STATE AND MUNICIPAL TAX RETURNS WHICH ARE REQUIRED TO BE FILED, AND HAVE PAID ON A TIMELY BASIS, OR MADE ADEQUATE PROVISION FOR THE PAYMENT OF, ALL TAXES WHICH HAVE BECOME DUE PURSUANT TO SAID RETURNS OR PURSUANT TO ANY ASSESSMENT RECEIVED BY THE BORROWER OR ANY OF THE BANK SUBSIDIARIES, EXCEPT SUCH TAXES, IF ANY, AS ARE BEING CONTESTED IN GOOD FAITH AND AS TO WHICH ADEQUATE RESERVES HAVE BEEN PROVIDED ON THE FINANCIAL STATEMENTS. EXCEPT AS OTHERWISE DISCLOSED TO LENDER, THE BORROWER IS UNAWARE OF ANY AUDIT, ASSESSMENT OR OTHER PROPOSED ACTION OR INQUIRY OF THE INTERNAL REVENUE SERVICE WITH RESPECT TO THE UNITED STATES INCOME TAX LIABILITY OF THE BORROWER OR ANY OF THE BANK SUBSIDIARIES. TO THE BEST OF THE BORROWER'S KNOWLEDGE, THE BORROWER AND EACH OF THE BANK SUBSIDIARIES HAVE WITHHELD AMOUNTS FROM THEIR EMPLOYEES, SHAREHOLDERS OR HOLDERS OF PUBLIC DEPOSIT ACCOUNTS IN FULL AND COMPLETE COMPLIANCE WITH THE TAX WITHHOLDING PROVISIONS OF APPLICABLE FEDERAL, STATE AND LOCAL LAWS AND EACH HAS FILED ALL FEDERAL, STATE AND LOCAL RETURNS AND REPORTS FOR ALL YEARS FOR WHICH ANY SUCH RETURN OR REPORT WOULD BE DUE WITH RESPECT TO EMPLOYEE INCOME TAX WITHHOLDING, SOCIAL SECURITY, UNEMPLOYMENT TAXES, INCOME AND OTHER TAXES AND ALL PAYMENTS OR DEPOSITS WITH RESPECT TO SUCH TAXES HAVE BEEN MADE WITHIN THE TIME PERIOD REQUIRED BY LAW.

XI. COMPLIANCE WITH LAW. THE BORROWER AND EACH OF THE BANK SUBSIDIARIES HAVE COMPLIED WITH ALL APPLICABLE STATUTES, RULES, REGULATIONS, ORDERS AND RESTRICTIONS OF ANY DOMESTIC OR FOREIGN GOVERNMENT OR ANY INSTRUMENTALITY OR AGENCY THEREOF, HAVING JURISDICTION OVER THE CONDUCT OF THEIR RESPECTIVE BUSINESSES OR THE OWNERSHIP OF THEIR RESPECTIVE PROPERTIES AND ASSETS, EXCEPT WHERE ANY SUCH FAILURE TO COMPLY WOULD NOT MATERIALLY AND ADVERSELY AFFECT THE FINANCIAL CONDITION, BUSINESS, PROPERTIES, ASSETS, LIABILITIES, OPERATIONS, PROSPECTS, OR RESULTS OF OPERATIONS OF THE BORROWER OR ANY OF THE BANK SUBSIDIARIES.

XII. RESTRICTIONS ON THE BORROWER. NEITHER THE BORROWER NOR ANY OF THE BANK SUBSIDIARIES IS A PARTY, OR IS BOUND BY, ANY CONTRACT OR AGREEMENT OR INSTRUMENT, OR SUBJECT TO ANY CHARTER OR OTHER CORPORATE RESTRICTION THAT WOULD MATERIALLY AND ADVERSELY AFFECT ITS FINANCIAL CONDITION, BUSINESS, PROPERTIES, ASSETS, LIABILITIES, OPERATIONS, PROSPECTS, OR RESULTS OF OPERATIONS.

XIII. ERISA. ALL EMPLOYEE BENEFIT PLANS (AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")) ESTABLISHED OR MAINTAINED BY THE BORROWER OR ANY ERISA AFFILIATE (AS DEFINED IN THIS SECTION XIII) OR TO WHICH THE BORROWER OR ANY ERISA AFFILIATE CONTRIBUTES ARE IN MATERIAL COMPLIANCE WITH APPLICABLE REQUIREMENTS OF ERISA, AND ARE IN MATERIAL COMPLIANCE WITH APPLICABLE REQUIREMENTS (INCLUDING QUALIFICATION AND NON-DISCRIMINATION REQUIREMENTS) OF THE CODE FOR OBTAINING THE TAX BENEFITS THE CODE THEREUPON PERMITS WITH RESPECT TO SUCH PLANS. EACH EMPLOYEE BENEFIT PLAN WHICH IS A GROUP HEALTH PLAN (WITHIN THE MEANING OF SECTION 5000(B)(1) OF THE CODE) COMPLIES WITH AND HAS BEEN MAINTAINED AND OPERATED IN MATERIAL COMPLIANCE WITH EACH OF THE REQUIREMENTS OF SECTION 4980B OF THE CODE. NEITHER THE BORROWER NOR ANY ERISA AFFILIATE HAS FAILED TO MAKE ANY CONTRIBUTIONS OR TO PAY ANY AMOUNTS WITH RESPECT TO ANY EMPLOYEE BENEFIT PLAN OR ERISA OR ANY OTHER APPLICABLE LAW. NO "REPORTABLE EVENT" OR "PROHIBITED TRANSACTION," AS DEFINED IN ERISA, HAS OCCURRED AND IS CONTINUING AS TO ANY EMPLOYEE BENEFIT PLAN AND NO EXCISE TAXES HAVE BEEN INCURRED OR SECURITY IS REQUIRED WITH RESPECT TO ANY EMPLOYEE BENEFIT PLAN. EXCEPT AS SET FORTH IN SCHEDULE 3.13, NO EMPLOYEE BENEFIT PLAN HAS, OR AS OF THE CLOSING DATE WILL HAVE, ANY AMOUNT OF UNFUNDED BENEFIT LIABILITIES (AS DEFINED IN SECTION 4001(A)(18) OF ERISA) FOR WHICH THE BORROWER OR ANY ERISA AFFILIATE COULD BE LIABLE TO ANY PERSON UNDER TITLE IV OF ERISA IF ANY SUCH PLAN WERE TERMINATED. ALL EMPLOYEE BENEFIT PLANS ARE FUNDED IN ACCORDANCE WITH SECTION 412 OF THE CODE (IF APPLICABLE). THERE WOULD BE NO OBLIGATIONS UNDER TITLE IV OF ERISA RELATING TO ANY EMPLOYEE BENEFIT PLAN THAT IS A MULTIEMPLOYER PLAN IF ANY SUCH PLAN WERE TERMINATED OR IF THE BORROWER OR ANY ERISA AFFILIATE WITHDREW FROM ANY SUCH PLAN.

XIV. NO MATERIAL ADVERSE CHANGE. SINCE DECEMBER 31, 2003, NEITHER THE FINANCIAL CONDITION, BUSINESS, PROPERTIES, ASSETS, LIABILITIES, OPERATIONS, PROSPECTS, OR RESULTS OF OPERATIONS OF THE BORROWER OR ANY OF THE BANK SUBSIDIARIES HAVE BEEN MATERIALLY AND ADVERSELY AFFECTED IN ANY MANNER, INCLUDING, WITHOUT LIMITATION, AS A RESULT OF FIRE, EXPLOSION, ACCIDENT, ACT OF GOD, STRIKE, LOCKOUT, FLOOD, DROUGHT, STORM, EARTHQUAKE, COMBINATION OF WORKMEN OR OTHER

LABOR DISTURBANCE, RIOT, ACTIVITY OF ARMED FORCES OR OF THE PUBLIC ENEMY, EMBARGO, OR NATIONALIZATION, CONDEMNATION, REQUISITION OR TAKING OF PROPERTY, OR CANCELLATION OR MODIFICATION OF CONTRACTS, BY ANY DOMESTIC OR FOREIGN GOVERNMENT OR ANY INSTRUMENTALITY OR AGENCY THEREOF. SINCE DECEMBER 31, 2003, THERE HAVE BEEN NO MATERIAL CHANGES IN THE PROPERTIES, ASSETS, LIABILITIES, OR CONDITION, FINANCIAL OR OTHERWISE, OF THE BORROWER OR ANY OF THE BANK SUBSIDIARIES OTHER THAN CHANGES ARISING FROM TRANSACTIONS IN THE ORDINARY COURSE OF BUSINESS, NONE OF WHICH HAS BEEN MATERIALLY ADVERSE, WHETHER IN THE ORDINARY COURSE OF BUSINESS OR OTHERWISE.

XV. RESERVE FOR POSSIBLE LOAN AND LEASE LOSSES. THE RESERVES FOR POSSIBLE LOAN AND LEASE LOSSES SHOWN IN THE REPORTS ARE ADEQUATE IN ALL RESPECTS TO PROVIDE FOR LOSSES, NET OF RECOVERIES RELATING TO LOANS PREVIOUSLY CHARGED OFF, ON LOANS AND LEASES OUTSTANDING AND CONTAIN AN ADDITIONAL AMOUNT OF UNALLOCATED RESERVES FOR UNANTICIPATED FUTURE LOSSES AT LEVELS CONSIDERED ADEQUATE BASED UPON GENERALLY ACCEPTED SAFE AND SOUND BANKING PRACTICES, AS OF THE DATE OF SUCH REPORTS. THE AGGREGATE PRINCIPAL AMOUNT OF LOANS CONTAINED IN THE LOAN PORTFOLIOS OF EACH OF THE BANK SUBSIDIARIES IN EXCESS OF THE CORRESPONDING RESERVE IS FULLY COLLECTIBLE.

XVI. REGULATORY ENFORCEMENT ACTIONS. NEITHER THE BORROWER NOR ANY OF THE BANK SUBSIDIARIES OR ANY OF THEIR RESPECTIVE OFFICERS OR DIRECTORS IS NOW OPERATING UNDER ANY RESTRICTIONS, AGREEMENTS, MEMORANDA, OR COMMITMENTS (OTHER THAN RESTRICTIONS OF GENERAL APPLICATION) IMPOSED BY ANY GOVERNMENTAL AGENCY, NOR ARE ANY SUCH RESTRICTIONS AGREEMENTS, MEMORANDA OR COMMITMENTS THREATENED OR BEING SOUGHT BY ANY GOVERNMENTAL AGENCY.

XVII. HAZARDOUS MATERIALS. NEITHER THE BORROWER NOR ANY HM SUBSIDIARY (AS SUCH TERM IS DEFINED IN THIS SECTION XVII) OF BORROWER IS IN VIOLATION OF ANY APPLICABLE STATUTE, REGULATION, ORDINANCE OR POLICY OF ANY GOVERNMENTAL ENTITY RELATING TO THE ECOLOGY, HUMAN HEALTH, SAFETY OR THE ENVIRONMENT AND NO HAZARDOUS MATERIAL (AS SUCH TERM IS DEFINED IN THIS SECTION XVII) IS LOCATED ON ANY REAL PROPERTY OWNED OR LEASED BY THE BORROWER OR ANY HM SUBSIDIARY OR HAS BEEN DISCHARGED FROM OR TO, OR PENETRATED INTO, ANY REAL PROPERTY (OR SURFACE OR SUBSURFACE RIVERS OR STREAMS CROSSING OR ADJOINING ANY REAL PROPERTY) OWNED OR LEASED BY THE BORROWER OR ANY HM SUBSIDIARY OF BORROWER OR THE AQUIFER UNDERLYING ANY REAL PROPERTY OWNED OR LEASED BY THE BORROWER OR ANY HM SUBSIDIARY OF BORROWER. "HAZARDOUS MATERIAL" AS USED HEREIN MEANS ANY ASBESTOS, POLYCHLORINATED BYPHENYLS AND PETROLEUM PRODUCTS, SOLID

WASTES, UREAFORMALDEHYDE, DISCHARGES OF SEWER OR EFFLUENT, PAINT CONTAINING LEAD AND ANY OTHER HAZARDOUS OR TOXIC MATERIAL, SUBSTANCE OR WASTE WHICH IS DEFINED, DETERMINED OR IDENTIFIED BY THOSE OR SIMILAR TERMS OR IS REGULATED AS SUCH UNDER ANY STATUTE, LAW, ORDINANCE, RULE OR REGULATION OR BY ANY LOCAL, STATE OR FEDERAL AUTHORITY (WHETHER AS THE RESULT OF ANY JUDICIAL OR ADMINISTRATIVE INTERPRETATION OF ANY SUCH STATUTE, LAW, ORDINANCE, RULE OR REGULATION OR OTHERWISE) INCLUDING, WITHOUT LIMITATION, ANY MATERIAL, SUBSTANCE OR WASTE WHICH IS A HAZARDOUS SUBSTANCE WITHIN THE MEANING OF 33 U.S.C. Section 1251 ET SEQ., AS AMENDED, OR 42 U.S.C. Section 9601 ET SEQ., AS AMENDED, OR IS A HAZARDOUS WASTE WITHIN THE MEANING OF 42 U.S.C. Section 6901 ET SEQ., AS AMENDED. "HM SUBSIDIARY" SHALL MEAN AS TO ANY PERSON (AS SUCH TERM IS DEFINED IN THIS SECTION XVII): (A) ANY CORPORATION MORE THAN TWENTY-FIVE PERCENT (25%) OF WHOSE STOCK OF ANY CLASS OR CLASSES HAVING BY THE TERMS THEREOF ORDINARY VOTING POWER TO ELECT A MAJORITY OF THE DIRECTORS OF SUCH CORPORATION (WITHOUT REGARD TO WHETHER AT THE TIME STOCK OF ANY CLASS OR CLASSES OF SUCH CORPORATION SHALL HAVE OR MIGHT HAVE VOTING POWER BY REASON OF THE HAPPENING OF ANY CONTINGENCY) IS AT THE TIME OWNED BY SUCH PERSON AND/OR ONE OR MORE HM SUBSIDIARIES OF SUCH PERSON; (B) ANY PARTNERSHIP, ASSOCIATION, JOINT VENTURE OR OTHER ENTITY IN WHICH SUCH PERSON AND/OR ONE OR MORE HM SUBSIDIARIES OF SUCH PERSON HAS MORE THAN A TWENTY-FIVE PERCENT (25%) EQUITY INTEREST AT THE TIME; OR (C) ANY PERSON WHICH IS AT THE TIME CONTROLLED, DIRECTLY OR INDIRECTLY, THROUGH EITHER: (I) THAT PERSON BEING A BORROWER OF ANY OF THE BANK SUBSIDIARIES, AND ANY OF THE BANK SUBSIDIARIES, AS THAT PERSON'S LENDER, ACTUALLY INFLUENCING OR ALTERING SUCH PERSON'S PROCEDURES, METHODS OR ACTIONS RELATING TO THE USE, HANDLING, GENERATION, TRANSPORTATION, STORAGE, TREATMENT OR DISPOSAL OF HAZARDOUS MATERIALS; OR (II) COMMON DIRECTORS, OFFICERS OR EMPLOYEES, BY THAT PERSON OR ONE OR MORE OF THE OTHER HM SUBSIDIARIES OF THAT PERSON OR A COMBINATION THEREOF.

XVIII. PENDING LITIGATION. EXCEPT AS OTHERWISE DISCLOSED IN SCHEDULE 3.18: (I) THERE ARE NO ACTIONS, SUITS, PROCEEDINGS OR WRITTEN AGREEMENTS PENDING, OR, TO THE BEST KNOWLEDGE OF THE BORROWER, THREATENED OR PROPOSED, AGAINST THE BORROWER OR ANY OF THE BANK SUBSIDIARIES, AT LAW OR IN EQUITY, OR BEFORE OR BY ANY FEDERAL, STATE, MUNICIPAL, OR OTHER GOVERNMENTAL DEPARTMENT, COMMISSION, BOARD, OR OTHER ADMINISTRATIVE AGENCY, DOMESTIC OR FOREIGN, THAT, EITHER SEPARATELY OR IN THE AGGREGATE, WOULD MATERIALLY AND ADVERSELY AFFECT THE FINANCIAL CONDITION, BUSINESS, PROPERTIES, ASSETS, LIABILITIES, OPERATIONS, PROSPECTS, OR RESULTS OF OPERATIONS OF THE BORROWER OR ANY OF THE BANK SUBSIDIARIES; AND (II) NEITHER THE BORROWER NOR ANY OF THE BANK SUBSIDIARIES IS IN DEFAULT WITH RESPECT TO ANY ORDER,

WRIT, INJUNCTION, OR DECREE OF, OR ANY WRITTEN AGREEMENT WITH, ANY COURT, COMMISSION, BOARD OR AGENCY, DOMESTIC OR FOREIGN, THAT, EITHER SEPARATELY OR IN THE AGGREGATE, WOULD MATERIALLY AND ADVERSELY AFFECT THE FINANCIAL CONDITION, BUSINESS, PROPERTIES, ASSETS, LIABILITIES, OPERATIONS, PROSPECTS, OR RESULTS OF OPERATIONS OF THE BORROWER OR ANY OF THE BANK SUBSIDIARIES.

XIX. INVESTMENT COMPANY ACT. THE BORROWER IS NOT AN "INVESTMENT COMPANY" OR A COMPANY "CONTROLLED" BY AN "INVESTMENT COMPANY," WITHIN THE MEANING OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

XX. NO BURDENSOME AGREEMENTS. NEITHER THE BORROWER NOR ANY OF THE BANK SUBSIDIARIES IS A PARTY TO ANY AGREEMENT, INSTRUMENT OR UNDERTAKING OR SUBJECT TO ANY OTHER RESTRICTION: (A) WHICH PRESENTLY HAS A MATERIAL ADVERSE AFFECT UPON THE FINANCIAL CONDITION, BUSINESS, PROPERTIES, ASSETS, LIABILITIES, OPERATIONS, PROSPECTS, OR RESULTS OF OPERATIONS OF THE BORROWER OR ANY OF THE BANK SUBSIDIARIES.

XXI. SOLVENCY. AFTER GIVING EFFECT TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, THE BORROWER AND EACH OF THE BANK SUBSIDIARIES HAVE CAPITAL SUFFICIENT TO CARRY ON THEIR RESPECTIVE BUSINESSES AND TRANSACTIONS AS CURRENTLY CONDUCTED AND AS PRESENTLY PROPOSED TO BE CONDUCTED, AND EACH IS SOLVENT AND ABLE TO PAY ITS DEBTS AS THEY MATURE. NO TRANSFER OF PROPERTY OR ASSETS IS BEING MADE AND NO INDEBTEDNESS IS BEING INCURRED IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT WITH THE INTENT TO HINDER, DELAY OR DEFRAUD EITHER PRESENT OR FUTURE CREDITORS OF THE BORROWER OR ANY OF THE BANK SUBSIDIARIES.

XXII. CORPORATE NAMES. THE BORROWER HAS NO ASSUMED CORPORATE NAMES AND IS NOT DOING BUSINESS UNDER ANY NAME OTHER THAN "FIRST BUSEY CORPORATION."

XXIII. NO MISSTATEMENT. NO INFORMATION, EXHIBIT, REPORT OR DOCUMENT FURNISHED BY THE BORROWER TO THE LENDER IN CONNECTION WITH THE NEGOTIATION OR EXECUTION OF THIS AGREEMENT OR THE MAKING OF ANY LOAN CONTAINS ANY UNTRUE STATEMENT OF A MATERIAL FACT, OR OMITS TO STATE A MATERIAL FACT OR ANY FACT NECESSARY TO MAKE THE STATEMENTS CONTAINED THEREIN NOT MISLEADING IN LIGHT OF THE CIRCUMSTANCES WHEN MADE OR FURNISHED TO THE LENDER.

Each Loan made pursuant to a request by Borrower shall be deemed to constitute a representation and warranty by Borrower to Lender that each of the representations and warranties of Borrower contained in this Agreement is true, accurate, and complete as of the date of such Loan with the same force and effect as though made on the date of such Loan.

COVENANTS

I. NEGATIVE COVENANTS. THE BORROWER AGREES THAT UNTIL THE BORROWER SATISFIES ALL OF ITS OBLIGATIONS TO THE LENDER, INCLUDING, BUT NOT LIMITED TO, ITS OBLIGATIONS TO PAY IN FULL ALL OF THE BORROWER'S LIABILITIES, THE BORROWER SHALL NOT ITSELF, NOR SHALL THE BORROWER CAUSE, PERMIT OR ALLOW ANY BANK SUBSIDIARY TO:

A. CREATE, ASSUME, INCUR, HAVE OUTSTANDING, OR IN ANY MANNER BECOME LIABLE IN RESPECT OF ANY INDEBTEDNESS, GREATER THAN $5,000,000.00, OTHER THAN TO LENDER OR, WITH RESPECT TO ANY OF THE BANK SUBSIDIARIES, IN THE ORDINARY COURSE OF BUSINESS AND IN ACCORDANCE WITH APPLICABLE LAWS AND REGULATIONS AND SAFE AND SOUND BANKING PRACTICES;

B. CREATE, ASSUME, INCUR, SUFFER OR PERMIT TO EXIST ANY MORTGAGE, PLEDGE, DEED OF TRUST, ENCUMBRANCE (INCLUDING THE LIEN OR RETAINED SECURITY TITLE OF A CONDITIONAL VENDOR), OR LIEN UPON OR WITH RESPECT TO ANY OF THEIR REAL OR PERSONAL PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY CAPITAL STOCK OWNED BY BORROWER OR ANY OF THE BANK SUBSIDIARIES, WHETHER OWNED AT THE DATE HEREOF OR HEREAFTER ACQUIRED, OR ASSIGN OR OTHERWISE CONVEY ANY RIGHT TO RECEIVE INCOME, EXCEPT ONLY: (i) LIENS FOR TAXES, ASSESSMENTS OR OTHER GOVERNMENTAL CHARGES FOR THE THEN CURRENT YEAR OR WHICH ARE NOT YET DUE OR DELINQUENT; AND (ii) IN THE CASE OF ANY OF THE BANK SUBSIDIARIES, LIENS INCURRED IN THE ORDINARY COURSE OF THE BUSINESS OF BANKING OPERATIONS AND IN ACCORDANCE WITH APPLICABLE LAWS AND REGULATIONS AND SAFE AND SOUND BANKING PRACTICES; AND (iii) ANY LIEN GRANTED BY THE BORROWER TO THE LENDER;

C. DISPOSE OF BY SALE, ASSIGNMENT, LEASE OR OTHERWISE, PROPERTY OR ASSETS NOW OWNED OR HEREAFTER ACQUIRED IF SUCH PROPERTY OR ASSETS PLUS ALL OTHER PROPERTIES AND ASSETS SOLD, LEASED, TRANSFERRED OR OTHERWISE DISPOSED OF DURING THE 12-MONTH PERIOD ENDING ON THE DATE OF SUCH SALE, LEASE OR OTHER DISPOSITION SHALL HAVE AN AGGREGATE VALUE OF MORE THAN TEN PERCENT (10%) OF THE CONSOLIDATED ASSETS OF THE BORROWER AS REFLECTED IN THE MOST RECENT BALANCE SHEET DELIVERED TO THE LENDER PURSUANT TO SECTION II.A.1, EXCEPT THAT ANY OF THE BANK SUBSIDIARIES MAY DISPOSE OF ITS PROPERTY OR ASSETS TO THE BORROWER OR SELL RESIDENTIAL MORTGAGE LOANS IN THE ORDINARY COURSE OF ITS BANKING BUSINESS AND CONSISTENT WITH SAFE AND SOUND BANKING PRACTICES;

D. BECOME A GUARANTOR, SURETY OR OTHERWISE LIABLE FOR THE DEBTS OR OTHER OBLIGATIONS OF ANY OTHER PERSON, OTHER THAN AS IT RELATES TO

BORROWER'S ESOP;

E. PURCHASE THE PROPERTIES OR ASSETS OF, MERGE WITH OR INTO OR CONSOLIDATE WITH OR INTO, ANY OTHER PERSON WITHOUT THE PRIOR WRITTEN CONSENT OF THE LENDER, WHICH CONSENT SHALL NOT BE UNREASONABLY WITHHELD;

F. MAKE ANY LOANS OR ADVANCES, WHETHER SECURED OR UNSECURED, TO ANY PERSON, OTHER THAN LOANS OR ADVANCES MADE BY ANY OF THE BANK SUBSIDIARIES IN THE ORDINARY COURSE OF BUSINESS AND IN ACCORDANCE WITH APPLICABLE LAWS AND REGULATIONS AND SAFE AND SOUND BANKING PRACTICES;

G. ENGAGE IN ANY BUSINESS OR ACTIVITY NOT PERMITTED BY ALL APPLICABLE LAWS AND REGULATIONS, INCLUDING WITHOUT LIMITATION, THE BANK HOLDING COMPANY ACT OF 1956, AS AMENDED, THE ILLINOIS BANKING ACT, AS AMENDED ("IBA"), THE NEVADA BANKING ACT, AS AMENDED ("NBA"), THE NATIONAL BANK ACT, AS AMENDED, THE FEDERAL DEPOSIT INSURANCE ACT, AS AMENDED ("FDI ACT"), AND ANY REGULATIONS PROMULGATED THEREUNDER;

H. MAKE ANY LOAN OR ADVANCE SECURED BY THE CAPITAL STOCK OF ANOTHER BANK OR DEPOSITORY INSTITUTION, OR ACQUIRE THE CAPITAL STOCK, ASSETS OR OBLIGATIONS OF, OR ANY INTEREST IN, ANOTHER BANK OR DEPOSITORY INSTITUTION, IN EACH CASE OTHER THAN IN THE ORDINARY COURSE OF BUSINESS AND IN ACCORDANCE WITH APPLICABLE LAWS AND REGULATIONS AND SAFE AND SOUND BANKING PRACTICES;

I. DIRECTLY OR INDIRECTLY CREATE, ASSUME, INCUR, SUFFER OR PERMIT TO EXIST ANY LIEN ON THE PLEDGED SUBSIDIARY SHARES OR ANY OTHER STOCK OWNED BY BORROWER OR ANY OF THE SUBSIDIARIES, EXCEPT FOR ANY SECURITY INTEREST GRANTED HEREWITH OR PREVIOUSLY BY THE BORROWER TO THE LENDER.

J. SELL, TRANSFER, ISSUE, REISSUE, EXCHANGE OR GRANT ANY OPTION OR OTHER ACQUISITION RIGHT WITH RESPECT TO ANY PLEDGED SUBSIDIARY SHARES;

K. BREACH OR FAIL TO PERFORM OR OBSERVE ANY OF THE TERMS AND CONDITIONS OF THE NOTES, THE PLEDGE AGREEMENT OR ANY OTHER LOAN DOCUMENT;

L. ENGAGE IN ANY UNSAFE OR UNSOUND BANKING PRACTICES AS DETERMINED BY A GOVERNMENTAL AGENCY;

M. ENTER INTO ANY TRANSACTION INCLUDING, WITHOUT LIMITATION, THE PURCHASE, SALE OR EXCHANGE OF PROPERTY OR ASSETS OR THE RENDERING OF ANY SERVICE, WITH ANY AFFILIATE (AS SUCH TERM IS DEFINED IN THIS SECTION IM) EXCEPT IN THE ORDINARY COURSE OF BUSINESS AND PURSUANT TO

THE REASONABLE REQUIREMENTS OF THE BORROWER'S OR SUCH AFFILIATE'S BUSINESS AND UPON TERMS REASONABLY FOUND BY THE APPROPRIATE BOARD(S) OF DIRECTORS TO BE FAIR AND REASONABLE AND NO LESS FAVORABLE TO THE BORROWER OR SUCH AFFILIATE THAN WOULD BE OBTAINED IN A COMPARABLE ARM'S LENGTH TRANSACTION WITH A PERSON NOT AN AFFILIATE.

N. TO, CREATE, INCUR OR SUFFER TO EXIST ANY INDEBTEDNESS, EXCEPT:

1. ANY INDEBTEDNESS ARISING UNDER, IN CONNECTION WITH OR PURSUANT TO AN INDENTURE IF, AND ONLY IF, SUCH INDEBTEDNESS (A) IS ISSUED BY THE BORROWER, (B) IS ISSUED IN CONNECTION WITH THE ISSUANCE BY A TRUST OF SECURITIES REPRESENTING AN UNDIVIDED INTEREST IN SUCH TRUST, AND (C) IS SUBORDINATE AND JUNIOR IN ALL RESPECTS TO THE LOANS AS PROVIDED BY THE EXPRESS TERMS OF THE INDENTURE GOVERNING SUCH INDEBTEDNESS, AND PROVIDED THAT (1) BORROWER DELIVERS WITHIN THIRTY (30) DAYS OF THE DATE OF ANY INSTRUMENT EVIDENCING SUCH INDEBTEDNESS (i) TRUE, ACCURATE, AND COMPLETE (WITH NO FEWER SIGNATURES THAN THOSE OF THE BORROWER AND ANY SUBSIDIARY THAT MAY BE A PARTY TO ANY OF SUCH DOCUMENTS) COPIES OF THE FINAL OFFERING CIRCULARS (IN THE CASE OF STAND-ALONE TRANSACTIONS, BUT NOT POOLED TRANSACTIONS), TRUST AGREEMENTS, GUARANTEES, INDENTURES, AND OTHER DOCUMENTATION EVIDENCING OR RELATING TO SUCH INDEBTEDNESS (AND BORROWER AGREES TO DELIVER TO LENDER FULLY EXECUTED COPIES OF SUCH DOCUMENTS WITHIN TEN (10) DAYS OF THEIR RECEIPT BY BORROWER), AND (ii) A TRUE, ACCURATE AND COMPLETE COPY OF THE APPROVAL ORDER, IF REQUIRED, ISSUED BY THE BOARD OF GOVERNORS OF FRB WITH RESPECT TO SUCH INDEBTEDNESS.

II. AFFIRMATIVE COVENANTS.

The Borrower agrees that until the Borrower satisfies all of the Borrower's Liabilities, including, but not limited to its obligations to pay in full all the Borrower's Liabilities, the Borrower shall satisfy the covenants set forth below:

A. THE BORROWER SHALL FURNISH AND DELIVER TO THE LENDER:

1. AS SOON AS AVAILABLE, BUT IN ANY EVENT NOT MORE THAN NINETY (90) DAYS AFTER THE CLOSE OF EACH FISCAL YEAR OF THE BORROWER, OR WITHIN SUCH FURTHER TIME AS THE LENDER MAY PERMIT, CONSOLIDATED AND CONSOLIDATING AUDITED FINANCIAL STATEMENTS FOR THE BORROWER AND THE SUBSIDIARIES, INCLUDING A BALANCE SHEET AND RELATED PROFIT AND LOSS STATEMENT, PREPARED IN ACCORDANCE WITH GAAP CONSISTENTLY APPLIED THROUGHOUT THE PERIODS REFLECTED THEREIN BY MCGLADREY OR OTHER INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ACCEPTABLE TO THE LENDER, WHO SHALL GIVE THEIR UNQUALIFIED OPINION WITH RESPECT THERETO, WHICH OPINION SHALL EXPRESSLY STATE THAT THE LENDER MAY RELY ON SUCH OPINION AND THE FINANCIAL STATEMENTS REFERENCED THEREIN;

2. AS SOON AS AVAILABLE, BUT IN ANY EVENT NOT MORE THAN NINETY (90) DAYS AFTER THE CLOSE OF EACH FISCAL YEAR OF THE BORROWER, OR WITHIN SUCH FURTHER TIME AS THE LENDER MAY PERMIT, THE FORM 10-K FILED WITH THE SECURITIES AND EXCHANGE COMMISSION;

3. AS SOON AS AVAILABLE, BUT IN ANY EVENT NOT MORE THAN FORTY-FIVE (45) DAYS AFTER THE CLOSE OF EACH QUARTERLY PERIOD OF EACH FISCAL YEAR OF THE BORROWER, OR WITHIN SUCH FURTHER TIME AS THE LENDER MAY PERMIT, THE FORM 10-Q FILED WITH THE SECURITIES AND EXCHANGE COMMISSION;

4. AS SOON AS AVAILABLE, BUT IN ANY EVENT NOT MORE THAN FORTY-FIVE (45) DAYS AFTER THE CLOSE OF EACH QUARTERLY PERIOD OF EACH FISCAL YEAR OF THE BORROWER, OR WITHIN SUCH FURTHER TIME AS THE LENDER MAY PERMIT: (A) THE REPORTS FILED BY THE BORROWER OR ANY OF THE SUBSIDIARIES WITH STATE OR FEDERAL BANK REGULATORY AGENCIES; (B) INTERNALLY PREPARED "WATCH LIST" OR OTHER REPORTS OF THE BORROWER OR ANY OF THE SUBSIDIARIES WITH RESPECT TO DELINQUENT, CLASSIFIED OR ASSETS REQUIRING SPECIAL ATTENTION; AND (C) FORMS FRY-9C FILED BY THE BORROWER WITH FEDERAL BANK REGULATORY AGENCIES;

5. THE BORROWER SHALL FURNISH THE LENDER, AT THE SAME TIME AS THE QUARTERLY FINANCIAL REPORTS REFERRED TO IN SECTION IIA2, A QUARTERLY COMPLIANCE CERTIFICATE IN THE FORM SET FORTH AS EXHIBIT E HERETO, WHICH CERTIFICATE SHALL STATE THAT: (A) THE BORROWER IS IN COMPLIANCE IN ALL MATERIAL RESPECTS WITH ALL COVENANTS CONTAINED IN THIS AGREEMENT; (B) THAT NO DEFAULT OR EVENT OF DEFAULT HAS OCCURRED OR IS CONTINUING, OR, IF THERE IS ANY SUCH EVENT, DESCRIBING SUCH EVENT, THE STEPS, IF ANY, THAT ARE BEING TAKEN TO CURE IT, AND THE TIME WITHIN WHICH SUCH CURE WILL OCCUR; AND (C) ALL REPRESENTATIONS AND WARRANTIES MADE BY THE BORROWER HEREIN (OTHER THAN IN SECTION V) CONTINUE TO BE TRUE, ACCURATE, AND COMPLETE AS OF THE DATE OF SUCH CERTIFICATE. SUCH QUARTERLY COMPLIANCE CERTIFICATE SHALL BE SIGNED BY THE CHIEF EXECUTIVE OFFICER, PRESIDENT OR CHIEF FINANCIAL OFFICER OF THE BORROWER AND SHALL ALSO CONTAIN, IN A FORM AND WITH SUCH SPECIFICITY AS IS REASONABLY SATISFACTORY TO THE LENDER, SUCH ADDITIONAL INFORMATION AS THE LENDER SHALL HAVE REASONABLY REQUESTED BY THE BORROWER PRIOR TO THE SUBMISSION THEREOF;

6. TO THE EXTENT PERMITTED BY LAW, PROMPTLY AFTER SAME ARE AVAILABLE, COPIES OF EACH ANNUAL REPORT, PROXY OR FINANCIAL STATEMENT OR OTHER REPORT OR COMMUNICATION SENT BY THE BORROWER OR ANY OF THE SUBSIDIARIES TO THE STOCKHOLDERS OF THE BORROWER OR ANY OF THE

SUBSIDIARIES, AND COPIES OF ALL ANNUAL, REGULAR, PERIODIC AND SPECIAL REPORTS AND REGISTRATION STATEMENTS WHICH THE BORROWER OR ANY OF THE SUBSIDIARIES MAY FILE OR BE REQUIRED TO FILE WITH ANY FEDERAL OR STATE BANKING REGULATORY AGENCY OR ANY OTHER GOVERNMENTAL AGENCY OR WITH ANY SECURITIES EXCHANGE;

7. IMMEDIATELY AFTER RECEIVING KNOWLEDGE THEREOF, NOTICE IN WRITING OF ALL CHARGES, ASSESSMENTS, ACTIONS, SUITS AND PROCEEDINGS (AS WELL AS NOTICE OF THE OUTCOME OF ANY SUCH CHARGES, ASSESSMENTS, ACTIONS, SUITS AND PROCEEDINGS) THAT ARE INITIATED BY, OR BROUGHT BEFORE, ANY COURT OR GOVERNMENTAL DEPARTMENT, COMMISSION, BOARD OR OTHER ADMINISTRATIVE AGENCY, IN CONNECTION WITH THE BORROWER OR ANY OF THE SUBSIDIARIES, OTHER THAN ORDINARY COURSE OF BUSINESS LITIGATION NOT INVOLVING THE FRB, THE FDIC, OR THE OTS, , WHICH, IF ADVERSELY DECIDED, WOULD NOT HAVE A MATERIAL ADVERSE EFFECT ON THE FINANCIAL CONDITION, BUSINESS, PROPERTIES, ASSETS, LIABILITIES, OPERATIONS, PROSPECTS, OR RESULTS OF OPERATIONS OF THE BORROWER OR ANY OF THE SUBSIDIARIES;

8. PROMPTLY UPON RECEIPT THEREOF, ONE COPY OF EACH WRITTEN AUDIT REPORT SUBMITTED TO THE BORROWER BY ITS INDEPENDENT AUDITORS; AND

9. PROMPTLY AFTER THE OCCURRENCE THEREOF, NOTICE OF ANY OTHER MATTER WHICH HAS RESULTED IN, OR WHICH MIGHT OR COULD RESULT IN, A MATERIALLY ADVERSE CHANGE IN THE FINANCIAL CONDITION, BUSINESS, PROPERTIES, ASSETS, LIABILITIES, OPERATIONS, PROSPECTS, OR RESULTS OF OPERATIONS OF THE BORROWER OR ANY OF THE SUBSIDIARIES.

B. THE BORROWER SHALL MAINTAIN A RATIO OF NON-PERFORMING ASSETS TO TOTAL LOANS AND OTHER REAL ESTATE TO BE LESS THAN TWO AND THREE QUARTERS PERCENT (2.75%) AT ALL TIMES. ALL RATIOS SET FORTH IN THIS SECTION SHALL BE MEASURED QUARTERLY AND SHALL BE DERIVED FROM THE APPLICABLE QUARTERLY FINANCIAL STATEMENTS FILED WITH THE APPROPRIATE GOVERNMENTAL AGENCY. FOR PURPOSES OF THIS SECTION "NONPERFORMING ASSETS" SHALL MEAN THE SUM OF ALL OTHER REAL ESTATE OWNED, NON-ACCRUAL LOANS, RESTRUCTURED LOANS AND LOANS ON WHICH ANY PAYMENT IS NINETY (90) OR MORE DAYS PAST DUE WHICH IS STILL ACCRUING INTEREST AND "TOTAL LOANS AND OTHER REAL ESTATE OWNED" SHALL MEAN TOTAL LOANS AND OTHER REAL ESTATE OWNED.

C. THE BORROWER SHALL MAINTAIN, ON AN ANNUALIZED BASIS, AN ANNUAL RETURN ON AVERAGE TOTAL ASSETS OF GREATER THAN 7/10 OF ONE PERCENT (0.70%) BEGINNING WITH THE QUARTER ENDED JUNE 30, 2004. THIS COVENANT SHALL BE CALCULATED ON A QUARTERLY BASIS BEGINNING WITH THE QUARTER ENDED JUNE 30, 2004.

D. THE BORROWER (ON A CONSOLIDATED BASIS) SHALL AT ALL TIMES MAINTAIN SUCH CAPITAL AS MAY BE NECESSARY TO CAUSE EACH OF THE BORROWER AND EACH OF THE BANK SUBSIDIARIES TO BE CLASSIFIED AS A "WELL CAPITALIZED" INSTITUTION IN ACCORDANCE WITH THE REGULATIONS OF THEIR PRIMARY FEDERAL REGULATOR AS IN EFFECT ON THE DATE OF THIS AGREEMENT.

E. THE BORROWER SHALL PROMPTLY PAY AND DISCHARGE ALL TAXES, ASSESSMENTS AND OTHER GOVERNMENTAL CHARGES IMPOSED UPON THE BORROWER OR ANY OF THE BANK SUBSIDIARIES OR UPON THE INCOME, PROFITS, PROPERTY, OR ASSETS OF THE BORROWER OR ANY OF THE BANK SUBSIDIARIES AND ALL CLAIMS FOR LABOR, MATERIAL OR SUPPLIES WHICH, IF UNPAID, MIGHT BY LAW BECOME A LIEN UPON THE PROPERTY OR ASSETS OF THE BORROWER OR ANY OF THE BANK SUBSIDIARIES. NEITHER THE BORROWER NOR ANY OF THE BANK SUBSIDIARIES SHALL BE REQUIRED TO PAY ANY SUCH TAX, ASSESSMENT, CHARGE OR CLAIM, SO LONG AS THE VALIDITY THEREOF SHALL BE CONTESTED IN GOOD FAITH BY APPROPRIATE PROCEEDINGS, AND RESERVES THEREFOR SHALL BE MAINTAINED ON THE BOOKS OF THE BORROWER OR ANY OF THE BANK SUBSIDIARIES AS ARE DEEMED ADEQUATE BY THE LENDER.

F. THE BORROWER SHALL MAINTAIN BONDS AND INSURANCE AND SHALL CAUSE EACH OF THE BANK SUBSIDIARIES TO MAINTAIN BONDS AND INSURANCE WITH RESPONSIBLE AND REPUTABLE INSURANCE COMPANIES OR ASSOCIATIONS IN SUCH AMOUNTS AND COVERING SUCH RISK AS IS USUALLY CARRIED BY OWNERS OF SIMILAR BUSINESSES, PROPERTIES, AND ASSETS IN THE SAME GENERAL AREA IN WHICH THE BORROWER AND EACH OF THE BANK SUBSIDIARIES OPERATES, AND SUCH ADDITIONAL BONDS AND INSURANCE AS MAY REASONABLY BE REQUIRED BY THE LENDER.

G. THE BORROWER SHALL PERMIT AND CAUSE EACH OF THE BANK SUBSIDIARIES TO PERMIT THE LENDER THROUGH ITS EMPLOYEES, ATTORNEYS, ACCOUNTANTS OR OTHER AGENTS, TO INSPECT ANY OF THE PROPERTIES, CORPORATE BOOKS AND FINANCIAL BOOKS AND RECORDS OF THE BORROWER AND EACH OF THE BANK SUBSIDIARIES AT THE REQUEST OF THE LENDER, BUT NOT MORE OFTEN THAN ANNUALLY, UNLESS THERE IS A CAUSE FOR CONCERN.

H. AS SOON AS POSSIBLE, AND IN ANY EVENT WITHIN TEN (10) BUSINESS DAYS, AFTER: (i) THE BORROWER OR ANY ERISA AFFILIATE KNOWS THAT WITH RESPECT TO ANY EMPLOYEE BENEFIT PLAN, A "PROHIBITED TRANSACTION," A "REPORTABLE EVENT," OR ANY OTHER EVENT OR CONDITION WHICH COULD SUBJECT THE BORROWER OR ANY ERISA AFFILIATE TO LIABILITY UNDER ERISA OR THE CODE; OR (ii) THE INSTITUTION OF STEPS BY THE BORROWER OR ANY ERISA AFFILIATE TO WITHDRAW FROM, OR THE INSTITUTION OF ANY STEPS BY ANY PARTY TO TERMINATE, ANY EMPLOYEE BENEFIT PLAN; HAS OR MAY HAVE OCCURRED, THE BORROWER SHALL DELIVER TO THE LENDER A CERTIFICATE OF A RESPONSIBLE OFFICER SETTING FORTH THE DETAILS OF SUCH MATTER, THE ACTION THAT THE BORROWER PROPOSES TO TAKE WITH RESPECT THERETO, AND, WHEN KNOWN, ANY ACTION TAKEN OR THREATENED BY THE INTERNAL REVENUE SERVICE, THE U.S. DEPARTMENT OF LABOR, OR THE PENSION BENEFIT GUARANTEE CORPORATION. FOR PURPOSES OF THIS COVENANT, THE BORROWER SHALL BE DEEMED TO HAVE KNOWLEDGE OF ALL FACTS KNOWN BY THE FIDUCIARIES OF ANY PLAN OF THE BORROWER OR ANY ERISA AFFILIATE.

I. THE BORROWER SHALL:

1. EXERCISE AND CAUSE EACH OF THE BANK SUBSIDIARIES TO EXERCISE DUE DILIGENCE IN ORDER TO COMPLY WITH ALL FEDERAL, STATE AND LOCAL LAWS, STATUTES, ORDINANCES, REGULATIONS AND POLICIES RELATING TO HEALTH, SAFETY, ECOLOGY OR THE ENVIRONMENT (COLLECTIVELY, THE "ENVIRONMENTAL LAWS");

2. PERMIT THE LENDER, FROM TIME TO TIME AND IN ITS SOLE AND ABSOLUTE DISCRETION, TO RETAIN, AT THE BORROWER'S EXPENSE, AN INDEPENDENT PROFESSIONAL CONSULTANT TO REVIEW ANY REPORT RELATING TO HAZARDOUS MATERIALS PREPARED BY OR FOR BORROWER OR ANY OF THE BANK SUBSIDIARIES AND AT REASONABLE TIMES AND SUBJECT TO REASONABLE CONDITIONS TO CONDUCT ITS OWN INVESTIGATION OF ANY REAL PROPERTY OR OTHER FACILITY CURRENTLY OR THEN OWNED, LEASED, OPERATED OR USED BY BORROWER OR ANY OF THE BANK SUBSIDIARIES, AND BORROWER AGREES TO USE ITS BEST EFFORTS TO OBTAIN PERMISSION FOR THE LENDER'S PROFESSIONAL CONSULTANT TO CONDUCT ITS OWN INVESTIGATION OF ANY REAL PROPERTY OR OTHER FACILITY PREVIOUSLY OWNED, LEASED, OPERATED OR USED BY BORROWER AND SHALL CAUSE EACH OF THE BANK SUBSIDIARIES TO DO THE SAME. BORROWER HEREBY GRANTS TO THE LENDER, ITS AGENTS, EMPLOYEES, CONSULTANTS, AND CONTRACTORS THE RIGHT TO ENTER INTO OR ON TO, AT REASONABLE TIMES, THE REAL PROPERTY OR OTHER FACILITIES OWNED, LEASED, OPERATED OR USED BY BORROWER AND EACH OF THE BANK SUBSIDIARIES (HEREINAFTER, EACH A "FACILITY" AND COLLECTIVELY THE "FACILITIES") TO PERFORM SUCH TESTS ON SUCH PROPERTY AS ARE REASONABLY NECESSARY TO CONDUCT SUCH A REVIEW AND/OR INVESTIGATION;

3. PROMPTLY ADVISE THE LENDER IN WRITING AND IN REASONABLE DETAIL OF: (A) ANY PRESENCE, USE, STORAGE, TRANSPORTATION, DISCHARGE, DISPOSAL, RELEASE OR THREATENED RELEASE (EACH OF THE FOREGOING BEING HEREINAFTER REFERRED TO AS A "CONDITION OR RELEASE") OF ANY HAZARDOUS MATERIALS REQUIRED TO BE REPORTED TO ANY FEDERAL, STATE OR LOCAL GOVERNMENTAL OR REGULATORY AGENCY UNDER ANY APPLICABLE ENVIRONMENTAL LAWS; (B) ANY AND ALL WRITTEN COMMUNICATIONS WITH RESPECT TO CLAIMS OR THREATENED CLAIMS UNDER OR WITH RESPECT TO ANY ENVIRONMENTAL LAWS (AN "ENVIRONMENTAL CLAIM") OR ANY CONDITION OR RELEASE OF HAZARDOUS MATERIAL REQUIRED TO BE REPORTED TO ANY FEDERAL, STATE OR LOCAL GOVERNMENTAL OR REGULATORY AGENCY; (C) ANY REMEDIAL ACTION TAKEN BY BORROWER OR ANY OTHER PERSON IN RESPONSE TO: (1) ANY HAZARDOUS MATERIAL ON, UNDER OR ABOUT ANY FACILITY, THE EXISTENCE OF WHICH COULD RESULT IN AN ENVIRONMENTAL CLAIM; OR (2) ANY ENVIRONMENTAL CLAIM THAT COULD HAVE A MATERIAL ADVERSE EFFECT ON BORROWER OR ANY OF THE BANK SUBSIDIARIES; (D) BORROWER'S DISCOVERY OF ANY OCCURRENCE OR CONDITION ON ANY REAL PROPERTY ADJOINING OR IN THE VICINITY OF ANY FACILITY THAT COULD CAUSE SUCH FACILITY OR ANY PART THEREOF TO BE SUBJECT TO ANY RESTRICTIONS ON THE OWNERSHIP, OCCUPANCY, TRANSFERABILITY OR USE THEREOF UNDER ANY ENVIRONMENTAL LAWS, AND (E) ANY REQUEST FOR INFORMATION FROM ANY GOVERNMENTAL AGENCY INDICATING THAT SUCH AGENCY HAS INITIATED AN INVESTIGATION AS TO WHETHER THE BORROWER OR ANY OF THE BANK SUBSIDIARIES MAY BE POTENTIALLY RESPONSIBLE FOR ANY CONDITION OR RELEASE OF HAZARDOUS MATERIAL;

4. PROMPTLY NOTIFY THE LENDER OF: (A) ANY ACQUISITION OF STOCK, ASSETS, OR PROPERTY BY BORROWER OR ANY OF THE BANK SUBSIDIARIES THAT

REASONABLY COULD BE EXPECTED TO EXPOSE ANY PROPOSED ACTION OUTSIDE THE NORMAL COURSE OF BUSINESS TO BE TAKEN BY THE BORROWER OR ANY OF THE BANK SUBSIDIARIES TO, OR RESULT IN, ENVIRONMENTAL CLAIMS THAT COULD HAVE A MATERIAL ADVERSE EFFECT OR THAT COULD BE EXPECTED TO HAVE A MATERIAL ADVERSE EFFECT ON ANY GOVERNMENTAL AUTHORIZATION, (THEN-HELD BY BORROWER OR ANY OF THE BANK SUBSIDIARIES; AND (B) ANY PROPOSED ACTION OUTSIDE THE NORMAL COURSE OF BUSINESS TO BE TAKEN BY BORROWER OR ANY OF THE BANK SUBSIDIARIES TO COMMENCE INDUSTRIAL OR OTHER OPERATIONS THAT COULD SUBJECT BORROWER OR ANY OF THE BANK SUBSIDIARIES TO ADDITIONAL LAWS, RULES OR REGULATIONS, INCLUDING, WITHOUT LIMITATION, LAWS, RULES AND REGULATIONS REQUIRING ADDITIONAL ENVIRONMENTAL PERMITS OR LICENSES;

5. AT THEIR OWN EXPENSE, PROVIDE COPIES OF SUCH DOCUMENTS OR INFORMATION AS THE LENDER MAY REASONABLY REQUEST IN RELATION TO ANY MATTERS DISCLOSED PURSUANT TO THIS SECTION III; AND

6. PROMPTLY TAKE ANY AND ALL NECESSARY REMEDIAL ACTION IN CONNECTION WITH ANY CONDITION OR RELEASE OF ANY HAZARDOUS MATERIALS, ON, UNDER OR ABOUT ANY FACILITY IN ORDER TO COMPLY WITH ALL APPLICABLE ENVIRONMENTAL LAWS AND GOVERNMENTAL AUTHORIZATIONS. IN THE EVENT BORROWER OR ANY OF THE BANK SUBSIDIARIES UNDERTAKES ANY REMEDIAL ACTION WITH RESPECT TO ANY HAZARDOUS MATERIAL ON, UNDER OR ABOUT ANY FACILITY, SUCH BORROWER OR BANK SUBSIDIARY SHALL CONDUCT AND COMPLETE SUCH REMEDIAL ACTION IN COMPLIANCE WITH ALL APPLICABLE ENVIRONMENTAL LAWS AND IN ACCORDANCE WITH THE POLICIES, ORDERS AND DIRECTIVES OF ALL FEDERAL, STATE AND LOCAL GOVERNMENT AUTHORITIES.

J. THE BORROWER SHALL DO OR CAUSE TO BE DONE ALL THINGS NECESSARY TO MAINTAIN, PRESERVE AND RENEW THE CORPORATE EXISTENCE OF BORROWER AND EACH OF THE BANK SUBSIDIARIES AND ITS AND THEIR RIGHTS AND FRANCHISES, AND COMPLY WITH ALL RELATED LAWS APPLICABLE TO THE BORROWER AND EACH OF THE BANK SUBSIDIARIES.

K. THE BORROWER SHALL COMPLY AND CAUSE EACH OF THE BANK SUBSIDIARIES TO COMPLY WITH ALL APPLICABLE STATUTES, RULES, REGULATIONS, ORDERS AND RESTRICTIONS IN RESPECT OF THE CONDUCT OF THEIR RESPECTIVE BUSINESSES AND THE OWNERSHIP OF THEIR RESPECTIVE PROPERTIES AND ASSETS, UNLESS A NON-COMPLIANCE DOES NOT, AND WILL NOT, RESULT IN A MATERIAL ADVERSE EFFECT ON THE BORROWER AND ITS BANK SUBSIDIARIES, AS A WHOLE.

L. THE BORROWER SHALL USE THE PROCEEDS OF THE LOANS TO PURCHASE ALL OF THE ISSUED AND OUTSTANDING SHARES OF FIRST CAPITAL BANKSHARES, INC. PURSUANT TO THE MERGER AGREEMENT, FOR AN AGGREGATE PURCHASE PRICE OF FORTY-TWO MILLION DOLLARS ($42,000,000), WITH ANY REMAINING PROCEEDS TO BE USED FOR GENERAL CORPORATE PURPOSES. THE BORROWER WILL NOT USE ANY PART OF THE PROCEEDS OF THE LOANS: (i) DIRECTLY OR INDIRECTLY TO PURCHASE OR CARRY ANY MARGIN SECURITY OR REDUCE OR RETIRE ANY INDEBTEDNESS ORIGINALLY INCURRED TO PURCHASE ANY SUCH MARGIN SECURITY WITHIN THE MEANING OF REGULATION U OF THE FRB; OR (ii) SO AS TO INVOLVE THE BORROWER OR THE LENDER IN A VIOLATION OF REGULATION U OF THE FRB.

EVENTS OF DEFAULT; DEFAULT; RIGHTS UPON DEFAULT

I. EVENTS OF DEFAULT. THE HAPPENING OR OCCURRENCE OF ANY OF THE FOLLOWING EVENTS, ACTS OR CONDITIONS (AN "EVENT OF DEFAULT") AND THE BORROWER'S FAILURE TO CURE SAME AFTER EXPIRATION OF ANY APPLICABLE CURE PERIOD SHALL EACH CONSTITUTE A "DEFAULT" HEREUNDER, AND ANY SUCH DEFAULT SHALL ALSO CONSTITUTE A DEFAULT UNDER EACH OF THE NOTES, THE PLEDGE AGREEMENT, AND ANY OTHER LOAN DOCUMENT, WITHOUT RIGHT TO NOTICE OR TIME TO CURE IN FAVOR OF THE BORROWER EXCEPT AS INDICATED BELOW:

A. IF THE BORROWER FAILS TO MAKE PAYMENT WHEN DUE OR WHERE APPLICABLE UPON DEMAND, OR FAILS TO MAKE ANY PAYMENTS AS PROVIDED FOR HEREIN AND SUCH FAILURE CONTINUES FOR THREE (3) DAYS;

B. IF THERE CONTINUES TO EXIST ANY BREACH OF ANY OBLIGATION OF BORROWER UNDER THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND SUCH BREACH REMAINS UNCURED BEYOND THE APPLICABLE TIME PERIOD, SPECIFICALLY PROVIDED THEREFOR OR IF NO TIME PERIOD IS SPECIFICALLY PROVIDED, IF SUCH BREACH CONTINUES FOR TEN (10) DAYS;

C. IF ANY REPRESENTATION OR WARRANTY MADE BY THE BORROWER HEREIN, OR IN ANY OTHER AGREEMENT NOW OR AT ANY TIME HEREAFTER EXISTING BETWEEN THE BORROWER AND THE LENDER, IS BREACHED OR IS FALSE OR MISLEADING IN ANY MATERIAL RESPECT, OR ANY SCHEDULE, CERTIFICATE, FINANCIAL STATEMENT, REPORT, NOTICE OR OTHER WRITING FURNISHED BY THE BORROWER OR ANY OF THE SUBSIDIARIES TO THE LENDER IS FALSE OR MISLEADING IN ANY MATERIAL RESPECT ON THE DATE AS OF WHICH THE FACTS THEREIN SET FORTH ARE STATED OR CERTIFIED;

D. IF: (i) THE BORROWER, ANY OF THE SUBSIDIARIES, OR ANY AFFILIATE OF THE BORROWER OR ANY OF THE SUBSIDIARIES, FAILS TO PERFORM OR OBSERVE ANY COVENANT OR AGREEMENT CONTAINED IN ANY OTHER AGREEMENT WITH THE LENDER, OR IF ANY CONDITION CONTAINED IN ANY AGREEMENT WITH THE LENDER IS NOT FULFILLED, AND SUCH FAILURE OR NONFULFILLMENT REMAINS UNCURED BEYOND THE APPLICABLE TIME PERIOD, IF ANY, SPECIFICALLY PROVIDED THEREFOR, OR IF NO TIME PERIOD IS SPECIFICALLY PROVIDED, CONTINUES FOR TEN (10) DAYS; OR (ii) A DEFAULT OR EVENT OF DEFAULT (AS DEFINED IN ANY SUCH AGREEMENT) OCCURS UNDER ANY OTHER AGREEMENT WITH THE LENDER AND SUCH DEFAULT OR EVENT OF DEFAULT CONTINUES FOR TEN (10) DAYS;

E. IF ANY GOVERNMENTAL AGENCY CHARGED WITH THE REGULATION OF BANK HOLDING COMPANIES, DEPOSITORY INSTITUTIONS, OR THRIFTS: (i) ISSUES TO THE BORROWER OR ANY OF THE SUBSIDIARIES, OR INITIATES ANY ACTION, SUIT OR PROCEEDING TO OBTAIN AGAINST, IMPOSE ON OR REQUIRE FROM THE BORROWER OR ANY OF THE SUBSIDIARIES, A CEASE AND DESIST ORDER OR SIMILAR REGULATORY ORDER, THE ASSESSMENT OF CIVIL MONETARY PENALTIES, ARTICLES OF AGREEMENT, A MEMORANDUM OF UNDERSTANDING, A CAPITAL DIRECTIVE, A CAPITAL RESTORATION PLAN, RESTRICTIONS THAT PREVENT OR AS A PRACTICAL MATTER IMPAIR THE PAYMENT OF DIVIDENDS BY ANY OF THE SUBSIDIARIES OR THE PAYMENTS OF ANY DEBT BY THE BORROWER, RESTRICTIONS THAT MAKE THE PAYMENT OF THE DIVIDENDS BY ANY OF THE SUBSIDIARIES OR THE PAYMENT OF DEBT BY THE BORROWER SUBJECT TO PRIOR REGULATORY APPROVAL, A NOTICE OR FINDING UNDER SECTION 8(a) OF THE FDI ACT, OR ANY SIMILAR ENFORCEMENT ACTION, MEASURE OR PROCEEDING; OR (ii) PROPOSES OR ISSUES TO ANY EXECUTIVE OFFICER OR DIRECTOR OF THE BORROWER OR ANY OF THE SUBSIDIARIES, OR INITIATES ANY ACTION, SUIT OR

PROCEEDING TO OBTAIN AGAINST, IMPOSE ON OR REQUIRE FROM ANY SUCH OFFICER OR DIRECTOR, A CEASE AND DESIST ORDER OR SIMILAR REGULATORY ORDER, A REMOVAL ORDER OR SUSPENSION ORDER, OR THE ASSESSMENT OF CIVIL MONETARY PENALTIES;

F. IF THE BORROWER OR ANY OF THE SUBSIDIARIES BECOMES INSOLVENT OR IS UNABLE TO PAY ITS DEBTS AS THEY MATURE; OR MAKES AN ASSIGNMENT FOR THE BENEFIT OF CREDITORS OR ADMITS IN WRITING ITS INABILITY TO PAY ITS DEBTS AS THEY MATURE; OR SUSPENDS TRANSACTION OF ITS USUAL BUSINESS; OR IF A TRUSTEE OF ANY SUBSTANTIAL PART OF THE ASSETS OF THE BORROWER OR ANY OF THE SUBSIDIARIES IS APPLIED FOR OR APPOINTED, AND IF APPOINTED IN A PROCEEDING BROUGHT AGAINST THE BORROWER, THE BORROWER BY ANY ACTION OR FAILURE TO ACT INDICATES ITS APPROVAL OF, CONSENT TO, OR ACQUIESCENCE IN SUCH APPOINTMENT, OR WITHIN THIRTY (30) DAYS AFTER SUCH APPOINTMENT, SUCH APPOINTMENT IS NOT VACATED OR STAYED ON APPEAL OR OTHERWISE, OR SHALL NOT OTHERWISE HAVE CEASED TO CONTINUE IN EFFECT;

G. IF ANY PROCEEDINGS INVOLVING THE BORROWER OR ANY OF THE SUBSIDIARIES ARE COMMENCED BY OR AGAINST THE BORROWER OR ANY OF THE SUBSIDIARIES UNDER ANY BANKRUPTCY, REORGANIZATION, ARRANGEMENT, INSOLVENCY, READJUSTMENT OF DEBT, DISSOLUTION OR LIQUIDATION LAW OR STATUTE OF THE FEDERAL GOVERNMENT OR ANY STATE GOVERNMENT AND, WITH RESPECT TO THE BORROWER ONLY, IF SUCH PROCEEDINGS ARE INSTITUTED AGAINST THE BORROWER, THE BORROWER BY ANY ACTION OR FAILURE TO ACT INDICATES ITS APPROVAL OF, CONSENT TO OR ACQUIESCENCE THEREIN, OR AN ORDER SHALL BE ENTERED APPROVING THE PETITION IN SUCH PROCEEDINGS AND WITHIN THIRTY (30) DAYS AFTER THE ENTRY THEREOF SUCH ORDER IS NOT VACATED OR STAYED ON APPEAL OR OTHERWISE, OR SHALL NOT OTHERWISE HAVE CEASED TO CONTINUE IN EFFECT;

H. IF ANY JUDGMENT OR JUDGMENTS, WRIT OR WRITS, OR WARRANT OR WARRANTS OF ATTACHMENT, OR ANY SIMILAR PROCESS OR PROCESSES, IN AN AGGREGATE AMOUNT IN EXCESS OF $500,000, SHALL BE ENTERED OR FILED AGAINST THE BORROWER OR ANY OF THE BANK SUBSIDIARIES OR AGAINST ANY OF THEIR PROPERTY AND WHICH REMAINS UNVACATED, UNBONDED, UNSTAYED OR UNSATISFIED FOR A PERIOD OF THIRTY (30) DAYS;

I. THIRTY (30) AFTER NOTICE THEREOF, IF THE BORROWER OR ANY OF THE BANK SUBSIDIARIES CONTINUES TO BE IN DEFAULT IN ANY PAYMENT OF PRINCIPAL OR INTEREST FOR ANY OTHER OBLIGATION OR IN THE PERFORMANCE OF ANY OTHER TERM, CONDITION OR COVENANT CONTAINED IN ANY AGREEMENT (INCLUDING BUT NOT LIMITED TO AN AGREEMENT IN CONNECTION WITH THE ACQUISITION OF CAPITAL EQUIPMENT ON A TITLE RETENTION OR NET LEASE BASIS), UNDER WHICH ANY SUCH OBLIGATION IS CREATED THE EFFECT OF WHICH DEFAULT IS TO CAUSE OR PERMIT THE HOLDER OF SUCH OBLIGATION TO CAUSE SUCH OBLIGATION TO BECOME DUE PRIOR TO ITS STATED MATURITY;

J. IF ANY OR ALL OF THE PLEDGED PROPERTY, AS DEFINED IN THE PLEDGE AGREEMENT, IS ATTACHED, SEIZED, SUBJECTED TO A WRIT OF DISTRESS WARRANT, OR IS LEVIED UPON OR BECOMES SUBJECT TO ANY LIEN, OR COMES WITHIN THE POSSESSION OF ANY RECEIVER, TRUSTEE, CUSTODIAN OR ASSIGNEE FOR THE BENEFIT OF CREDITORS;

K. IF THE BORROWER APPLIES FOR, CONSENTS TO OR ACQUIESCES IN THE APPOINTMENT OF A TRUSTEE, RECEIVER, CONSERVATOR OR LIQUIDATOR FOR ITSELF UNDER CHAPTER 7 OR CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE (THE "CODE PROVISIONS"), OR IN THE ABSENCE OF SUCH APPLICATION, CONSENT OR ACQUIESCENCE, A TRUSTEE, CONSERVATOR, RECEIVER OR LIQUIDATOR IS APPOINTED FOR THE BORROWER UNDER THE CODE PROVISIONS, AND IS NOT DISCHARGED WITHIN THIRTY (30) DAYS, OR ANY BANKRUPTCY, REORGANIZATION, DEBT ARRANGEMENT OR OTHER PROCEEDING OR ANY DISSOLUTION, LIQUIDATION, OR CONSERVATORSHIP PROCEEDING IS INSTITUTED BY OR AGAINST THE BORROWER UNDER THE CODE PROVISIONS, AND IF INSTITUTED AGAINST THE BORROWER, IS CONSENTED OR ACQUIESCED IN BY IT OR REMAINS FOR THIRTY (30) DAYS UNDISMISSED, OR IF THE BORROWER IS ENJOINED, RESTRAINED OR IN ANY WAY PREVENTED FROM CONDUCTING ALL OR ANY MATERIAL PART OF ITS BUSINESS UNDER THE CODE PROVISIONS;

L. IF ANY OF THE SUBSIDIARIES APPLIES FOR, CONSENTS TO OR ACQUIESCES IN THE APPOINTMENT OF A RECEIVER FOR ITSELF, OR IN THE ABSENCE OF SUCH APPLICATION, CONSENT OR ACQUIESCENCE, A RECEIVER IS APPOINTED FOR OR ANY OF THE SUBSIDIARIES, AND IS NOT DISCHARGED WITHIN THIRTY (30) DAYS; OR

M. IF THE MERGER IS NOT CONSUMMATED WITHIN TEN (10) DAYS OF THE CLOSING DATE.

II. REMEDIES OF THE LENDER. FROM AND AFTER THE OCCURRENCE OF AN EVENT OF DEFAULT, THE LENDER SHALL HAVE ALL RIGHTS AND REMEDIES PROVIDED BY APPLICABLE LAW. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MAY, AT ITS OPTION, DECLARE ITS COMMITMENTS UNDER THE LOAN DOCUMENTS AND OTHERWISE TO BE TERMINATED AND THE NOTES SHALL THEREUPON BE AND BECOME IMMEDIATELY DUE AND PAYABLE, WITHOUT ANY PRESENTMENT, DEMAND, PROTEST OR OTHER NOTICE OF ANY KIND, ALL OF WHICH (NOTWITHSTANDING ANY PROVISION IN ANY OF THE LOAN DOCUMENTS TO THE CONTRARY) ARE HEREBY EXPRESSLY WAIVED BY THE BORROWER, AND LENDER MAY ALSO, WITHOUT LIMITATION, APPROPRIATE AND APPLY TOWARD THE PAYMENT OF ANY NOTE ANY INDEBTEDNESS OF THE LENDER TO THE BORROWER HOWEVER CREATED OR ARISING, AND MAY ALSO, WITHOUT LIMITATION, EXERCISE ANY AND ALL RIGHTS IN AND TO THE COLLATERAL, WHETHER PURSUANT TO THE PLEDGE AGREEMENT OR OTHERWISE. THERE SHALL BE NO OBLIGATION TO LIQUIDATE ANY COLLATERAL PLEDGED HEREUNDER IN ANY ORDER OR WITH ANY

PRIORITY OR TO EXERCISE ANY REMEDY AVAILABLE TO THE LENDER IN ANY ORDER.

MISCELLANEOUS

I. WAIVER BY THE LENDER. NO FAILURE OR DELAY ON THE PART OF THE LENDER IN EXERCISING ANY RIGHT, POWER OR REMEDY HEREUNDER SHALL OPERATE AS A WAIVER THEREOF. NO SINGLE OR PARTIAL EXERCISE OF ANY SUCH RIGHT, POWER OR REMEDY SHALL PRECLUDE ANY OTHER OR FURTHER EXERCISE THEREOF OR THE EXERCISE OF ANY OTHER RIGHT, POWER OR REMEDY HEREUNDER. THE REMEDIES HEREIN PROVIDED ARE CUMULATIVE AND NOT EXCLUSIVE OF ANY REMEDIES PROVIDED BY LAW. TIME IS OF THE ESSENCE IN THE PERFORMANCE OF THE COVENANTS, AGREEMENTS AND OBLIGATIONS OF THE BORROWER AND EACH OF THE SUBSIDIARIES.

II. ENTIRE AGREEMENT AND MODIFICATIONS OF AGREEMENT. THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND SUPERSEDES ALL PRIOR AGREEMENTS BETWEEN THE LENDER AND THE BORROWER WITH RESPECT TO THE SUBJECT MATTER HEREOF. NO AMENDMENT, MODIFICATION, TERMINATION OR WAIVER OF ANY PROVISION OF THIS AGREEMENT, THE PLEDGE AGREEMENT, OR THE NOTES, OR CONSENT TO ANY DEPARTURE BY THE BORROWER THEREFROM, SHALL IN ANY EVENT BE EFFECTIVE UNLESS THE SAME SHALL BE IN WRITING AND SIGNED BY THE LENDER, AND THEN SUCH WAIVER OR CONSENT SHALL BE EFFECTIVE ONLY IN THE SPECIFIC PURPOSE FOR WHICH GIVEN. NO NOTICE TO OR DEMAND ON THE BORROWER IN ANY CASE SHALL ENTITLE THE BORROWER TO ANY OTHER OR FURTHER NOTICE OR DEMAND IN SIMILAR OR OTHER CIRCUMSTANCES.

III. NOTICES. ALL NOTICES AND REQUESTS TO OR UPON THE RESPECTIVE PARTIES HERETO SHALL BE IN WRITING AND SHALL BE DEEMED TO HAVE BEEN GIVEN OR MADE FIVE (5) DAYS AFTER HAVING BEEN DEPOSITED IN THE UNITED STATES MAIL, CERTIFIED OR REGISTERED WITH RETURN RECEIPT REQUESTED, OR WHEN DELIVERED PERSONALLY (BY COURIER SERVICE SUCH AS FEDERAL EXPRESS, OR BY OTHER MESSENGER) AT THE ADDRESS OR WHEN DISPATCHED BY TELECOPY OR OTHER MEANS OF FACSIMILE TRANSMISSION, TO THE NUMBER SET FORTH BELOW:

if to the Lender:

Bank One, NA
120 South LaSalle Street
Chicago, Illinois 60603
Attention: Mrs. Julie Reese
Facsimile: (312) 661-9511
Email: julie_reese@bankone.com

if to the Borrower:

First Busey Corporation
201 West Main Street
Urbana, Illinois 61801
Attention: Mr. Douglas C. Mills
Facsimile: (217) 365-4592
Email: dcmills@busey.com

or to such addresses as may be hereafter designated by the respective parties hereto in writing by a notice given in accordance herewith.

IV. COUNTERPARTS. THIS AGREEMENT MAY BE EXECUTED IN ANY NUMBER OF COUNTERPARTS AND BY DIFFERENT PARTIES HERETO IN SEPARATE COUNTERPARTS, EACH OF WHICH WHEN SO EXECUTED AND DELIVERED SHALL BE DEEMED TO BE AN ORIGINAL AND ALL OF WHICH TAKEN TOGETHER SHALL CONSTITUTE BUT ONE AND THE SAME INSTRUMENT.

V. SUCCESSORS AND ASSIGNS. THIS AGREEMENT SHALL BECOME EFFECTIVE WHEN IT SHALL HAVE BEEN EXECUTED BY THE BORROWER AND THE LENDER AND THEREAFTER SHALL BE BINDING UPON AND INURE TO THE BENEFIT OF THE BORROWER AND THE LENDER AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, EXCEPT THAT THE BORROWER SHALL NOT HAVE THE RIGHT TO ASSIGN ITS RIGHTS HEREUNDER OR ANY INTEREST HEREIN WITHOUT THE PRIOR WRITTEN CONSENT OF THE LENDER WHICH MAY BE GIVEN OR DENIED IN THE LENDER'S SOLE AND ABSOLUTE DISCRETION.

VI. GOVERNING LAW. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS HAVE BEEN NEGOTIATED, EXECUTED AND DELIVERED AT, AND SHALL BE DEEMED TO HAVE BEEN MADE AT, CHICAGO, ILLINOIS. THE LOANS PROVIDED FOR HEREIN IS TO BE FUNDED AND REPAID AT, AND THIS AGREEMENT IS OTHERWISE TO BE PERFORMED AT, CHICAGO, ILLINOIS AND THIS AGREEMENT SHALL BE INTERPRETED, AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED, IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF ILLINOIS WITHOUT REFERENCE TO: (A) ITS

JUDICIALLY OR STATUTORILY PRONOUNCED RULES REGARDING CONFLICT OF LAWS OR CHOICE OF LAW; (B) WHERE ANY OTHER AGREEMENT IS EXECUTED OR DELIVERED; (C) WHERE ANY PAYMENT OR OTHER PERFORMANCE REQUIRED BY ANY SUCH AGREEMENT IS MADE OR REQUIRED TO BE MADE; (D) WHERE ANY BREACH OF ANY PROVISION OF ANY SUCH AGREEMENT OCCURS, OR ANY CAUSE OF ACTION OTHERWISE ACCRUES; (E) WHERE ANY ACTION OR OTHER PROCEEDING IS INSTITUTED OR PENDING; (F) THE NATIONALITY, CITIZENSHIP, DOMICILE, PRINCIPAL PLACE OF BUSINESS, OR JURISDICTION OR ORGANIZATION OR DOMESTICATION OF ANY PARTY; (G) WHETHER THE LAWS OF THE FORUM JURISDICTION OTHERWISE WOULD APPLY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF ILLINOIS; OR (H) ANY COMBINATION OF THE FOREGOING. AS PART OF THE CONSIDERATION FOR NEW VALUE THIS DAY RECEIVED, THE BORROWER RECOGNIZES THAT THE LENDER'S PRINCIPAL OFFICE IS LOCATED IN CHICAGO, ILLINOIS AND THAT THE LENDER MAY BE IRREPARABLY HARMED IF REQUIRED TO INSTITUTE OR DEFEND ANY ACTIONS AGAINST THE BORROWER IN ANY JURISDICTION OTHER THAN THE NORTHERN DISTRICT OF ILLINOIS OR COOK COUNTY, ILLINOIS; THEREFORE, THE BORROWER IRREVOCABLY (I) AGREES THAT ANY SUIT, ACTION OR OTHER LEGAL PROCEEDING RELATING TO THE AGREEMENT AND/OR THE LOAN REFERENCED HEREIN MAY BE BROUGHT IN THE NORTHERN DISTRICT OF ILLINOIS, IF FEDERAL JURISDICTION IS AVAILABLE, AND, OTHERWISE, IN THE CIRCUIT COURT OF COOK COUNTY, AT THE LENDER'S OPTION; (II) CONSENTS TO THE JURISDICTION OF EACH SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING; (III) WAIVES ANY OBJECTION WHICH THE BORROWER MAY HAVE TO THE LAYING OF VENUE IN ANY SUCH SUIT, ACTION OR PROCEEDING IN EITHER SUCH COURT; AND (IV) AGREES TO JOIN THE LENDER IN ANY PETITION FOR REMOVAL TO EITHER SUCH COURT BROUGHT BY THE LENDER. THE BORROWER WAIVES TRIAL BY JURY AND ANY OBJECTION TO JURISDICTION AND VENUE OF ANY ACTION INSTITUTED HEREUNDER IN THE COURTS REFERENCED IN SECTION 6.6(I) AND AGREES NOT TO ASSERT ANY DEFENSE BASED ON LACK OF JURISDICTION OR VENUE IN THE COURTS REFERENCED IN SECTION 6.6(I). NOTHING CONTAINED HEREIN SHALL AFFECT THE RIGHT OF THE LENDER TO SERVE LEGAL PROCESS IN ANY MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF THE LENDER TO BRING ANY ACTION OR PROCEEDING AGAINST THE BORROWER OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION.

VII. SEVERABILITY. ANY PROVISION OF THIS AGREEMENT WHICH IS PROHIBITED OR UNENFORCEABLE IN ANY JURISDICTION SHALL, AS TO SUCH JURISDICTION, BE INEFFECTIVE TO THE EXTENT OF SUCH PROHIBITION OR UNENFORCEABILITY WITHOUT INVALIDATING THE REMAINING PROVISIONS HEREOF OR AFFECTING THE VALIDITY OR ENFORCEABILITY OF SUCH PROVISION IN ANY OTHER JURISDICTION; WHEREVER POSSIBLE, EACH PROVISION OF THIS AGREEMENT SHALL BE INTERPRETED IN SUCH MANNER AS TO BE EFFECTIVE AND VALID UNDER APPLICABLE LAW.

VIII. SURVIVAL OF REPRESENTATIONS AND WARRANTIES. ALL COVENANTS, AGREEMENTS, REPRESENTATIONS AND WARRANTIES MADE BY THE BORROWER HEREIN OR IN ANY CERTIFICATE OR OTHER INSTRUMENT DELIVERED BY IT OR ON ITS BEHALF UNDER THIS AGREEMENT SHALL, NOTWITHSTANDING ANY INVESTIGATION BY OR KNOWLEDGE ON THE PART OF THE LENDER, BE DEEMED MATERIAL AND RELIED ON BY THE LENDER AND SHALL SURVIVE THE MAKING OF THIS AGREEMENT, AND EXECUTION AND DELIVERY OF THE NOTES, THE PLEDGE AGREEMENT, AND SHALL BE DEEMED TO BE CONTINUING REPRESENTATIONS AND WARRANTIES UNTIL SUCH TIME AS THE BORROWER HAS SATISFIED ALL OF ITS OBLIGATIONS TO THE LENDER, INCLUDING, BUT NOT LIMITED TO THE OBLIGATION TO PAY IN FULL ALL PRINCIPAL, INTEREST AND OTHER AMOUNTS IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT AND THE NOTES. ALL WARRANTIES AND REPRESENTATIONS IN ANY SUCH CERTIFICATES OR OTHER INSTRUMENT SHALL CONSTITUTE WARRANTIES AND REPRESENTATIONS BY THE BORROWER HEREUNDER.

IX. EXTENSIONS AND RENEWALS. THIS AGREEMENT SHALL GOVERN THE TERMS OF ANY EXTENSIONS OR RENEWALS TO THE NOTES, SUBJECT TO ANY ADDITIONAL TERMS AND CONDITIONS IMPOSED BY THE LENDER IN CONNECTION WITH ANY SUCH EXTENSION OR RENEWAL.

X. INTEREST RATE REGULATION. THE BORROWER HEREBY REPRESENTS AND WARRANTS THAT THE INDEBTEDNESS EVIDENCED HEREBY CONSTITUTES LOANS MADE BY THE LENDER TO ENABLE THE BORROWER TO CARRY ON A COMMERCIAL ENTERPRISE FOR THE PURPOSE OF INVESTMENT OR PROFIT; AND THAT SUCH LOANS ARE LOANS FOR BUSINESS PURPOSES UNDER THE INTENT AND PURVIEW OF CHAPTER 815, SECTION 205/4 OF THE ILLINOIS COMPILED STATUTES.

XI. ACCOUNTING TERMS. ANY ACCOUNTING TERM NOT SPECIFICALLY DEFINED HEREIN SHALL BE CONSTRUED IN ACCORDANCE WITH GAAP, AND ALL FINANCIAL DATA SUBMITTED PURSUANT TO THIS AGREEMENT SHALL BE PREPARED IN ACCORDANCE WITH SUCH PRINCIPLES.

XII. PARTICIPATIONS. THE LENDER SHALL HAVE THE RIGHT TO SELL PARTICIPATIONS IN ANY LOAN OR OTHERWISE ASSIGN, TRANSFER OR HYPOTHECATE ALL OR ANY PART OF ANY LOAN ALONG WITH THE CORRESPONDING RIGHTS IN THE LOAN DOCUMENTS.

XIII. ADDITIONAL ACTIONS. THE BORROWER AGREES TO DO AND CAUSE EACH OF THE SUBSIDIARIES TO DO SUCH FURTHER ACTS AND THINGS AND TO EXECUTE AND DELIVER TO THE LENDER SUCH ADDITIONAL ASSIGNMENTS, AGREEMENTS, POWERS AND INSTRUMENTS, AS THE LENDER MAY REASONABLY REQUIRE OR DEEM ADVISABLE TO CARRY INTO EFFECT THE PURPOSES OF THIS AGREEMENT, THE NOTES, THE PLEDGE AGREEMENT, OR ANY AGREEMENT OR INSTRUMENT IN CONNECTION HEREWITH, OR TO

BETTER ASSURE AND CONFIRM UNTO THE LENDER ITS RIGHTS, POWERS AND REMEDIES HEREUNDER OR UNDER SUCH OTHER LOAN DOCUMENTS. SUCH FURTHER ACTIONS MAY INCLUDE, BUT NOT BE LIMITED TO, THE FILING OF UCC-1 FINANCING STATEMENTS, IN FORM SATISFACTORY TO THE LENDER AND ITS COUNSEL, WITH THE SECRETARY OF STATE OF ILLINOIS IN FAVOR OF THE LENDER WITH RESPECT TO THE PLEDGED PROPERTY AND ANY PROCEEDS THEREFROM.

XIV. REVIVAL OF LIABILITIES. TO THE EXTENT THAT THE LENDER RECEIVES ANY PAYMENT ON ACCOUNT OF THE BORROWER'S LIABILITIES AND ANY SUCH PAYMENT(S) AND/OR PROCEEDS OR ANY PART THEREOF ARE SUBSEQUENTLY INVALIDATED, DECLARED TO BE FRAUDULENT OR PREFERENTIAL, SET ASIDE, SUBORDINATED AND/OR REQUIRED TO BE REPAID TO A TRUSTEE, RECEIVER OR ANY OTHER PERSON UNDER ANY BANKRUPTCY ACT, STATE OR FEDERAL LAW, COMMON LAW OR EQUITABLE CAUSE, THEN, TO THAT OF SUCH PAYMENT(S) OR PROCEEDS RECEIVED, THE BORROWER'S LIABILITIES OR PART THEREOF INTENDED TO BE SATISFIED SHALL BE REVIVED AND CONTINUE IN FULL FORCE AND EFFECT, AS IF SUCH PAYMENT(S) AND/OR PROCEEDS HAD NOT BEEN RECEIVED BY THE LENDER AND APPLIED ON ACCOUNT OF THE BORROWER'S LIABILITIES; PROVIDED, HOWEVER, IF THE LENDER SUCCESSFULLY CONTESTS ANY SUCH INVALIDATION, DECLARATION, SET ASIDE, SUBORDINATION OR OTHER ORDER TO PAY ANY SUCH PAYMENT AND/OR PROCEEDS TO ANY THIRD PARTY, THE REVIVED BORROWER'S LIABILITIES SHALL BE DEEMED SATISFIED.

XV. CHANGE OF CONTROL. THE LENDER SHALL HAVE THE OPTION, EXERCISABLE ON AT LEAST ONE BUSINESS DAY PRIOR NOTICE, UPON THE CONSUMMATION, IN WHOLE OR IN PART, OF ANY TRANSACTION EFFECTING ANY CHANGE OF CONTROL OF THE BORROWER THAT HAS BEEN APPROVED AS SUCH BY ANY FEDERAL OR STATE REGULATORY AGENCY, TO DECLARE THE ENTIRE PRINCIPAL OF, AND INTEREST ACCRUED ON, THE LOANS THEN OUTSTANDING TO BE, AND THE NOTES AND ALL OF BORROWER'S LIABILITIES SHALL THEREUPON BECOME, FORTHWITH, DUE AND PAYABLE, WITHOUT ANY PRESENTMENT, DEMAND, PROTEST OR OTHER NOTICE OF ANY KIND, ALL OF WHICH ARE HEREBY EXPRESSLY WAIVED, AND THE BORROWER WILL FORTHWITH PAY TO EACH HOLDER OF THE NOTES THE ENTIRE OUTSTANDING PRINCIPAL OF AND INTEREST ACCRUED ON THE NOTES AND TO THE LENDER ALL OF BORROWER'S LIABILITIES.

XVI. RELEASE; ENVIRONMENTAL INDEMNITY. THE BORROWER RELEASES THE LENDER FROM ANY AND ALL CAUSES OF ACTION, CLAIMS OR RIGHTS WHICH THE BORROWER MAY NOW OR HEREAFTER HAVE FOR, OR WHICH MAY ARISE FROM, ANY LOSS OR DAMAGE CAUSED BY OR RESULTING FROM: (A) ANY FAILURE OF THE LENDER TO PROTECT, ENFORCE OR COLLECT IN WHOLE OR IN PART ANY OF THE COLLATERAL; AND (B) ANY OTHER ACT OR OMISSION TO ACT ON THE PART OF THE LENDER, ITS OFFICERS, AGENTS OR

EMPLOYEES, EXCEPT IN EACH INSTANCE FOR WILLFUL MISCONDUCT AND GROSS NEGLIGENCE. THE BORROWER AGREES TO INDEMNIFY AND SAVE THE LENDER, ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS OF, FROM AND AGAINST ANY LIABILITY, LOSS, DAMAGE OR EXPENSE (INCLUDING REASONABLE ATTORNEYS' FEES) TO WHICH THE LENDER OR ANY OF SUCH PERSONS MAY BECOME SUBJECT, ARISING FROM OR BASED UPON: (A) ANY VIOLATION, OR CLAIM OF VIOLATION, BY THE BORROWER OF ANY LAWS, REGULATIONS OR ORDINANCES RELATING TO HAZARDOUS MATERIALS; OR (B) ANY HAZARDOUS MATERIALS LOCATED OR DISPOSED OF ON, OR RELEASED OR TRANSPORTED FROM, ANY PROPERTY OR ASSETS OWNED, LEASED OR OPERATED BY THE BORROWER OR ANY OF THE SUBSIDIARIES, OR ANY CLAIM OF ANY OF THE FOREGOING.

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IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed as of the date first above written.

FIRST BUSEY CORPORATION

By: /s/ Douglas C. Mills

Name: Douglas C. Mills
Title: Chairman & CEO

BANK ONE, NA

By: /s/ Julie Reese

Name: Julie Reese

Title: Commercial

EXHIBIT 21.1.

LIST OF SUBSIDIARIES:

DIRECT:

- Busey Bank
- Busey Bank Florida
- First Capital Bank
- Busey Investment Group, Inc.
- First Busey Resources, Inc.
- First Busey Capital Trust I
- First Busey Statutory Trust II

INDIRECT:

- First Busey Trust & Investment Co.
- First Busey Securities, Inc.
- Busey Insurance Services, Inc.
- Busey Capital Management
- B.A.T., Inc.

EXHIBIT 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

[MCGLADREY & PULLEN LOGO]
Certified Public Accountants

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 33-30095, No. 33-60402, No. 333-79217 and No. 333-115237) of First Busey Corporation of our reports dated February 4, 2005, except for Note 24, as to which the date is February 24, 2005, related to our audits of the consolidated financial statements and internal control over financial reporting, which appear in this Annual Report on Form 10-K of First Busey Corporation for the year ended December 31, 2004.

[Mcgladrey & Pullen, LLP]

McGLADREY & PULLEN, LLP

Champaign, Illinois
March 16, 2005

McGladrey & Pullen, LLP is a member firm of RSM International - an affiliation of separate and independent legal entities.

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Douglas C. Mills, Chairman of the Board and Chief Executive Officer of First Busey Corporation, certify that:

1) I have reviewed this annual report on Form 10-K of First Busey Corporation;

2) Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3) Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (for registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting;

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonable likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

/s/ Douglas C. Mills

Douglas C. Mills
Chairman of the Board and Chief Executive Officer

Date: March 16, 2005

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Barbara J. Harrington, Chief Financial Officer of First Busey Corporation, certify that:

1) I have reviewed this annual report on Form 10-K of First Busey Corporation;

2) Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3) Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   (b) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (for registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

/s/ Barbara J. Harrington

Barbara J. Harrington
Chief Financial Officer

Date: March 16, 2005

EXHIBIT 32.1

The following certification is provided by the undersigned Chief Executive Officer of First Busey Corporation on the basis of such officer's knowledge and belief for the sole purpose of complying with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

CERTIFICATION

I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the accompanying Report of First Busey Corporation on Form 10-K for the year ended December 31, 2004, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Report fairly presents, in all material respects, the financial condition and results of operations of First Busey Corporation as of and for the periods covered by the Report.

/s/ Douglas C. Mills

Douglas C. Mills
Chairman of the Board and Chief
Executive Officer

Date: March 16, 2005

A signed original of this written statement required by Section 906 has been provided to First Busey Corporation and will be retained by First Busey Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

The following certification is provided by the undersigned Chief Financial Officer of First Busey Corporation on the basis of such officer's knowledge and belief for the sole purpose of complying with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

CERTIFICATION

I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the accompanying Report of First Busey Corporation on Form 10-K for the year ended December 31, 2004, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Report fairly presents, in all material respects, the financial condition and results of operations of First Busey Corporation as of and for the periods covered by the Report.

/s/ Barbara J. Harrington

Barbara J. Harrington
Chief Financial Officer

Date: March 16, 2005

A signed original of this written statement required by Section 906 has been provided to First Busey Corporation and will be retained by First Busey Corporation and furnished to the Securities and Exchange Commission or its staff upon request.