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, 2000

[ ] 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. [ ]

As of March 2, 2001, the aggregate market value of the Common Stock held by non-affiliates was $144,451,394. The market value of the Common Stock is based on the closing price for such stock as reported on the Nasdaq National Market on that date. Affiliates include all directors, executive officers and beneficial holders owning 5% or more of the shares.

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 2, 2001
Common Stock, without par value	13,565,034

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement dated March 16, 2001 for First Busey Corporation's Annual Meeting of Stockholders to be held April 16, 2001, (the "2001 Proxy Statement") are incorporated by reference into Part III.

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FIRST BUSEY CORPORATION
Form 10-K Annual Report

Table of Contents

PART 1

Item 1	Business	4
Item 2	Properties	12
Item 3	Legal Proceedings	13
Item 4	Submission of Matters to a Vote of Security Holders	13

PART II

Item 5	Market for Registrant's Common Equity and Related Stockholder Matters	14
Item 6	Selected Financial Data	15
Item 7	Management's Discussion and Analysis of Financial Condition and Results of Operations	16
Item 7A	Quantitative and Qualitative Disclosures About Market Risk .	30
Item 8	Financial Statements and Supplementary Data	31
Item 9	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	31

PART III

Item 10	Directors and Executive Officers of the Registrant	31
Item 11	Executive Compensation	31
Item 12	Security Ownership of Certain Beneficial Owners and Management	31
Item 13	Certain Relationships and Related Transactions .	31

PART IV

Item 14	Exhibits, Financial Statement Schedules and Reports on Form 8-K	32

PART I

ITEM 1. BUSINESS

INTRODUCTION

First Busey Corporation ("First Busey"), a Nevada corporation, is a financial holding company located in Urbana, Illinois. As of December 31, 2000, First Busey had ten wholly owned, directly and indirectly, subsidiaries: one community bank, one savings and loan, a thrift holding company, a non-bank holding company, a trust company, a securities broker-dealer, an ATM company, an insurance company, a real estate company, and a travel agency. First Busey is engaged primarily in commercial, retail and correspondent banking and provides trust services, insurance services, and travel services. Based on assets of $1.36 billion as of December 31, 2000, First Busey, with deposits of $1.15 billion and stockholders' equity of $92 million, is one of the largest financial institutions headquartered in east central Illinois. First Busey's largest subsidiary, Busey Bank, with continuous operations since 1868, is one of the oldest banks chartered in Illinois.

First Busey's strategic plan is to provide a full range of financial services including commercial, retail and correspondent banking services through its banking subsidiaries, with emphasis on commercial and retail services. The strategic plan also emphasizes the operation of its banking centers autonomously, allowing them to tailor their service and products to the particular markets they serve while consolidating back-room operations. First Busey intends to continue its expansion and growth in the three counties it currently serves in Illinois, Champaign, McLean and Ford County, its banking center in Indianapolis, Indiana, and its Loan Production Offices in Ft. Myers and Naples, Florida. In addition to the Florida loan production offices, Busey opened a 24,000 square foot full-service facility in Fort Myers, Florida in October, 2000, as a branch of Busey Bank fsb. First Busey engages in exploratory discussions regarding potential acquisitions from time to time; however, First Busey does not currently have any commitments to acquire or merge with any financial institution.

First Busey Corporation's operations are conducted primarily through its lead bank, Busey Bank (twenty-two locations), Busey Bank fsb (four locations), the trust company and the securities broker-dealer subsidiary. First Busey provides its subsidiaries with both financial and managerial support. Each subsidiary operates under the direction of its own Board of Directors.

BUSEY BANK

Busey Bank was established on January 13, 1868 and is a state-chartered bank. As of December 31, 2000, Busey Bank had total assets of $1.05 billion, representing 77% of First Busey's assets, and had total revenues of $86 million, representing 77% of First Busey's revenues. Busey Bank provides a full range of banking services including commercial and retail banking products. The services available to its commercial and retail customers include a broad selection of depository and lending activities. In the commercial lending area, Busey Bank is designated a Small Business Administration Preferred Lender authorized to fund government guaranteed loans on an expedited basis and is also an approved lender under the Federal National Mortgage Association Program, permitting expedited origination of single- and multi-family mortgage loans. Busey Bank's other commercial lending activities consist primarily of secured loans to borrowers in many different industries. Busey Bank's retail services include consumer lending, numerous types of deposit accounts and certain specialized programs such as the Fortune Five-O Program for the mature market.

Management's philosophy continues to be to develop programs tailored to specific market segments of its customer base with particular emphasis on retail services. The Busey organization emphasizes establishing strong relationships with its customers. Busey Bank has adopted a strategy to increase other income by emphasizing fee-based services, including transaction accounts, full service brokerage, mortgage origination and other loan services generating fees.

Guidelines for Busey Bank for various collateral advance ratios are set forth in the Loan Review Grading System under "Collateral Position." Loan

Officers are required to use the grading system in determining an acceptable collateral position on any given credit request. Collateral coverage percentages for various types of credit are set forth in the following table:

	Collateral Type	Coverage Ratio
Commercial Loans:	Real Estate	125%
	Accounts Receivable	125%
	Inventory & Equipment	200%
Consumer Real Estate Loans:	Real Estate	125%
Installment Loans:	Cash or Equivalent	110%
	Vehicle	140%
	Mobile Homes	150%
	Other Collateral	160%

All commercial loans must be supported by a completed and signed financial statement, which should include a minimum of a balance sheet and income statement. Loan Officers are encouraged to require borrowers to provide annual statements prepared by a CPA firm. Where possible, an audit should be obtained, however, a review or compilation is acceptable. The Credit Analysis Department tracks delinquent financial statements and provides weekly reports to the Commercial Loan Department. In addition, the Senior Loan Committee receives a monthly report detailing delinquent financial statements for customers with large loan balances. A borrower's financial position including cash flow is monitored at least annually through an annual review process.

BUSEY BANK FSB

First Busey Corporation acquired First Federal Savings & Loan Association of Bloomington on October 29, 1999, when it acquired the outstanding shares of First Federal's parent Eagle BancGroup, Inc. This transaction was accounted for as a purchase and resulted in intangible assets totaling $8,903,000. Of this, $2,114,000 was allocated to core deposit intangible which will be amortized over 7 years at the rate of approximately $302,000 per year. The remaining $6,789,000 was recorded as goodwill and will be amortized over 20 years at the rate of approximately $340,000 per year. First Federal was established in 1919 and is a federally chartered capital stock savings association regulated by the Office of Thrift Supervision (OTS). In June, 2000, First Federal changed its name to Busey Bank fsb. As of December 31, 2000, Busey Bank fsb had total assets of $298 million, representing 22% of First Busey's assets. Busey Bank fsb offers a wide range of retail deposit products and invests those deposits in one-to-four family residential mortgage loans, commercial real estate loans, commercial business loans and automobile and other consumer loans.

In February, 2001, the Board of Directors of Busey Bank fsb and the Board of Directors of Busey Bank agreed to merge Busey Bank fsb into Busey Bank. The merger is scheduled to be completed in the second quarter of 2001.

FIRST BUSEY TRUST AND INVESTMENT COMPANY

First Busey Trust and Investment Company began operation on January 1, 1987 as a successor to the combined trust departments of Busey Bank and Champaign County Bank & Trust Co., which began trust operations in 1967 and 1947, respectively. First Busey Trust operates as the asset management subsidiary of the organization and is exclusively dedicated to providing a full range of trust and investment management services. In addition to trust and investment management services, First Busey Trust offers such ancillary services as farm management, estate and retirement planning, tax preparation, custody services, and philanthropic advisory services.

First Busey plans to continue to expand its trust activities by increasing assets under control, currently more than $1 billion, and by developing new financial services. For the year ending December 31, 2000, First Busey Trust & Investment Company generated net income of $1.5 million representing 10.4% of First Busey's earnings.

OTHER SUBSIDIARIES

First Busey Resources, Inc., owns and manages Busey Plaza, a 90,000 square foot building which is fully leased to unaffiliated tenants.

First Busey Corporation formed Busey Business Bank on January 12, 1998. This was a de novo bank established in Indianapolis, Indiana. Upon the establishment of this chartered bank, Busey Bank closed its Loan Production Office in Indianapolis. In October of 1998, Busey Business Bank was merged into Busey Bank and continues to operate as a full-service banking center.

Busey Bank established a full service securities broker-dealer subsidiary, First Busey Securities, Inc., on April 1, 1991.Through the offering of full service brokerage, along with various insurance and annuity products, new sources of fee income are available to First Busey Corporation.

In October of 1997, Busey Bank established an insurance subsidiary, Busey Insurance Services, Inc., to further enhance the services available to its customers. This subsidiary focuses primarily on meeting the long-term care and life insurance needs of customers in the Champaign and McLean County markets. During 1997, Busey Bank established a subsidiary, BAT, Inc, which owns and operates automated teller machines. In January of 1998, Busey Bank acquired Busey Carter Travel, a travel agency serving primarily Champaign County. This acquisition was also completed to enhance the services available to the customers of Busey Bank. In January 1999, this subsidiary changed its name to Busey Travel, Inc.

COMPETITION

First Busey faces intense competition in all phases of its banking business from other banks and financial institutions. First Busey's subsidiary banks compete for deposits with a large number of depository institutions including commercial banks, savings and loan associations, credit unions, money market funds and other financial institutions and financial intermediaries serving Champaign County, McLean County, Ford County, Illinois, Hamilton County, Indiana, and Lee County, Florida. Principal competitive factors with respect to deposits include interest rates paid on deposits, customer service, convenience and location.

First Busey's subsidiary banks compete for loans with other banks headquartered in Illinois and Indiana, with loan production offices of large money center banks headquartered in other states, as well as with savings and loan associations, credit unions, finance companies, mortgage bankers, leasing companies and other institutions. Competitive factors with respect to loans include interest rates charged, customer service and responsiveness in tailoring financial products to the needs of customers. First Busey's subsidiary banks compete for loans primarily by designing their products for and directing their marketing efforts to businesses in the markets they serve which are locally owned, well-capitalized and well-managed.

Many of the entities that compete with First Busey's subsidiary banks are substantially larger in size than First Busey and First Busey's subsidiary banks, and many non-bank financial intermediaries are not subject to the regulatory restrictions applicable to First Busey's bank subsidiaries. First Busey and its subsidiary banks have experienced an increase in the level of competition as well as the number of competitors in recent years. See "Supervision and Regulation."

EMPLOYEES

First Busey and its subsidiaries employed 484 employees (full-time equivalent) on December 31, 2000.Management considers its relationship with its employees to be good

SUPERVISION AND REGULATION

GENERAL

Financial institutions and their holding companies are extensively regulated under federal and state laws. As a result, the business, financial condition and prospects of First Busey and its subsidiary banks can be materially affected not only by management decisions and general economic conditions, but also by applicable statutes and regulations and other regulatory pronouncements and policies promulgated by regulatory agencies with jurisdiction over First Busey and its subsidiary banks, such as the Federal Reserve Board ("FRB"), Federal Deposit Insurance Corporation ("FDIC") and the State of Illinois Office of Banks and Real Estate, and the effect of such statutes, regulations and other pronouncements and policies can be significant, cannot be predicted with a high degree of certainty and can change over time. Furthermore, such statutes, regulations and other pronouncements and policies are intended to protect the depositors and the FDIC's deposit insurance funds, not to protect stockholders.

Bank holding companies and banks are subject to enforcement actions by their regulators for regulatory violations. In addition to compliance with statutory and regulatory limitations and requirements concerning financial and operating matters, regulated financial institutions such as First Busey and its subsidiary banks must file periodic and other reports and information with their regulators and are subject to examination by each of their regulators.

The statutory requirements applicable to and regulatory supervision of financial holding companies and banks have increased significantly and have undergone substantial change in recent years. To a great extent, these changes are embodied in the Financial Institutions Reform, Recovery and Enforcement Act ("FIRREA"), enacted in August 1989, the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA"), enacted in December 1991, and the regulations promulgated under FIRREA and FDICIA.

The following discussion and other references to and descriptions of the regulation of financial institutions contained herein constitute brief summaries thereof. This discussion is not intended to constitute and does not purport to be a complete statement of all legal restrictions and requirements applicable to First Busey and its subsidiary bank and all such descriptions are qualified in their entirety by reference to applicable statutes, regulations and other regulatory pronouncements.

INTERSTATE BANKING AND BRANCHING LEGISLATION

On September 29, 1994, the Riegle-Neal Interstate Banking and Efficiency Act of 1994 (the "Interstate Banking Act") was enacted. Under the Interstate Banking Act, adequately capitalized and adequately managed bank holding companies will be allowed to acquire banks across state lines subject to certain limitations. In addition, under the Interstate Banking Act, since June 1, 1997, banks have been permitted, under some circumstances, to merge with one another across state lines and thereby create a main bank with branches in separate states. After establishing branches in a state through an interstate merger transaction, a bank may establish and acquire additional branches at any location in the state where any bank involved in the interstate merger could have established or acquired branches under applicable federal and state law.

Under the Interstate Banking Act, states could adopt legislation permitting interstate mergers before June 1, 1997. Alternatively, states could adopt legislation before June 1, 1997, subject to certain conditions, opting out of interstate branching. Illinois adopted legislation, effective September 29, 1995, permitting interstate mergers beginning on June 1, 1997. It is anticipated that this interstate merger and branching ability will increase competition and further consolidate the financial institutions industry.

REGULATION OF BANK HOLDING COMPANIES AND THEIR NON-BANK SUBSIDIARIES

First Busey is a registered financial holding company within the meaning of the Bank Holding Company Act of 1956, as amended ("BHCA"). As such, First Busey is subject to regulation, supervision and examination by the FRB. First Busey is also subject to the limitations and requirements of the Illinois Bank Holding Company Act ("IBHCA"). These limitations and requirements, however, are no more restrictive in most instances than those imposed by the BHCA and the FRB. The business and affairs of First Busey are regulated in a variety of ways, including limitations on acquiring control of other banks and bank holding companies, limitations on activities and investments, limitations on interstate acquisitions, regulatory capital requirements and limitations on payment of dividends. In addition, it is the FRB's policy that a bank holding company is expected to act as a source of financial strength to banks that it owns or controls and, as a result, the FRB could require First Busey to commit resources to support its subsidiary bank in circumstances in which First Busey might not do so absent the FRB's policy.

First Busey Trust & Investment Co. is subject to regulation and examination by the State of Illinois Office of Banks and Real Estate and the FRB. The federal and state laws generally applicable to a trust company subsidiary of a financial holding company regulate, among other things, the scope of its business, investments and other activities. Busey Insurance Services, Inc. is regulated by the Illinois Department of Insurance. First Busey Securities, Inc. is regulated by the National Association of Securities Dealers ("NASD").

ACQUISITION OF BANKS AND BANK HOLDING COMPANIES

The BHCA generally prohibits a bank holding company from (1) acquiring, directly or indirectly, more than 5% of the outstanding shares of any class of voting securities of a bank or bank holding company, (2) acquiring control of a bank or another bank holding company, (3) acquiring all or substantially all the assets of a bank, or (4) merging or consolidating with another bank holding company without first obtaining FRB approval. In considering an application with respect to any such transaction, the FRB is required to consider a variety of factors, including the potential anti-competitive effects of the transaction, the financial condition and future prospects of the combining and resulting institutions, the managerial resources of the resulting institution, the convenience and needs of the communities the combined organization would serve, the record of performance of each combining organization under the Community Reinvestment Act and the Equal Credit Opportunity Act, and the prospective availability to the FRB of information appropriate to determine ongoing regulatory compliance with applicable banking laws.

In addition, both the federal Change in Bank Control Act and the Illinois Banking Act ("IBA") impose limitations on the ability of one or more individuals or other entities to acquire control of First Busey or its subsidiary banks.

The BHCA generally imposes certain limitations on extensions of credit and other transactions by and between banks that are members of the Federal Reserve System and other banks and non-bank companies in the same holding company. Under the BHCA and the FRB's regulations, a bank holding company and its subsidiaries are prohibited from engaging in certain tie-in arrangements in connection with any extension of credit, lease or sale of property or furnishing of services.

The BHCA prohibits a bank holding company from acquiring control of a bank whose principal office is located outside of the state in which its principal place of business is located unless specifically authorized by applicable state law. The IBHCA permits Illinois bank holding companies to acquire control of banks in any state and permits bank holding companies whose principal place of business is in another state to acquire control of Illinois banks or bank holding companies if that state affords reciprocal rights to Illinois bank holding companies and certain other requirements are met.

The restrictions described above represent limitations on expansion by First Busey and its subsidiary banks, the acquisition of control of First Busey by another company and the disposition by First Busey of all or a portion of the stock of its subsidiary banks or by its subsidiary banks of all or a substantial portion of its assets.

PERMITTED NON-BANKING ACTIVITIES

On November 12, 1999, President Clinton signed into law the Gramm-Leach-Bliley Act (the "GLB Act"), which allows financial holding companies to engage in a wider range of non-banking activities. A bank holding company which elects to become a financial holding company under this act would be allowed to engage in any activity the Federal Reserve Board, in consultation with the Secretary of the Treasury, determines by regulation or order to be financial in nature, incidental to any such financial activity or complementary to any such financial activity and does not present a substantial risk to the safety or soundness of depository institutions or the financial system in general. The Act does not allow 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. First Busey Corporation became a financial holding company on May 11, 2000.

ALLOWANCE FOR LOAN LOSS

First Busey Corporation maintains an allowance for loan losses to absorb losses inherent in the loan portfolio. The allowance is based on management's estimated range of those losses. Actual loan losses may vary significantly from this estimate. The methodology and assumptions used in calculating the allowance are continually reviewed as to their appropriateness given recent loss experience and other factors that influence the estimation process.

First Busey Corporation's loan loss allowance is categorized into five groups of loans: real estate mortgages, personal loans, commercial loans, sensitive assets, and dealer paper. The real estate mortgages are further stratified into single-family mortgage loans and commercial mortgages which include multifamily loans. The commercial loans are stratified into the three geographic regions in which the banks generate loans: central Illinois, Florida, and Indianapolis. Loans which are past due 30-89 days and those past due more than 90 days are segregated out from each loan category and then the remaining balances are stratified based on credit underwriting grade. Balances for each subgrouping of loans are multiplied by individual risk factors to determine the minimum reserve allocation for each sub-category. The risk factors are based on historical losses, credit quality of the portfolio, and current economic conditions and are updated quarterly. The total of the calculated minimum reserve allocations is compared to the reserve balance at the end of each quarter. The reserve balance is then adjusted to meet the calculated minimum reserve. If the reserve balance is greater than the calculated minimum reserve, no addition to the loan loss provision is made during the period.

The Corporation evaluates sensitive assets individually. Sensitive assets are defined as nonaccrual loans, loans on the Bank's watch loan report, and other loans identified as having more than reasonable potential for loss. The remaining loan categories listed above are evaluated as groups.

In determining the risk factors used to calculate the minimum reserve allocation for each loan category, the Corporation considers guidelines issued by federal and state regulatory agencies, historical loss experience for each category, current economic conditions, the level of nonaccrual loans, and current delinquency reports for each loan class.

CAPITAL REQUIREMENTS

Regulatory capital requirements applicable to all regulated financial institutions, including bank holding companies and banks, have increased significantly in recent years and further increases are possible in future periods. The FRB has adopted risk-based capital standards for bank holding companies. The articulated objectives of Congress and the FRB in establishing a risk-based method of measuring capital adequacy are (i) to make regulatory capital requirements applicable to bank holding companies more sensitive to differences in risk profiles among bank holding companies, (ii) to factor off-balance sheet liabilities into the assessment of capital adequacy, (iii) to reduce disincentives for bank holding companies to hold liquid, low risk assets and (iv) to achieve greater consistency in the evaluation of capital adequacy of major banking organizations throughout the world by conforming to the framework developed jointly by supervisory authorities from countries that are parties to the so-called "Basle Accord" adopted by such supervisory authorities in July, 1988.

The FRB requires bank holding companies to maintain a minimum ratio of risk-weighted capital to total risk-adjusted assets. Banking organizations, however, generally are expected to operate well above the minimum risk-based ratios. Risk-adjusted assets include a "credit equivalent amount" of off-balance sheet items, determined in accordance with conversion formulae set forth in the FRB's regulations. Each asset and off-balance sheet item, after certain adjustments, is assigned to one of four risk-weighting categories, 0%, 20%, 50% or 100%, and the risk-adjusted values are then added together to determine risk-weighted assets.

A bank holding company must meet two risk-based capital standards, a "core" or "Tier 1" capital requirement and a total capital requirement. The current regulations require that a bank holding company maintain Tier 1 capital equal to 4% of risk-adjusted assets and total capital equal to 8% of risk-adjusted assets. Tier 1 capital must represent at least 50% of total capital and may consist of those items defined in applicable regulations as core capital elements. Core capital elements include common stockholders' equity; qualifying noncumulative, nonredeemable perpetual preferred stock; qualifying (i.e., up to 25% of total Tier 1 capital) cumulative, nonredeemable perpetual preferred stock; and minority interests in the equity accounts of consolidated subsidiaries. Core capital excludes goodwill and other intangible assets required to be deducted in accordance with applicable regulations.

Total capital represents the sum of Tier 1 capital plus "Tier 2" capital, less certain deductions. Tier 2 or "supplementary" capital consists of allowances for loan and lease losses; perpetual preferred stock (to the extent not included in Tier 1 capital); hybrid capital instruments; perpetual debt; mandatory convertible debt securities; term subordinated debt; and intermediate term preferred stock, in each case subject to applicable regulatory limitations. The maximum amount of Tier 2 capital that may be included in an organization's qualifying total capital cannot exceed 100% of Tier 1 capital. In determining total capital, a bank holding company must deduct from the sum of Tier 1 and Tier 2 capital its investments in unconsolidated subsidiaries; reciprocal holdings of certain securities of banking organizations; and other deductions required by regulation or determined on a case-by-case basis by the appropriate supervisory authority.

Another capital measure, the Tier 1 leverage ratio, is defined as Tier 1 capital divided by average total assets (net of allowance for losses and goodwill). The minimum leverage ratio is 3% for banking organizations that do not anticipate significant growth and that have well-diversified risk (including no undue interest rate risk), excellent asset quality, high liquidity and good earnings. Other banking organizations are expected to have ratios of at least 4% to 5%, depending upon their particular condition and growth plans. Higher capital ratios could be required if warranted by the particular circumstances or risk profile of a given banking organization. The FRB has not advised First Busey of any specific minimum Tier 1leverage ratio applicable to it.

As of December 31, 2000, First Busey's Tier 1 and total risk-based capital ratios were 7.77% and 9.43%, respectively, and its Tier 1 leverage ratio was 5.71%.

The failure of a bank holding company to meet its risk-weighted capital ratios may result in supervisory action, as well as inability to obtain approval of any regulatory applications and, potentially, increased frequency of examination. The nature and intensity of the supervisory action will depend upon the level of noncompliance. Under the IBHCA, no bank holding company may acquire control of a bank if, at the time it applies for approval or at the time the transaction is consummated, its ratio of total capital to total assets, as determined in accordance with then applicable FRB regulations, is or will be less than 7%.

Risk-based capital ratios focus principally on broad categories of credit risk and do not incorporate factors that can affect the Company's financial condition, such as overall interest rate risk exposure, liquidity, funding and market risks, the quality and level of earnings, investment or loan portfolio concentrations, the quality of loans and investments, the effectiveness of loan and investment policies and management's ability to monitor and control financial and operating risks. For this reason, the overall financial health of First Busey and its subsidiary banks and the assessment of First Busey and its subsidiary banks by various regulatory agencies may differ from conclusions that might be drawn solely from the level of First Busey or its subsidiary banks' risk-based capital ratios.

During 1994, the federal banking regulators announced a joint decision not to modify risk-based capital and leverage requirements for regulatory capital to reflect the impact of unrealized gains and losses for securities classified as "available for sale." This decision was made in response to the Financial Accounting Standards Board's issuance of Statement No. 115 "Accounting for Certain Investments in Debt and Equity Securities."

Regulation of Banks

Busey Bank is a banking corporation organized under the IBA. As such, it is subject to regulation, supervision and examination by the State of Illinois Office of Banks and Real Estate. The deposit accounts of the bank subsidiary are insured up to applicable limits by the FDIC's Bank Insurance Fund (the "BIF"). Thus, Busey Bank is also subject to regulation, supervision and examination by the FDIC. In certain instances, the statutes administered by and regulations promulgated by certain of these agencies are more stringent than those of other agencies with jurisdiction. In these instances, Busey Bank must comply with the more stringent restrictions, prohibitions or requirements.

Busey Bank fsb is a federally chartered capital stock savings association regulated by the Office of Thrift Supervision (OTS). Its deposits are insured up to applicable limits by the FDIC's Savings Association Insurance Fund (the "SAIF"). This regulatory framework sets parameters for Busey Bank fsb's activities and operations and grants the OTS extensive discretion with regard to its supervisory and enforcement powers and examination policies. Busey Bank fsb files periodic reports with the OTS concerning its activities and financial condition, must obtain OTS approval prior to entering into certain transactions or initiating new activities, and is subject to periodic examination by the OTS to evaluate the institution's compliance with various regulatory requirements.

The business and affairs of Busey Bank and Busey Bank fsb are regulated in a variety of ways. Regulations apply to, among other things, insurance of deposit accounts, capital ratios, payment of dividends, liquidity requirements, the nature and amount of the investments that the bank subsidiary may make, transactions with affiliates, community and consumer lending laws, internal policies and controls, reporting by and examination of the bank subsidiaries and changes in control of the bank subsidiaries.

DIVIDENDS

The FRB has issued a policy statement on the payment of cash dividends by bank holding companies. In the policy statement, the FRB expressed its view that a bank holding company experiencing weak earnings should not pay cash dividends which exceed its net income or which could only be funded in ways that would weaken its financial health, such as by borrowing. The FRB 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. First Busey uses funds derived primarily from the payment of dividends by its largest banking subsidiary for, among other purposes, the payment of dividends to First Busey's stockholders. Under provisions of the 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. Presently, the surplus of Busey Bank exceeds its capital.

All dividends paid by First Busey's banking subsidiaries are restricted by capital adequacy requirements imposed by federal regulators regarding the maintenance of the risk-weighted asset ratios and the leverage ratio (as defined by regulatory agencies). At December 31, 2000, Busey Bank had $28,492,000 and Busey Bank fsb had $1,340,000 available for the payment of dividends to First Busey. Sound banking practices require the maintenance of adequate levels of capital. State and federal regulatory authorities have adopted standards for the maintenance of capital by banks and savings associations and adherence to such standards further limits the ability of banks to pay dividends.

First Busey Trust & Investment Co., as an Illinois corporation, is permitted to make distributions to its stockholder as authorized by its Board of Directors, except that as long as it continues in a fiduciary business, it may not withdraw for purposes of payment of dividends or otherwise any portion of its capital account except with the approval of the State of Illinois Office of Banks and Real Estate.

MONETARY POLICY AND ECONOMIC CONDITION

The earnings of commercial banks and bank holding companies are affected not only by general economic conditions but also by the policies of various governmental regulatory authorities. In particular, the FRB influences conditions in the money and capital markets, which affect interest rates and the growth in bank credit and deposits. FRB monetary policies have had a significant effect on the operating results of commercial banks in the past and this is expected to continue in the future. The general effect, if any, of such policies upon the future business and earnings of First Busey and its subsidiary banks cannot be predicted.

ITEM 2. PROPERTIES

As of March 1, 2001, First Busey and its subsidiaries conduct business in twenty-four locations. First Busey and Busey Bank have their headquarters at the Busey Bank Building, a 40,000 square foot building owned by Busey Bank. In addition to the Busey Bank Building, First Busey and/or its subsidiaries own the land and building for fifteen locations, own the building and lease the land for two locations and lease seven locations. The Busey Plaza Building, the Naples loan production office, one of the branch offices in Bloomington, one of the branch offices in Urbana, and branch offices in Indianapolis, Thomasboro, and Lexington are the only facilities not fully occupied by First Busey or its subsidiaries. The Busey Plaza Building, a five-story 90,000 square foot office building, is leased to unaffiliated tenants.

ITEM 3. LEGAL PROCEEDINGS

There are no material pending legal proceedings, other than routine litigation incidental to the business, to which First Busey or its subsidiaries are a part of or which any of their property is the subject.

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

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

Name	Office (year first elected as an officer)	Age
Douglas C. Mills	Chairman of the Board, President and Chief Executive Officer of First Busey (1971)	60
Edwin A. Scharlau II	Chairman of the Board of First Busey Trust & Investment Co. and First Busey Securities, Inc. (1967)	56
P. David Kuhl	President and Chief Executive Officer of Busey Bank (1979)	51
Barbara J. Kuhl	President and Chief Operating Officer of First Busey (1974)	50

All executive officers except for Barbara J. Kuhl also currently serve on First Busey's Board of Directors.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Effective October 1, 1998, First Busey Common Stock began trading on the Nasdaq National Market under the symbol BUSE. Prior to that the stock was traded and quoted in the National Quotation Bureau's "Pink Sheets" (1988-1997) and on the OTC Bulletin Board (1997-1998). Although a limited trading market for shares of First Busey Common Stock has developed recently, there can be no assurance that it will continue.

The following table presents for the periods indicated the high and low closing price for First Busey common stock as provided by the Corporation's market maker Stephens, Inc. and reported on the Nasdaq National Market.

	2000		1999	
Market Prices of Common Stock	High	Low	High	Low
First Quarter	$23.0000	$18.5000	$19.5000	$18.0000
Second Quarter	$21.4375	$16.3750	$26.7500	$18.5000
Third Quarter	$22.5000	$16.7500	$26.5000	$19.5000
Fourth Quarter	$20.4375	$16.7500	$24.3750	$21.0000

During 2000 and 1999, First Busey, declared cash dividends per share of common stock as follows:

2000	COMMON STOCK
January	$ .1200
April	$ .1200
July	$ .1200
October	$ .1200
1999	
January	$ .1100
April	$ .1100
July	$ .1100
October	$ .1100

A three-for-two stock split on both Class A and Class B Common Stock occurred on May 7, 1996. All issued and outstanding shares of Class B Common Stock were converted to Class A Common Stock on December 31, 1997. A three-for-two stock split on both Class A and Class B Common Stock occurred on May 7, 1996. In April, 1998, shareholders approved Restated Articles of Incorporation which authorized just one class of stock to be referred to only as "Common Stock," thus eliminating the "Class A" designation. A two-for-one stock split on Common Stock occurred on August 3, 1998.

For a discussion of restrictions on dividends, please see the discussion of dividend restrictions under Item 1, Business, Dividends on page 11.

As of March 2, 2001 there were approximately 932 holders of First Busey Common Stock.

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, 2000, have been derived from First Busey's annual consolidated financial statements audited by McGladrey & Pullen, LLP, independent certified public accountants, whose report on the financial position as of December 31, 2000 and December 31, 1999, and the results of operations for each of the three years in the period ended December 31, 2000, appears elsewhere in this report. This financial data should be read in conjunction with the financial statements and the related notes thereto appearing in this report.

	2000	1999	1998	1997	1996
	(dollars in thousands, except per share data)				
BALANCE SHEET ITEMS					
Securities	$ 228,597	$ 225,046	$217,991	$215,514	$226,350
Loans, net of unearned interest	984,369	886,684	662,281	602,937	569,500
Allowance for loan losses	12,268	10,403	7,101	6,860	6,131
Total assets	1,355,044	1,247,123	951,531	915,540	864,918
Total deposits	1,148,787	1,027,981	826,704	811,453	766,927
Long-term debt	52,976	55,849	25,000	10,000	5,000
Stockholders' equity	92,325	82,284	87,103	81,279	73,417
RESULTS OF OPERATIONS					
Interest income	$ 93,242	$ 72,311	$ 67,048	$ 63,831	$ 61,197
Interest expense	50,476	34,920	32,975	31,119	30,033
Net interest income	42,766	37,391	34,073	32,712	31,164
Provision for loan losses	2,515	2,570	700	1,075	1,100
Net income	$ 14,053	$ 12,548	11,398	$ 10,371	$ 9,306

	2000	1999	1998	1997	1996
	(dollars in thousands, except per share data)				
PER SHARE DATA(1)					
Diluted earnings	$ 1.03	$ .90	$ .81	$ .74	$ .67
Cash dividends (Class A)	.48	.44	.39	.35	.33
Book value	6.86	6.08	6.36	5.92	5.36
Closing price	$19.9375	$22.625	18.25	13.75	11.125
OTHER INFORMATION					
Return on average assets	1.12%	1.22%	1.22%	1.18%	1.08%
Return on average equity	16.56%	14.68%	14.02%	13.42%	13.40%
Net interest margin(2)	3.75%	4.03%	4.10%	4.20%	4.13%
Stockholders' equity to assets	6.81%	6.60%	9.15%	8.88%	8.49%

(1) Per share amounts have been restated to give retroactive effect to the two-for-one stock split which occurred August 3, 1998, and the three-for-two stock split which occurred May 7, 1996.

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

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 (the "Corporation") for the years ended December 31, 2000, 1999, and 1998. 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. All per share amounts have been restated to give retroactive effect to the two-for-one stock split which occurred August 3, 1998.

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 eleven 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 a travel agency. All of the banks acquired during those years were accounted for using the purchase method of accounting, except for Bank of Urbana which was accounted for using the pooling of interests method. All subsidiary banks owned by the Corporation as of November 1991 were merged with Busey Bank. Under the purchase method of accounting, the earnings of the acquired subsidiaries are included in the Corporation's earnings only for the periods subsequent to acquisition. The following table illustrates the amounts of net income contributed by each subsidiary (on a pre-consolidation basis) since January 1, 1998, less purchase accounting adjustments (net income for Busey Bank in following table excludes income from Bank subsidiaries and includes deduction of $395,000 for amortization expense recorded on parent company statements).

Subsidiary	Acquired	2000		1999		1998	
		(dollars in thousands)					
Busey Bank(1)	3/20/80	$13,094	82.6%	11,256	83.5%	$10,630	86.5%
Busey Bank fsb(2)	10/29/99	937	5.9%	392	2.9%	--	--
First Busey Trust & Investment Co.(3)	--	1,459	9.2%	1,304	9.6%	1,175	9.6%
First Busey Securities, Inc.(4)	--	357	2.3%	352	2.6%	301	2.4%
First Busey Resources, Inc.(5)	--	154	1.0%	159	1.2%	205	1.7%
Busey Insurance Services, Inc.(6)	--	(38)	-0.2%	6	0.0%	(14)	-0.1%
BAT, Inc.(7)	--	20	0.1%	14	0.1%	(3)	-0.0%
Busey Travel, Inc.(8)	1/1/98	(153)	-1.0%	9	0.1%	(10)	-0.1%
FFS Investments(9)	10/29/99	19	0.1%	(7)	0.0%	--	--
Total		$15,849	100.0%	13,485	100.0%	$12,284	100.0%

(1) City Bank of Champaign and Champaign County Bank & Trust were 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) Formed as a subsidiary of the Corporation as of January 1, 1987 as a successor to the combined trust departments of Busey Bank and Champaign County Bank & Trust.
(4) Formed as a subsidiary of Busey Bank as of April 1, 1991.
(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's balance sheet were transferred to subsidiary as of that date.
(6) Formed as a subsidiary of Busey Bank as of October 1, 1997.
(7) Reactivated as a subsidiary of Busey Bank as of July 1, 1997.
(8) Acquired as a subsidiary of Busey Bank as of January 1, 1998.
(9) Acquired as a subsidiary of First Federal Savings and Loan Association of Bloomington as of October 29, 1999.

Busey Bank, Busey Bank fsb and First Busey Trust & Investment Co. are the three subsidiaries which contributed more than 10% of the Corporation's consolidated net income. Busey Bank provides a full range of banking services to individual and corporate customers through its branch network in central Illinois, through its branch in Indianapolis, Indiana, and through its loan production office in Fort Myers, Florida. Busey Bank fsb provides a full range of banking services to individual and corporate customers through its branches in McLean County in Illinois and its branch in Fort Myers, Florida. First Busey Trust & Investment provides trust and asset management services to individual and corporate customers throughout central Illinois.

RESULTS OF OPERATIONS-THREE YEARS ENDED DECEMBER 31, 2000

SUMMARY

The Corporation reported net income of $14,053,000 in 2000, up 12.0% from $12,548,000 in 1999, which had increased 10.1% from $11,398,000 in 1998. Diluted earnings per share in 2000 increased 14.4% to $1.03 from $.90 in 1999, which was a 11.1% increase from $.81 in 1998. The main factors contributing to the increase in net income in 2000 were increases in net interest income, service charges on deposit accounts, and trust fees. Operating earnings, which exclude security gains and the related tax expense, were $13,608,000 or $1.00 per share for 2000; $11,924,000, or $.86 per share for 1999; and $10,590,000, or $.75 per share for 1998.

Security gains after the related tax expense were $445,000 or 3.2% of net income in 2000; $624,000 or 5.0% of net income in 1999; and $808,000 or 7.1% of net income in 1998. First Busey Corporation owns a position in a qualified equity security with substantial appreciated value. During 1998 First Busey's Board authorized an orderly liquidation of this asset over a five-year period.

The Corporation's return on average assets was 1.12%, 1.22% and 1.22% for 2000, 1999, and 1998, respectively, and return on average equity was 16.56%, 14.68%, and 14.02% for 2000, 1999, and 1998, respectively. On an operating earnings basis, return on average assets was 1.08%, 1.16%, and 1.14% for 2000, 1999, and 1998, respectively, and return on average equity was 16.03%, 13.95% and 13.02% for 2000, 1999, and 1998, respectively.

NET INTEREST INCOME

Net interest income on a tax equivalent basis for 2000 increased 14.0% to $44,083,000 from $38,668,000 for 1999, which reflected a 9.7% increase from $35,262,000 in 1998. Net interest income increased in 2000 and 1999 due to continued growth in average loan balances outstanding.

Average interest-earning assets increased to $1,174,249,000 in 2000 from $959,860,000 and $860,350,000 in 1999 and 1998, respectively. The growth in interest-earning assets during 2000 was funded by growth in core deposits and debt.

The net interest margin was 3.75% in 2000, 4.03% in 1999, and 4.10% in 1998. Interest rate trends continued to have significant impact on the Corporation's yields and costs during the period from 1998 through 2000. Interest rates increased during 2000 and led to increases in both the yield earned on interest-earning assets and rates paid on interest-bearing liabilities. Although net interest income increased by $5,415,000, the net interest margin declined to 3.75% for the year ended December 31, 2000, as compared to 4.03% for the year ended December 31, 1999. Interest income rose by $20,971,000 resulting in a 38 basis point increase in the yield on interest-earning assets of 8.05% primarily due to growth in the average balances of loans outstanding. Interest expense increased by $15,556,000 resulting in a 64 basis point increase in the average rate paid on interest-bearing liabilities of 4.77% due to growth in the average balances of all categories of interest-bearing deposits and debt combined with higher rates paid, particularly on money market and time deposits.

The decrease in the net interest margin for 1999 was due to the 26 basis point decline in the average rate earned on interest-earning assets which was only partially offset by the 22 basis point decrease in the average rate paid on interest-bearing liabilities. The decline in the average rate earned on interest-earning assets was partially offset by the $99,510,000 increase in total interest-earning assets.

PROVISION FOR LOAN LOSSES

The provision for loan losses, which is a current charge against income, represents an amount which management believes is sufficient to maintain an adequate allowance for future loan 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, credit quality of the portfolio, prevailing economic conditions, and regulatory guidelines. 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 provision for loan losses decreased slightly to $2,515,000 in 2000 from $2,570,000 in 1999 which had increased from $700,000 in 1998. The increases in 2000 and 1999 are due primarily to growth in average loan balances, which increased by $205,748,000 or 28% in 2000 and $110,016,000 or 17.7% in 1999. During 2000 the Corporation experienced higher net chargeoffs than in prior years. Net charge-offs increased to $650,000 in 2000 from $369,000 in 1999 which had decreased from $459,000 in 1998.
Since 1998 the Corporation has also seen growth in total non-performing loans. Non-performing loans grew $34.2% to $2,117,000 in 1999, but more than doubled during 2000 to $5,434,000 at December 31, 2000. Depressed prices for agricultural products combined with increases in interest rates over the past two years have also resulted in higher risk within the agricultural loan portfolio.

Sensitive assets include nonaccrual loans, loans on First Busey Corporation's watch loan report, 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 increased 12.9% in 2000 to $18,288,000 from $16,192,000 in 1999, which reflected a 19.7% increase from $13,530,000 in 1998. The increases in 2000 and 1999 are due primarily to increases in service charges on deposit accounts, trust fee income, and commissions and brokers' fees. As a percentage of total income, other income was 16.4%, 18.3%, and 16.8% in 2000, 1999, and 1998, respectively. Gains on the sale of securities, as a component of other income, totaled $737,000 (4.0%) in 2000, $1,035,000 (6.4%) in 1999, and $1,243,000 (9.2%) in 1998. Other income also includes gains on sales of loans, as a component of other income, of $1,112,000 (6.1%), $895,000 (5.5%), and $988,000 (7.3%) in 2000, 1999, and 1998, respectively.

Additional components of other income were fee income and trust fees. Service charges and other fee income increased 23.0% to $9,317,000 in 2000 from $7,572,000 in 1999, which was a 25.5% increase from $6,034,000 in 1998. The growth in fee income in 2000 and 1999 is due to increases in service charges on deposit accounts and fees for customer services. Trust fees increased 8.7% in 2000; revenues were $4,364,000 in 2000, $4,013,000 in 1999, and $3,445,000 in 1998. Increases in trust department revenues in each year were primarily due to increases in assets under care to $1,003,157,000 at December 31, 2000, from $971,554,000 at December 31, 1999, which is an increase from $783,226,000 from December 31, 1998. Remaining other income increased 3.0% to $2,758,000 in 2000 from $2,677,000 in 1999 which was a 47.1% increase from $1,820,000 in 1998.

OTHER EXPENSES

Other expenses increased 12.7% in 2000 to $37,249,000 from $33,063,000 in 1999, which reflected an increase from $30,400,000 in 1998. As a percentage of total income, other expenses were 33.4%, 37.4%, and 37.7% in 2000, 1999, and 1998, respectively. Employee related expenses, including salaries and wages and employee benefits, increased 8.6% in 2000 to $19,080,000, as compared to $17,565,000 in 1999, which was a 9.1% increase from $16,095,000 in 1998. As a percent of average assets, employee related expenses were 1.51%, 1.70%, and 1.73% in 2000, 1999, and 1998, respectively. The Corporation had 484, 494, and 433 full-time equivalent employees at December 31, 2000, 1999, and 1998, respectively. Net occupancy expense of bank premises and furniture and equipment expenses increased 12.0% in 2000 to $6,729,000 as compared to $6,010,000 in 1999 and $4,867,000 in 1998. The increases were primarily due to expenses associated with the addition of the Busey Bank fsb branches and remodeling of existing facilities.

Remaining other expenses increased $1,952,000 or 20.6% to $11,440,000 in 2000 from $9,488,000 in 1999, which was a 0.5% increase from $9,438,000 in 1998. The increase in 2000 is due primarily to the increase in amortization and impairment expense associated with the acquisition of Busey Bank fsb.

INCOME TAXES

Income tax expense in 2000 was $7,237,000 as compared to $5,402,000 in 1999 and $5,105,000 in 1998. The provision for income taxes as a percent of income before income taxes was 34.0%, 30.1%, and 30.9%, for 2000, 1999, and 1998, respectively.

BALANCE SHEET-DECEMBER 31, 2000 AND DECEMBER 31, 1999

Total assets on December 31, 2000 were $1,355,044,000, an increase of 8.7% from $1,247,123,000 on December 31, 1999.Total loans, net of unearned interest, increased 11.0% to $984,369,000 on December 31, 2000, as compared to $886,684,000 on December 31, 1999. Total deposits increased 11.8% to $1,148,787,000 on December 31, 2000 as compared to $1,027,981,000 on December 31, 1999. Non-interest bearing deposits increased $31,668,000 or 30.7% during 2000. Interest-bearing deposits increased $89,138,000 or 9.6% during 2000.

Total stockholders' equity increased 12.2% to $92,325,000 on December 31, 2000, as compared to $82,284,000 on December 31, 1999. Growth in equity is due primarily to $7,643,000 earnings retained in the Corporation combined with a net increase of $3,843,000 in unrealized gains on available for sale securities. This growth was partially offset by an increase of $2,085,000 in treasury stock. Treasury shares will be reissued in future years as participants exercise outstanding options under the Corporation's stock option plan which is discussed in Note 13 to the Corporation's consolidated financial statements.

EARNING ASSETS

The average interest-earning assets of the Corporation were 93.2%, 93.0%, and 92.4%, of average total assets for the years ended December 31, 2000, 1999, and 1998, respectively.

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, 2000, the fair value of these securities was $228,597,000 and the amortized cost was $218,790,000. There were $10,236,000 of gross unrealized gains and $429,000 of gross unrealized losses for a net unrealized gain of $9,807,000. The after-tax effect ($5,917,000) of this unrealized gain has been included in stockholders' equity. The increase in market value for the debt securities in this classification was a result of declining interest rates. The fair value increase in the equity securities was primarily due to a $2,305,000 increase in the value of 117,000 shares of Student Loan Marketing Association (SLM) common stock owned by the Corporation.

The composition of securities available for sale is as follows:

	Years ended December 31,				
	2000	1999	1998	1997	1996
	(dollars in thousands)				
U.S. Treasuries and Agencies	$162,886	$164,565	$159,261	$161,762	$159,044
Equity securities	15,479	13,079	12,550	11,994	9,065
States and political subdivisions	43,197	41,554	37,398	32,351	1,253
Other	7,035	5,848	8,782	9,407	1,881
Fair value of securities available for sale	$228,597	$225,046	$217,991	$215,514	$171,243
Amortized cost	$218,790	$221,601	$207,531	$206,589	$166,189
Fair value as a percentage of amortized cost	104.48%	101.55%	105.04%	104.32%	103.04%

The maturities, fair values and weighted average yields of securities available for sale as of December 31, 2000 are:

	Due in 1 year or less		Due after 1 year through 5 years		Due after 5 years through 10 years		Due after 10 years	
Investment Securities(1)	Fair Value	Weighted Average Yield	Fair Value	Weighted Average Yield	Fair Value	Weighted Average Yield	Fair Value	Weighted Average Yield
	(dollars in thousands)							
U.S. Treasuries and Agencies	$ 94,352	5.73%	$68,329	6.00%	$ 205	6.45%	$ -	-%
States and political subdivisions(2)	3,992	8.48%	16,750	7.84%	19,669	7.09%	2,786	6.98%
Other	2,092	6.34%	3,417	6.28%	840	6.77%	686	10.35%
Total	$100,436	5.85%	$88,496	6.36%	$20,714	7.07%	$3,472	7.65%

(1) Excludes equity securities and mortgage backed 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, 2000)

The securities held to maturity portfolio consisted of debt securities which provided the Corporation with a relatively stable source of income. Additionally, the investment portfolio provides a balance to interest rate and credit risk in other categories of the balance sheet while providing a vehicle for the investment of available funds and supplying securities to pledge as required collateral for certain deposits. All remaining securities were transferred to the available for sale portfolio as of December 31, 1997.

The composition of securities held to maturity was as follows:

	Years ended December 31,				
	2000	1999	1998	1997	1996
	(dollars in thousands)				
U.S. Treasuries and Agencies	-	-	-	-	$ 8,635
States and political subdivisions	-	-	-	-	36,607
Other	-	-	-	-	9,865
Amortized cost of securities held to maturity	-	-	-	-	$55,107
Fair value of securities held to maturity	-	-	-	-	$55,800
Fair value as a percentage of book value	-	-	-	-	101.26%

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 decreased to 71.3% at December 31, 2000 from 73.1% at December 31, 1999 while obligations of state and political subdivisions (tax-exempt obligations) as a percentage of total securities increased to 18.9% at December 31, 2000, from 18.5% at December 31, 1999.

LOAN PORTFOLIO

Loans, including loans held for sale, before allowance for loan losses, increased 11.0% to $984,369,000 in 2000 from $886,684,000 in 1999. Non-farm non-residential real estate mortgage loans increased $18,074,000, or 8.5%, to $231,230,000 in 2000 from $213,156,000 in 1999. 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 $54,995,000, or 16.0%, to $398,734,000 in 2000 from $343,739,000 in 1999. It is intended that residential mortgage loan origination will generate income and develop retail and other banking relationships. 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 $185,376,000 as of December 31, 2000.

The loan portfolio includes a concentration of loans for commercial real estate amounting to approximately $293,184,000 and $276,961,000 as of December 31, 2000 and 1999, 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:

	Years ended December 31,				
	2000	1999	1998	1997	1996
	(dollars in thousands)				
Commercial and financial	$124,052	$119,800	$ 80,958	$ 63,861	$ 62,065
Agricultural	20,844	20,126	19,072	17,403	16,537
Real estate-farmland	15,411	15,841	14,184	11,782	11,468
Real estate-construction	75,672	52,479	44,713	31,306	26,184
Real estate-mortgage	697,410	622,075	467,435	439,660	413,541
Installment loans to individuals	50,980	56,470	35,919	38,925	39,707
	$984,369	$886,791	$662,281	$602,937	$569,502
Unearned interest	-	(107)	-	-	(2)
Loans	$984,369	$886,684	$662,281	$602,937	$569,500

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, 2000.

	1 Year or Less	1 to 5 Years	Over 5 Years	Total
	(dollars in thousands)			
Commercial, financial and agricultural	$ 90,761	$ 33,151	$ 20,984	$ 144,896
Real estate-construction	53,955	20,268	1,449	75,672
Total	$ 144,716	$ 53,419	$ 22,433	$ 220,568
Interest rate sensitivity of selected loans				
Fixed rate	$ 45,988	$ 19,549	$ 7,191	$ 72,728
Adjustable rate	98,729	33,870	15,241	147,840
Total	$ 144,717	$ 53,419	$ 22,432	$ 220,568

ALLOWANCE FOR LOAN LOSSES

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 loans judged to present a possibility of loss (if, as a result of such monthly appraisals, the loan is judged to be not fully collectible, the carrying value of the loan is reduced to that portion considered collectible); 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.

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

	Years ended December 31				
	2000	1999	1998	1997	1996
	(dollars in thousands)				
Average loans outstanding during period	$937,239	$731,491	$621,475	$584,327	$525,311
Allowance for loan losses:					
Balance at beginning of period	$ 10,403	$ 7,101	$ 6,860	$ 6,131	$ 5,473
Loans charged-off:					
Commercial, financial and agricultural	$ 70	$ 40	$ 62	$ 192	$ 227
Real estate-construction	-	-	-	-	19
Real estate-mortgage	290	145	282	50	32
Installment loans to individuals	414	366	260	317	404
Total charge-offs	$ 774	$ 551	$ 604	$ 559	$ 682
Recoveries:					
Commercial, financial and agricultural	$ 22	$ 16	$ 12	$ 13	$ 43
Real estate-construction	-	-	-	-	50
Real estate-mortgage	4	67	49	110	-
Installment loans to individuals	98	99	84	90	147
Total recoveries	$ 124	$ 182	$ 145	$ 213	$ 240
Net loans charged-off	$ 650	$ 369	$ 459	$ 346	$ 442
Provision for loan losses	$ 2,515	$ 2,570	$ 700	$ 1,075	$ 1,100
Net additions due to acquisition	-	$ 1,101	-	-	-
Balance at end of period	$ 12,268	$ 10,403	$ 7,101	$ 6,860	$ 6,131
Ratios:					
Net charge-offs to average loans	0.07%	0.05%	0.07%	0.06%	0.08%
Allowance for loan losses to total loans at period end	1.25%	1.17%	1.07%	1.14%	1.08%

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

	2000		1999		1998		1997		1996	
	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	$ 1,854	16.3%	$ 3,391	17.6%	$ 1,757	17.2%	$ 1,059	15.4%	$ 766	15.8%
Real estate-construction	-	7.7%	-	5.9%	-	6.8%	-	5.2%	-	4.6%
Real estate-mortgage	9,051	70.8%	5,708	70.1%	4,380	70.6%	4,456	72.9%	3,505	72.6%
Installment loans to individuals	708	5.2%	1,293	6.4%	964	5.4%	1,045	6.5%	1,189	7.0%
Unallocated	655	N/A	11	N/A	-	N/A	300	N/A	671	N/A
Total	$12,268	100%	$10,403	100%	$ 7,101	100%	$ 6,860	100%	$ 6,131	100%

This table indicates growth in the allowance for loan losses for real estate mortgages and in the unallocated portion. Growth in the allowance for loan losses for real estate mortgages is due to growth in the outstanding balances of real estate mortgage loans as well as an increase in the past due balances of these loans. The increase in the unallocated portion of the allowance for loan losses is due to the factor applied for current economic conditions as well as growth in loans to customers in the Indianapolis and Florida markets where average loan balances are larger than the average loan size within the overall portfolio.

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,				
	2000	1999	1998	1997	1996
	(dollars in thousands)				
Non-accrual loans	$ 767	$1,220	$ 526	$ 628	$ -
Loans 90 days past due and still accruing	4,667	897	1,052	1,033	1,002
Restructured loans	-	-	-	-	-
Total non-performing loans	$5,434	$2,117	$1,578	$1,661	$1,002
Repossessed assets	$ 230	$ 459	$ 320	$ 516	$ 805
Other assets acquired in satisfaction of debts previously contracted	11	5	14	5	1
Total non-performing other assets	$ 241	$ 464	$ 334	$ 521	$ 806
Total non-performing loans and non-performing other assets	$5,675	$2,581	$1,912	$2,182	$1,808
Non-performing loans to loans, before allowance for loan losses	0.55%	0.24%	0.24%	0.28%	0.18%
Non-performing loans and non-performing other assets to loans, before allowance for loan losses	0.58%	0.29%	0.29%	0.36%	0.32%

On January 1, 1995, the Corporation adopted Statement of Financial Accounting Standards No. 114, "Accounting by Creditors for Impairment of a Loan," as amended by Statement No. 118, which requires loans to be considered 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. For the years ended December 31, 2000 and 1999, no interest was recognized from impaired loans, and $4,000 was recognized for the year ended December 31, 1998.

The gross interest income that would have been recorded in the years ended December 31, 2000 and 1999 if the non-accrual and restructured loans had been current in accordance with their original terms was $41,000 and $31,000, respectively. The amount of interest collected on those loans that was included in interest income was $2,000 for the year ended December 31, 2000, and $0 for the year ended December 31, 1999.

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 possible loan losses. Potential problem loans totaled $2,705,000 at December 31, 2000. There are no other loans identified which management believes represent or result from trends or uncertainties which management reasonably expects will materially impact future operating results, liquidity or capital resources. There are no other credits identified about which management is aware of any information which causes management to have serious doubts as to the ability of such borrower(s) to comply with the loan repayment terms.

OTHER INTEREST-BEARING ASSETS

There are no other interest-bearing assets which are categorized as impaired.

DEPOSITS

As indicated in the following table, average interest bearing deposits as a percentage of average total deposits have increased to 89.6% for the year ended December 31, 2000 from 89.5% for the year ended December 31, 1999.

	December 31,								
	2000			1999			1998		
	(dollars in thousands)								
	Average Balance	% Total	Average Rate	Average Balance	% Total	Average Rate	Average Balance	% Total	Average Rate
Non-interest bearing demand deposits	$ 107,882	10.4%	- %	$ 91,484	10.5%	-%	$ 80,986	10.1%	-%
Interest bearing demand deposits	28,976	2.8%	2.86%	13,951	1.6%	2.01%	19,271	2.4%	1.96%
Savings/Money Market	411,262	39.6%	3.37%	390,781	44.9%	2.98%	351,695	43.9%	3.14%
Time deposits	489,779	47.2%	5.63%	373,563	43.0%	5.13%	349,956	43.6%	5.49%
Total	$1,037,899	100.0%	4.07%	$869,779	100.0%	3.99%	$801,908	100.0%	4.25%

Certificates of deposit of $100,000 and over and other time deposits of $100,000 and over at December 31, 2000, had the following maturities (dollars in thousands):

Under 3 months	$ 43,914
3 to 6 months	37,589
6 to 12 months	65,680
Over 12 months	20,174
Total	$167,357

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 and securities sold under agreements to repurchase	Other short-term borrowings
	(dollars in thousands)	
2000		
Balance, December 31, 2000	$18,890	$32,283
Weighted average interest rate at end of period	5.68%	8.29%
Maximum outstanding at any month end	$24,064	82,120
Average daily balance	$29,504	44,961
Weighted average interest rate during period(1)	5.94%	7.76%
1999		
Balance, December 31, 1999	$23,580	$48,327
Weighted average interest rate at end of period	5.68%	7.04%
Maximum outstanding at any month end	$42,931	$49,727
Average daily balance	$16,068	$15,510
Weighted average interest rate during period(1)	5.53%	5.96%
1998		
Balance, December 31, 1998	$ -	$ 5,900
Weighted average interest rate at end of period	-	7.25%
Maximum outstanding at any month end	$ 7,900	$16,550
Average daily balance	$ 1,686	$12,981
Weighted average interest rate during period(1)	5.29%	7.78%

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

LIQUIDITY

Liquidity is the availability of funds to meet all present and future cash flow obligations arising in the daily operations of the business at a minimal cost. These financial obligations consist of needs for funds to meet extensions of credit, deposit withdrawals and debt servicing.

The sources of short-term liquidity utilized by the Corporation consist of asset maturities, sales, deposits and capital funds. Additional liquidity is provided by bank lines of credit, repurchase agreements and the ability to borrow from the Federal Reserve Bank and Federal Home Loan Bank. The Corporation does not deal in or use brokered deposits as a source of liquidity. Long-term liquidity needs will be satisfied primarily through 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.

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 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. Average liquid assets are shown in the table below:

LIQUID ASSETS

Average Balances	Years Ended December 31, 2000	1999	1998
	(dollars in thousands)		
Federal funds sold	$10,310	$10,723	$16,463
Percentage of average total assets	0.82%	1.04%	1.77%

RATE SENSITIVE ASSETS AND LIABILITIES

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, 2000:

	Rate Sensitive Within					
	1-30 Days	31-90 Days	91-180 Days	181 Days-1 Yr	Over 1 Yr	Total
	(dollars in thousands)					
Interest-bearing deposits	$ 4,471	$ -	$ -	$ -	$ -	$ 4,471
Federal funds sold	34,700	-	-	-	-	34,700
Investment securities						
U.S. Treasuries and Agencies	10,984	19,851	15,947	41,584	74,520	162,886
States and political subdivisions	60	35	283	3,471	39,348	43,197
Other securities	8,055	1,427	-	99	12,933	22,514
Loans (net of unearned interest)	282,892	92,828	110,536	110,437	387,676	984,369
Total rate-sensitive assets	$ 341,162	$ 114,141	$ 126,766	$ 155,591	$ 514,477	$1,252,137
Interest bearing transaction deposits	51,301	-	-	-	-	51,301
Savings deposits	87,517	-	-	-	-	87,517
Money market deposits	329,432	-	-	-	-	329,432
Time deposits	57,541	71,476	132,337	165,149	119,365	545,868
Short-term borrowings	34,445	2,963	3,582	3,976	6,207	51,173
Long-term debt	-	21,978	4,999	3,000	22,999	52,976
Total rate-sensitive liabilities	$ 560,236	$ 96,417	$ 140,918	$ 172,125	$ 148,571	$1,118,267
Rate-sensitive assets less rate-sensitive liabilities	($219,074)	$ 17,724	($14,152)	($16,534)	$ 365,906	$ 133,870
Cumulative Gap	($219,074)	($201,350)	($215,502)	($232,036)	$ 133,870	
Cumulative amounts as a percentage of total rate-sensitive assets	-17.50%	-16.08%	-17.21%	-18.53%	10.69%	
Cumulative Ratio	0.61x	0.69x	0.73x	0.76x	1.12x	

The foregoing table shows a negative (liability sensitive) cumulative unadjusted gap of approximately $219 million in the 1-30 day repricing category. The gap report indicates that the cumulative gap is negative through one year. Beyond one year, the gap becomes asset sensitive as there are more rate sensitive assets than rate-sensitive liabilities repricing after one year. The composition of the gap structure at December 31, 2000 will benefit the Corporation more if interest rates fall during the next year by allowing the net interest margin to grow as liability rates would reprice more quickly than rates on rate-sensitive assets.

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, 2000, the Corporation earned $14,053,000 and paid dividends of $6,410,000 to stockholders, resulting in a retention of current earnings of $7,643,000.

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, 2000, the Corporation had a total capital to total risk-weighted asset ratio of 9.43%, a Tier 1 capital to risk-weighted asset ratio of 7.77% and a Tier 1 leverage ratio of 5.71%; the Corporation's bank subsidiary, Busey Bank, had ratios of 11.90%, 10.16%, and 7.36%, respectively; the Corporation's savings and loan subsidiary, Busey Bank fsb, had ratios of 9.69%, 8.53%, and 6.49%, respectively. As these ratios show, the Corporation and its bank subsidiaries significantly exceed the regulatory capital guidelines.

REGULATORY CONSIDERATIONS

It is management's belief that there are no current recommendations by the regulatory authorities which if implemented, would have a material effect on the Corporation's liquidity, capital resources, or operations.

NEW ACCOUNTING PRONOUNCEMENTS

Accounting for Derivative Instruments and Hedging Activities. Statement of Financial Accounting Standard No. 133, "Accounting for Derivative Instruments and Hedging Activities" (FAS 133) establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and the resulting designation. This Statement applies to all entities. FAS 133 is effective for all fiscal quarters of fiscal years beginning after June 15, 1999. Earlier application is encouraged. The Statement is not to be applied retroactively to financial statements of prior periods. In June 1999, Statement of Financial Accounting Standard No. 137 was issued to extend the effective date by one year to all fiscal quarters of fiscal years beginning after June 15, 2000. In June 2000, Statement of Financial Accounting Standard No. 138 was issued to amend certain accounting and reporting standards of FAS 133. The Company does not believe the adoption of FAS 133, as amended by FAS 137 and 138, will have a material impact on the consolidated financial statements.

Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities. In September 2000, Statement on Financial Accounting Standards No. 140 (FAS 140), "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," was issued to replace Statement on Financial Accounting Standards No. 125 (FAS 125), which was issued in June 1996. FAS 125 addressed issues related to transfers of financial assets in which the transferor has some continuing involvement with the transferred assets or with the transferee. FAS 140 resolves implementation issues which arose as a result of FAS 125, but carries forward most of FAS 125's provisions. FAS 140 is effective for transfers occurring after March 31, 2001 and for disclosures relating to securitization transactions and collateral for fiscal years ending after December 15, 2000. Management does not believe the adoption of FAS 140 will have a significant impact on its 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."

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:

Consolidated Average Balance Sheets and Interest Rates

	2000 Average Balance	2000 Income/ Expense	2000 Yield/ Rate	1999 Average Balance	1999 Income/ Expense	1999 Yield/ Rate	1998 Average Balance	1998 Income/ Expense	1998 Yield/ Rate
	Years Ended December 31, (dollars in thousands)								
Assets									
Federal funds sold	$ 10,310	$ 627	6.08%	$ 10,723	$ 479	4.47%	$ 16,463	$ 891	5.41%
Investment securities:									
U.S. Treasuries and Agencies	162,526	9,434	5.80%	153,576	8,637	5.62%	169,680	9,776	5.76%
States and political subdivisions1	40,833	3,129	7.66%	40,006	3,000	7.50%	33,683	2,665	7.91%
Other securities	23,341	1,223	5.24%	24,064	1,187	4.93%	19,049	980	5.14%
Loans (net of unearned discount)(1), (2)	937,239	80,146	8.55%	731,491	60,285	8.24%	621,475	53,925	8.68%
Total interest-earning assets(1)	$1,174,249	$ 94,559	8.05%	$ 959,860	$ 73,588	7.67%	$860,350	$ 68,237	7.93%
Cash and due from banks	33,768			30,726			32,175		
Premises and equipment	30,399			25,437			24,243		
Allowance for loan losses	(11,077)			(7,777)			(7,253)		
Other assets	32,777			23,532			21,648		
Total assets	$1,260,116			$1,031,778			$931,163		
Liabilities and Stockholders' Equity									
Interest bearing transaction deposits	$ 28,976	$ 830	2.86%	$ 13,951	$ 280	2.01%	$ 19,271	$ 377	1.96%
Savings deposits	91,750	2,794	3.05%	85,720	2,554	2.98%	80,648	2,635	3.27%
Money market deposits	319,512	11,073	3.47%	305,061	9,105	2.98%	271,047	8,419	3.11%
Time deposits	489,779	27,589	5.63%	373,563	19,146	5.13%	349,956	19,211	5.49%
Short-term borrowings:									
Federal funds purchased and repurchase agreements	29,504	1,752	5.94%	16,068	888	5.53%	1,686	89	5.29%
Other	44,961	3,491	7.76%	15,510	924	5.96%	12,981	1,010	7.78%
Long-term debt	53,240	2,947	5.54%	36,505	2,023	5.54%	22,548	1,234	5.47%
Total interest-bearing liabilities	$1,057,722	$ 50,476	4.77%	$ 846,378	$ 34,920	4.13%	$758,137	$ 32,975	4.35%
Net interest spread			3.28%			3.54%			3.58%
Demand deposits	107,882			91,484			80,986		
Other liabilities	9,628			8,425			10,724		
Stockholders' equity	84,884			85,491			81,316		
Total liabilities and stockholders' equity	$1,260,116			$1,031,778			$931,163		
Interest income/earning assets(1)	$1,174,249	$ 94,559	8.05%	$ 959,860	$ 73,588	7.67%	$860,350	$ 68,237	7.93%
Interest expense/earning assets	$1,174,249	$ 50,476	4.30%	$ 959,860	$ 34,920	3.64%	$860,350	$ 32,975	3.83%
Net interest margin(1)		$ 44,083	3.75%		$ 38,668	4.03%		$ 35,262	4.10%

(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, 2000, 1999, and 1998					
	Year 2000 vs 1999 Change due to(1)			Year 1999 vs 1998 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:						
Federal funds sold	($18)	$ 166	$ 148	$ (275)	$ (137)	$ (412)
Investment securities:						
U.S. Treasuries and Agencies	514	283	797	(910)	(229)	(1,139)
States and political subdivisions(2)	63	66	129	480	(145)	335
Other securities	(34)	70	36	212	(5)	207
Loans(2)	17,519	2,342	19,861	9,173	(2,813)	6,360
Change in interest income(2)	$ 18,044	$ 2,927	$20,971	$ 8,680	$ (3,329)	$ 5,351
Increase (decrease) in interest expense:						
Interest bearing transaction deposits	$ 394	$ 156	$ 550	$ (106)	$ 9	$ (97)
Savings deposits	183	57	240	160	(241)	(81)
Money market deposits	447	1,521	1,968	1,025	(339)	686
Time deposits	6,404	2,039	8,443	1,252	(1,317)	(65)
Federal funds purchased and repurchase agreements	793	71	864	795	4	799
Other	2,213	354	2,567	176	(262)	(86)
Long-term debt	926	(2)	924	773	16	789
Change in interest expense	11,360	4,196	15,556	4,075	$ (2,130)	$ 1,945
Increase (decrease) in net interest income(2)	$ 6,684	($1,269)	$ 5,415	$ 4,605	$ (1,199)	$ 3,406
Percentage increase in net interest income over prior period			14.0%			9.7%

(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%

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 and Busey Bank fsb, 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 Policy 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. A summary of the Corporation's gap analysis is summarized on page 26.

The 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. 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. These interest-rate scenarios indicate the interest rate risk of the Corporation over a one-year time horizon due to changes in interest rates, as of December 31, 2000, is as follows:

	Basis Point Changes			
	-200	-100	+100	+200
Percentage change in net interest income due to an immediate change in interest over a one-year period	(1.69%)	(0.69%)	(0.08%)	(0.42%)

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements are presented beginning on page 35.

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

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 4-6 of the 2001 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 9-11 of the 2001 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

Incorporated by reference is the information set forth on page 8 of the 2001 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Incorporated by reference is the information set forth on page 13 of the 2001 Proxy Statement.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

EXHIBITS

Exhibit Number	Description of Exhibit	Sequentially Numbered Page
3.1	Certificate of Incorporation of First Busey Corporation (filed as Appendix B 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)	
3.2	By-Laws of First Busey Corporation (filed as Appendix C 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)	
10.1	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)	
10.3	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)	
10.4	Mortgage on County Plaza Building (filed as Exhibit 10.4 to First Busey's Registration Statement on Form S-1 (Registration No. 33-13973), and incorporated herein by reference)	
10.7	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)	
10.8	First Busey Corporation 1988 Stock Option Plan (filed as Exhibit 10.8 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)	
10.9	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)	
21.1	List of Subsidiaries of First Busey Corporation	
23.1	Consent of Independent Public Accountants	

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

	Page
Independent Auditor's Report	37
Consolidated Balance Sheets	38
Consolidated Statements of Income	39
Consolidated Statements of Stockholders' Equity	40-42
Consolidated Statements of Cash Flows	43-45
Notes to Consolidated Financial Statements	46-80
Management Report	81
Independent Accountant's Report	82

REPORTS ON FORM 8-K
No reports on Form 8-K have been filed for or on behalf of First Busey Corporation during the last quarter or the period covered by this Form 10-K.

FORM S-8 UNDERTAKING
For the purposes of complying with the amendments to the rules governing Form S-8 (effective July 13, 1990) under the Securities Act of 1933, the undersigned registrant hereby undertakes as follows, which undertaking shall be incorporated by reference into the registrant's Registration Statement on Form S-8 File No. 33-30095.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of the expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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, 2001.

FIRST BUSEY CORPORATION
BY //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, 2001.

Signature	Title
//DOUGLAS C. MILLS// -------------------- Douglas C. Mills	Chairman of the Board, Chief Executive Officer (Principal Executive Officer)
//BARBARA J. JONES// -------------------- Barbara J. Jones	Chief Financial Officer (Principal Financial Officer)
//JOSEPH M. AMBROSE// --------------------- Joseph M. Ambrose	Director
//SAMUEL P. BANKS// ------------------- Samuel P. Banks	Director
//T.O. DAWSON// --------------- T. O. Dawson	Director
//VICTOR F. FELDMAN// --------------------- Victor F. Feldman	Director
//KENNETH M. HENDREN// ---------------------- Kenneth M. Hendren	Director
//E. PHILLIPS KNOX// -------------------- E. Phillips Knox	Director
//P. DAVID KUHL// ----------------- P. David Kuhl	Director
//V. B. LEISTER, JR.// ---------------------- V. B. Leister, Jr.	Director
//LINDA M. MILLS// ------------------ Linda M. Mills	Director
//EDWIN A. SCHARLAU// --------------------- Edwin A. Scharlau II	Director
//DAVID C. THIES// ------------------ David C. Thies	Director
//ARTHUR R. WYATT// ------------------- Arthur R. Wyatt	Director

FIRST BUSEY CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2000, 1999 AND 1998

FIRST BUSEY CORPORATION AND SUBSIDIARIES

CONTENTS

INDEPENDENT AUDITOR'S REPORT	37
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated balance sheets	38
Consolidated statements of income	39
Consolidated statements of stockholders' equity	40 - 42
Consolidated statements of cash flows	43 - 45
Notes to consolidated financial statements	46 - 80
INTERNAL CONTROL REPORTS	
Management Report - Effectiveness of the Internal Control	81
Independent Accountant's Report	82

INDEPENDENT AUDITOR'S REPORT

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, 2000 and 1999, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2000. 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 generally accepted auditing standards. 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, 2000 and 1999, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2000, in conformity with generally accepted accounting principles.

//McGladrey & Pullen, LLP//

Champaign, Illinois
February 8, 2001

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2000 and 1999

	2000	1999
	(Dollars in thousands)	
ASSETS		
Cash and due from banks	$ 58,585	$ 69,722
Federal funds sold	34,700	13,500
Securities available for sale	228,597	225,046
Loans held for sale (fair value 2000 $5,568; 1999 $5,951)	5,492	5,490
Loans (net of allowance for loan losses 2000 $12,268; 1999 $10,403	966,609	870,791
Premises and equipment	31,253	28,647
Goodwill and other intangibles	12,255	14,241
Other assets	17,553	19,686
TOTAL ASSETS	$ 1,355,044	$ 1,247,123
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits:		
Noninterest bearing	$ 134,669	$ 103,001
Interest bearing	1,014,118	924,980
TOTAL DEPOSITS	1,148,787	1,027,981
Securities sold under agreements to repurchase	18,890	23,580
Short-term borrowings	32,283	48,327
Long-term debt	52,976	55,849
Other liabilities	9,783	9,102
TOTAL LIABILITIES	1,262,719	1,164,839
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; 14,154,706 shares issued	6,291	6,291
Surplus	22,044	21,750
Retained earnings	73,215	65,572
Accumulated other comprehensive income	5,917	2,074
TOTAL STOCKHOLDERS' EQUITY BEFORE TREASURY STOCK, UNEARNED ESOP SHARES AND DEFERRED COMPENSATION FOR RESTRICTED STOCK AWARDS	107,467	95,687
Treasury stock, at cost, 703,526 shares 2000; 615,897 shares 1999	(12,858)	(10,773)
Unearned ESOP shares and deferred compensation for restricted stock awards	(2,284)	(2,630)
TOTAL STOCKHOLDERS' EQUITY	92,325	82,284
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,355,044	$ 1,247,123

See Accompanying Notes to Consolidated Financial Statements.

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
Years Ended December 31, 2000, 1999 and 1998

	2000	1999	1998
	(Dollars in thousands, except per share amounts)		
Interest income:			
Loans	$ 79,924	$ 60,058	$ 53,669
Securities			
Taxable interest income	10,531	9,699	10,622
Nontaxable interest income	2,034	1,950	1,732
Dividends	126	125	134
Federal funds sold	627	479	891
TOTAL INTEREST INCOME	93,242	72,311	67,048
Interest expense:			
Deposits	42,286	31,085	30,642
Short-term borrowings	5,243	1,812	1,099
Long-term debt	2,947	2,023	1,234
TOTAL INTEREST EXPENSE	50,476	34,920	32,975
NET INTEREST INCOME	42,766	37,391	34,073
Provision for loan losses	2,515	2,570	700
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	40,251	34,821	33,373
Other income:			
Service charges on deposit accounts	5,341	3,798	2,938
Trust fees	4,364	4,013	3,445
Commissions and brokers' fees, net	1,901	1,472	1,187
Other service charges and fees	2,075	2,302	1,909
Security gains, net	737	1,035	1,243
Trading security gains (losses), net	0	(27)	5
Gain on sales of loans	1,112	895	988
Net commissions from travel services	922	990	862
Other	1,836	1,714	953
TOTAL OTHER INCOME	18,288	16,192	13,530
Other expenses:			
Salaries and wages	16,192	14,758	13,524
Employee benefits	2,888	2,807	2,571
Net occupancy expense of premises	3,115	2,690	2,497
Furniture and equipment expenses	3,614	3,320	2,370
Data processing	1,142	838	1,924
Amortization and impairment of intangible assets	2,288	1,166	1,404
Stationery, supplies and printing	1,029	986	758
Other	6,981	6,498	5,352
TOTAL OTHER EXPENSES	37,249	33,063	30,400
INCOME BEFORE INCOME TAXES	21,290	17,950	16,503
Income taxes	7,237	5,402	5,105
NET INCOME	$ 14,053	$ 12,548	$ 11,398
Basic earnings per share	$ 1.05	$ 0.92	$ 0.83
Diluted earnings per share	$ 1.03	$ 0.90	$ 0.81

See Accompanying Notes to Consolidated Financial Statements.

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Years Ended December 31, 2000, 1999 and 1998

	Common Stock	Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Unearned ESOP Shares	Deferred Compensation for Restricted Stock Awards	Total
	(Dollars in thousands except per share amounts)							
Balance, December 31, 1997	$ 6,291	$20,729	$53,011	$ 5,801	$ (3,922)	$ (550)	$ (81)	$81,279
Comprehensive income:								
Net income	-	-	11,398	-	-	-	-	11,398
Other comprehensive income, net of tax:								
Change in unrealized gain on securities available for sale arising during period, net of taxes of $972	-	-	-	-	-	-	-	1,806
Reclassification adjustment, net of taxes of ($435)	-	-	-	-	-	-	-	(808)
Other comprehensive income, net of taxes of $537	-	-	-	998	-	-	-	998
Comprehensive income	-	-	-	-	-	-	-	12,396
Purchase of 162,774 shares for the treasury	-	-	-	-	(2,747)	-	-	(2,747)
Issuance of 56,926 shares of treasury stock for option exercise and related tax benefit	-	169	-	-	417	-	-	586
Issuance of 60,000 shares of treasury stock for acquisition	-	385	-	-	440	-	-	825
Cash dividends:								
Common stock $.39 per share	-	-	(5,381)	-	-	-	-	(5,381)
Principal payments on employee stock ownership plan debt	-	-	-	-	-	150	-	150
Forfeiture of restricted stock issued under restricted stock award plan	-	-	-	-	(53)	-	53	-
Amortization of restricted stock issued under restricted stock award plan	-	-	-	-	-	-	(5)	(5)
Balance, December 31, 1998	6,291	21,283	59,028	6,799	(5,865)	(400)	(33)	87,103

(Continued)

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Continued)
Years Ended December 31, 2000, 1999 and 1998

(Dollars in thousands except per share amounts)

	Common Stock	Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Unearned ESOP Shares	Deferred Compensation for Restricted Stock Awards	Total
Balance, December 31, 1998	$ 6,291	$21,283	$59,028	$ 6,799	$ (5,865)	$ (400)	$ (33)	$87,103
Comprehensive income:								
Net income	-	-	12,548	-	-	-	-	12,548
Other comprehensive income, net of tax:								
Change in unrealized gain on securities available for sale arising during period, net of tax benefit of ($1,879)	-	-	-	-	-	-	-	(4,101)
Reclassification adjustment, net of taxes of ($411)	-	-	-	-	-	-	-	(624)
Other comprehensive income, net of taxes of $(2,290)	-	-	-	(4,725)	-	-	-	(4,725)
Comprehensive income	-	-	-	-	-	-	-	7,823
Purchase of 276,409 shares for the treasury	-	-	-	-	(5,850)	-	-	(5,850)
Issuance of 97,280 shares of treasury stock for option exercise and related tax benefit	-	336	-	-	835	-	-	1,171
Issuance of 13,000 shares of treasury stock to benefit plans	-	131	-	-	109	-	-	240
Cash dividends:								
Common stock $.44 per share	-	-	(6,004)	-	-	-	-	(6,004)
Principal payments on employee stock ownership plan debt	-	-	-	-	-	150	-	150
Proceeds from employee stock ownership plan debt	-	-	-	-	-	(2,370)	-	(2,370)
Forfeiture of restricted stock issued under restricted stock award plan	-	-	-	-	(2)	-	2	-
Amortization of restricted stock issued under restricted stock award plan	-	-	-	-	-	-	21	21
Balance, December 31, 1999	6,291	21,750	65,572	2,074	(10,773)	(2,620)	(10)	82,284

(Continued)

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Continued)
Years Ended December 31, 2000, 1999 and 1998

(Dollars in thousands except per share amounts)

	Common Stock	Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Unearned ESOP Shares	Deferred Compensation for Restricted Stock Awards	Total
Balance, December 31, 1999	$ 6,291	$21,750	$65,572	$ 2,074	$(10,773)	$(2,620)	$ (10)	$82,284
Comprehensive income:								
Net income	-	-	14,053	-	-	-	-	14,053
Other comprehensive income, net of tax:								
Unrealized gains on securities available for sale arising during period, net of tax benefit of $2,811	-	-	-	-	-	-	-	4,288
Reclassification adjustment, net of taxes of ($292)	-	-	-	-	-	-	-	(445)
Other comprehensive income, net of tax of $2,519	-	-	-	3,843	-	-	-	3,843
Comprehensive income	-	-	-	-	-	-	-	17,896
Purchase of 118,479 shares for the treasury	-	-	-	-	(2,385)	-	-	(2,385)
Issuance of 20,000 shares of treasury stock for acquisition of customer list	-	205	-	-	195	-	-	400
Issuance of 10,150 shares of treasury stock for bonus compensation program	-	83	-	-	98	-	-	181
Issuance of 700 shares of treasury stock for restricted stock grants	-	6	-	-	7	-	(13)	0
Cash dividends:								
Common stock $.48 per share	-	-	(6,410)	-	-	-	-	(6,410)
Principal payments on employee stock ownership plan debt	-	-	-	-	-	337	-	337
Release of restricted stock issued under restricted stock award plan	-	-	-	-	-	-	22	22
Balance, December 31, 2000	$ 6,291	$22,044	$73,215	$ 5,917	$(12,858)	$(2,283)	$ (1)	$92,325

See Accompanying Notes to Consolidated Financial Statements.

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2000, 1999 and 1998

	2000	1999	1998
	(Dollars in thousands)		
Cash Flows from Operating Activities			
Net income	$ 14,053	$ 12,548	$ 11,398
Adjustments to reconcile net income to net cash provided by operating activities:			
Stock-based compensation	181	-	-
Depreciation and amortization	6,052	4,501	4,005
Provision for loan losses	2,515	2,570	700
Provision for deferred income taxes	287	(737)	(299)
Accretion of security discounts	(340)	(161)	(142)
Gain on sales of securities, net	(737)	(1,035)	(1,243)
Proceeds from sales of loans	65,828	90,058	88,508
Loan originated for sale	(64,718)	(81,937)	(93,823)
Gain on sales of loans, net	(1,112)	(895)	(988)
Loss on sales and dispositions of premises and equipment	16	122	8
Change in assets and liabilities:			
(Increase) decrease in other assets	(22)	(2,782)	316
Increase (decrease) in other liabilities	341	(507)	95
NET CASH PROVIDED BY OPERATING ACTIVITIES	22,344	21,745	8,535
Cash Flows from Investing Activities			
Securities available for sale:			
Purchases	(68,198)	(129,587)	(141,088)
Proceeds from sales	18,157	62,828	47,324
Proceeds from maturities	53,929	102,234	94,207
(Increase) decrease in federal funds sold	(21,200)	(10,098)	18,800
Increase in loans	(98,649)	(117,111)	(53,857)
Purchases of premises and equipment	(6,993)	(4,039)	(4,188)
Proceeds from sales of premises and equipment	732	43	199
Purchase of subsidiaries, net of cash and due from banks acquired	-	(20,456)	204
NET CASH USED IN INVESTING ACTIVITIES	(122,222)	(116,186)	(38,399)

(Continued)

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
Years Ended December 31, 2000, 1999 and 1998

	2000	1999	1998
		(Dollars in thousands)	
Cash Flows from Financing Activities			
Net increase (decrease) in certificates of deposit	$ 62,688	$ 49,769	$ (36,425)
Net increase in demand deposits, money market and savings accounts	58,118	19,380	51,676
Net increase (decrease) in federal funds purchased and securities sold under agreements to repurchase	(4,690)	23,580	-
Proceeds from short-term borrowings	55,925	42,357	11,000
Principal payments on short-term borrowings	(71,632)	(2,150)	(11,500)
Proceeds from long-term debt	18,000	11,000	20,000
Principal payments on long-term debt	(20,873)	(4,974)	(5,000)
Cash dividends paid	(6,410)	(6,004)	(5,381)
Purchase of treasury stock	(2,385)	(5,850)	(2,747)
Proceeds from sales of treasury stock	-	1,411	586
NET CASH PROVIDED BY FINANCING ACTIVITIES	88,741	128,519	22,209
NET INCREASE (DECREASE) IN CASH AND DUE FROM BANKS	(11,137)	34,078	(7,655)
Cash and due from banks, beginning	69,722	35,644	43,299
Cash and due from banks, ending	$ 58,585	$ 69,722	$ 35,644
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash payments for:			
Interest	$ 48,546	$ 34,321	$ 33,124
Income taxes	$ 5,921	$ 6,395	$ 5,104

(Continued)

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
Years Ended December 31, 2000, 1999 and 1998

	2000	1999	1998
	(Dollars in thousands)		
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES			
Other real estate acquired in settlement of loans	$ 316	$ 360	$ 357
Principal payments on ESOP debt	$ 337	$ 150	$ 150
Proceeds from ESOP debt	$ -	$ 2,370	$ -
Customer list acquired in exchange for common stock	$ 400	$ -	$ -
Purchase of Subsidiary:			
Purchase price	$ -	$ 27,075	$ -
Assets acquired:			
Cash and due from banks	$ -	$ 6,619	$ -
Federal funds sold	-	3,402	-
Securities available for sale	-	48,349	-
Loans held for sale	-	1,450	-
Loans	-	112,696	-
Premises and equipment	-	3,852	-
Other assets	-	10,443	-
Liabilities assumed:			
Deposits	-	(132,128)	-
Long-term debt	-	(24,823)	-
Other liabilities	-	(2,785)	-
	$ -	$ 27,075	$ -

See Accompanying Notes to Consolidated Financial Statements.

SIGNIFICANT ACCOUNTING POLICIES

Description of business:

First Busey Corporation (the Corporation) is a 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 nonfinancial 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 subsidiaries: Busey Insurance Services, Inc., Busey Travel, Inc., and BAT, Inc.; Eagle BancGroup, Inc. and its subsidiary, Busey Bank, fsb; First Busey Trust & Investment Co.; First Busey Resources, Inc.; First Busey Securities, Inc.; and Busey Investment Group Inc. All material intercompany balances and transactions have been eliminated in consolidation.

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

Use of estimates

In preparing the consolidated financial statements, the Corporation's management is required to make estimates and assumptions which significantly affect the amounts reported in the consolidated financial statements. Significant estimates which are particularly susceptible to change in a short period of time include the market value of investment securities, the determination of the allowance for loan losses and valuation of real estate and other properties acquired in connection with foreclosures or in satisfaction of amounts due from borrowers on loans. Actual results could differ from those estimates.

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 reporting 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.

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. The difference between fair value and amortized cost results in an unrealized gain or loss. Unrealized gains or losses are reported as increases or decreases in accumulated other comprehensive income, net of the related deferred tax effect, as a part of stockholders' equity. Realized gains or losses, determined on the basis of the cost of specific securities sold, are included in earnings. Where applicable, amortization of premiums and accretion of discounts are recognized in interest income using the interest method over the period to maturity.

Securities purchased with the intent to earn a profit by trading or reselling them in a short period of time are classified as trading securities and are carried at fair value. Realized and unrealized gains and losses are included in income. At December 31, 2000 and 1999, there were no securities classified in this category.

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 unpaid principal, reduced by unearned discount and fees and an allowance for loan losses.

Loan origination and commitment fees and 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.

Unearned interest on discounted loans is amortized to income over the life of the loans, using the interest method. For all other loans, interest is accrued daily on the outstanding balances. For impaired loans, accrual of interest is discontinued on a loan when management believes, after considering collection efforts and other factors that the borrower's financial condition is such that collection of interest is doubtful. Cash collections on impaired loans are credited to the loan receivable balance, and no interest income is recognized on those loans until the principal balance has been collected.

A loan is impaired when it is probable the Corporation will be unable to collect all contractual principal and interest payments due in accordance with the terms of the loan agreement. Impaired loans are measured based on the present value of expected future cash flows discounted at the loan's effective interest rate, or as a practical expedient, at the loan's observable market price or the fair value of the collateral if the loan is collateral dependent. The amount of impairment, if any, and any subsequent changes are included in the allowance for loan losses.

Allowance for loan losses

The allowance for loan losses is maintained at a level considered adequate by management to provide for known and inherent risks in the loan portfolio. The allowance is increased through a provision charged to operating expense and by recoveries applicable to loans previously charged to the allowance, and is reduced by loan balances which are considered uncollectible. The allowance is based upon continuous credit reviews of the loan portfolio and considers changes in the nature and volume of the loan portfolio, overall portfolio quality, loan concentrations, specific problem loans, current and anticipated economic conditions that may affect the borrowers' ability to pay, historical loan loss experience and other factors, which, in management's opinion, deserve current recognition in estimating loan losses.

In addition, various regulatory agencies periodically review the allowance for loan losses, and may require the Bank to make additions to the allowance based on their judgment of collectibility based on information available to them at the time of their examination.

Loans held for sale

Loans held for sale 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.

Loan servicing

The Corporation generally retains the right to service mortgage loans sold to others. The cost allocated to the mortgage servicing rights retained has been recognized as a separate asset and is being amortized in proportion to and over the period of estimated net servicing income.

Mortgage servicing rights are periodically evaluated for impairment based on the fair value of those rights. Fair values are estimated using discounted cash flows based on current market rates of interest. 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 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.

Premises and equipment

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.

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. 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.

Intangible assets

Costs in excess of the estimated fair value of identifiable net assets acquired consist primarily of goodwill, core deposit intangible and other identifiable intangible assets. Goodwill is amortized on a straight-line basis over periods not to exceed 25 years. Core deposit and other identifiable intangible assets are amortized on an accelerated basis over the estimated period benefited up to 25 years. Intangible assets, net of accumulated amortization were approximately $12,255,000 and $14,241,000 as of December 31, 2000 and 1999, respectively. Total amortization expense was approximately $2,288,000, $1,166,000 and $1,404,000 for the years ended December 31, 2000, 1999 and 1998, respectively.

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.

During the year ended December 31, 2000, the Corporation recognized an impairment write down of $600,000 on the core deposit intangible of Busey Bank, fsb. The Corporation recognized this write down due to a significant run off of the core deposit base. This write down is included in the amortization and impairment of intangible assets line item on the income statement.

Income taxes

The Corporation and its subsidiaries file consolidated Federal and State income tax returns with each organization 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.

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:

	December 31, 2000	1999	1998
Net income available to common shareholders	14,053,000	12,548,000	11,398,000
Basic average common shares outstanding	13,356,197	13,597,122	13,753,102
Dilutive potential due to stock options	246,995	317,492	281,935
Average number of common shares and dilutive potential common shares outstanding	13,603,192	13,914,614	14,035,037
Basic net income per share	$ 1.05	$ 0.92	$ 0.83
Diluted net income per share	$ 1.03	$ 0.90	$ 0.81

Stock split

In June 1998, the Board of Directors approved a two-for-one stock split for stockholders of record on July 17, 1998, and was effected on August 3, 1998. All share amounts in the consolidated financial statements have been restated to reflect the stock split.

Recent accounting pronouncements

Accounting for Derivative Instruments and Hedging Activities Statement of Financial Accounting Standard No. 133, "Accounting for Derivative Instruments and Hedging Activities" (FAS 133) establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and the resulting designation. This Statement applies to all entities. FAS 133 is effective for all fiscal quarters of fiscal years beginning after June 15, 1999. Earlier application is encouraged. The Statement is not to be applied retroactively to financial statements of prior periods. In June 1999, Statement of Financial Accounting Standard No. 137 was issued to extend the effective date by one year to all fiscal quarters of fiscal years beginning after June 15, 2000. In June 2000, Statement of Financial Accounting Standard No. 138 was issued to amend certain accounting and reporting standards of FAS 133. The Company does not believe the adoption of FAS 133, as amended by FAS 137 and 138, will have a material impact on the consolidated financial statements.

Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities In September 2000, Statement on Financial Accounting Standards No. 140 (FAS 140), "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," was issued to replace Statement on Financial Accounting Standards No. 125 (FAS 125), which was issued in June 1996. FAS 125 addressed issues related to transfers of financial assets in which the transferor has some continuing involvement with the transferred assets or with the transferee. FAS 140 resolves implementation issues which arose as a result of FAS 125, but carries forward most of FAS 125's provisions. FAS 140 is effective for transfers occurring after March 31, 2001 and for disclosures relating to securitization transactions and collateral for fiscal years ending after December 15, 2000. Management does not believe the adoption of FAS 140 will have a significant impact on its financial statements.

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.

BUSINESS COMBINATIONS

On October 29, 1999, the Corporation acquired all the outstanding common stock of Eagle BancGroup, Inc. and its subsidiary Busey Bank, fsb, an $184,000,000 thrift located in Bloomington, Illinois. This acquisition 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 $27,075,000 was allocated based upon the fair value of the assets acquired. The excess of the total acquisition cost over the fair value of the net assets acquired of $8,903,000 is being amortized over periods up to twenty years using the straight-line method.

Pro forma unaudited operating results, giving effect to the Eagle BancGroup, Inc. acquisition as if it had occurred on January 1, 1998 is as follows:

	1999	1998
Interest income	$ 82,963	$ 79,546
Interest expense	41,296	40,891
Provision for loan losses	2,770	940
Noninterest income	17,208	15,241
Noninterest expense	38,083	35,377
Income before income taxes	18,022	17,579
Income taxes	5,530	5,499
Net income	$ 12,492	$ 12,080
Earnings per share - basic	$ 0.92	$ 0.88
Earnings per share - diluted	$ 0.90	$ 0.86

CASH AND DUE FROM BANKS

The Corporation's banking and thrift subsidiaries are required to maintain certain cash reserve balances with the Federal Reserve Bank of Chicago, which may be offset by cash on hand. The required reserve balances as of December 31, 2000 and 1999 were approximately $6,103,000 and $5,329,000, respectively.

In October 1997, the Corporation's bank subsidiary established a clearing balance requirement of $2,000,000 with the Federal Reserve Bank of Chicago to use Federal Reserve Bank services. As of December 31, 2000 and 1999, 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.

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, 2000:				
U.S. Treasury securities and obligations of U.S. government corporations and agencies	$ 162,311	$ 720	$ 145	$ 162,886
Obligations of states and political subdivisions	42,612	788	203	43,197
Corporate securities	5,076	42	75	5,043
Other debt securities	1,992	-	-	1,992
	211,991	1,550	423	213,118
Equity securities	6,799	8,686	6	15,479
	$ 218,790	$ 10,236	$ 429	$ 228,597

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(Dollars in thousands)			
December 31, 1999:				
U.S. Treasury securities and obligations of U.S. government corporations and agencies	$ 166,996	$ -	$ 2,431	$ 164,565
Obligations of states and political subdivisions	42,275	443	1,164	41,554
Corporate securities	5,358	1	98	5,261
Other debt securities	587	-	-	587
	215,216	444	3,693	211,967
Equity securities	6,385	6,721	27	13,079
	$ 221,601	$ 7,165	$ 3,720	$ 225,046

The amortized cost and fair value of securities, other than equity securities, as of December 31, 2000, by contractual maturity, are shown below.

	Amortized Cost	Fair Value
	(Dollars in thousands)	
Due in one year or less	$ 100,341	$ 100,436
Due after one year through five years	87,742	88,496
Due after five years through ten years	20,526	20,714
Due after ten years	3,382	3,472
	$ 211,991	$ 213,118

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

	For the Years Ended December 31,		
	2000	1999	1998
Gross security gains	$ 973	$ 1,060	$ 1,253
Gross security losses	(236)	(25)	(10)
NET SECURITY GAINS	$ 737	$ 1,035	$ 1,243

Investment securities with carrying values of $178,117,000 and $169,099,000 on December 31, 2000 and 1999, 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.

LOANS

The composition of loans is as follows:

	December 31, 2000	December 31, 1999
	(Dollars in thousands)	
Commercial	$ 124,052	$ 119,800
Real estate construction	75,672	52,479
Real estate - farmland	15,411	15,841
Real estate - 1 to 4 family residential mortgage	398,734	343,739
Real estate - multifamily mortgage	61,954	63,805
Real estate - non-farm nonresidential mortgage	231,230	213,156
Installment	50,980	52,355
Agricultural	20,844	20,126
	978,877	881,301
Less:		
Unearned interest	-	107
	978,877	881,194
Less:		
Allowance for loan losses	12,268	10,403
NET LOANS	$ 966,609	$ 870,791

The amount of loans serviced by the Corporation for the benefit of others is not included in the accompanying consolidated balance sheets. The unpaid principal balances of these loans were $184,419,000, $212,600,000 and $125,754,000 as of December 31, 2000, 1999 and 1998, respectively.

The loan portfolio includes a concentration of loans for commercial real estate amounting to approximately $293,184,000 and $276,961,000 as of December 31, 2000 and 1999, 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 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 reflected by changing economic conditions and the economic prospects of borrowers.

The following table presents data on impaired loans:

	2000	1999	1998
	(Dollars in thousands)		
Impaired loans for which an allowance has been provided	$ -	$ -	$ -
Impaired loans for which no allowance has been provided	92	246	127
Total loans determined to be impaired	$ 92	$ 246	$ 127
Allowance for loan loss for impaired loans included in the allowance for loan losses	$ -	$ -	$ -
Average recorded investment in impaired loans	$ 170	$ 203	$ 219
Interest income recognized from impaired loans	$ -	$ -	$ 4
Cash basis interest income recognized from impaired loans	$ -	$ -	$ 9

ALLOWANCE FOR LOAN LOSSES

Changes in the allowance for loan losses were as follows:

	Years Ended December 31,		
	2000	1999	1998
	(Dollars in thousands)		
Balance, beginning of year	$ 10,403	$ 7,101	$ 6,860
Allowance associated with acquisition	-	1,101	-
Provision for loan losses	2,515	2,570	700
Recoveries applicable to loan balances previously charged off	124	182	145
Loan balances charged off	(774)	(551)	(604)
Balance, ending of year	$ 12,268	$ 10,403	$ 7,101

PREMISES AND EQUIPMENT

Premises and equipment are summarized as follows:

	December 31, 2000	December 31, 1999
	(Dollars in thousands)	
Land	$ 7,101	$ 7,225
Buildings and improvements	30,999	26,208
Furniture and equipment	18,945	15,342
	57,045	48,775
Less accumulated depreciation	25,792	20,128
	$ 31,253	$ 28,647

Depreciation expense was $3,742,000, $3,314,000 and $2,606,000 for the years ended December 31, 2000, 1999 and 1998, respectively.

DEPOSITS

The aggregate amount of time deposits with a minimum denomination of $100,000 was approximately $167,357,000 and $106,971,000 at December 31, 2000 and 1999, respectively.

As of December 31, 2000, the scheduled maturities of certificates of deposit, in thousands, are as follows:

2001	$ 422,348
2002	81,896
2003	27,851
2004	6,743
2005	6,059
Thereafter	971
	$ 545,868

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.

SHORT-TERM BORROWINGS

Short-term borrowings are summarized as follows:

	December 31, 2000	December 31, 1999
Notes payable, American National Bank of Chicago, due January 19, 2001, interest payable quarterly:		
$10,000,000 line of credit, at LIBOR plus 1.40% (effective rate of 8.29375% at December 31, 2000), collateralized by all of the common stock of Busey Bank and Busey Bank fsb	$ 5,000	$ 5,750
$27,000,000 line of credit, at LIBOR plus 1.40% (effective rate of 8.29375% at December 31, 2000), collateralized by all of the common stock of Busey Bank and Busey Bank fsb	25,000	26,957
$2,370,000 line of credit, at LIBOR plus 1.40% (effective rate of 8.29375% at December 31, 2000), collateralized by 120,000 shares of First Busey Corporation common stock owned by employee stock ownership plan	2,133	-
$250,000 line of credit, at LIBOR plus 1.40% (effective rate of 8.29375% at December 31, 2000), collateralized by 120,000 shares of First Busey Corporation common stock owned by employee stock ownership plan	150	-
LIBOR plus 1.50%, collateralized by 20,000 shares of First Busey Corporation common stock owned by employee stock ownership plan	-	250
LIBOR plus 1.40%, collateralized by 100,000 shares of First Busey Corporation common stock owned by employee stock ownership plan	-	2,370
Notes payable, 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:		
Fixed rate at 5.68%, monthly installment of interest through February 7, 2000, balance due February 7, 2000	-	3,000
One-month LIBOR flat with monthly reset, monthly installment of interest through February 14, 2000, balance due February 14, 2000	-	5,000
Fixed rate at 5.74%, monthly installment of interest through March 6, 2000, balance due March 6, 2000	-	5,000
	$ 32,283	$ 48,327

In August 1997, the employee stock ownership plan borrowed $250,000 to acquire additional shares. The employee stock ownership plan borrowed $2,370,000 to acquire additional shares in December, 1999.

LONG-TERM BORROWINGS

Long-term borrowings are summarized as follows:

	December 31, 2000	December 31, 1999
	(Dollars in thousands)	
Notes payable, 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		
Fixed rate at 5.30%, monthly installment of interest through January 16, 2008, balance due January 16, 2008, redeemable by issuer on January 16, 2003	$ 5,000	$ 5,000
Fixed rate at 5.01%, monthly installment of interest through February 17, 2008, balance due February 17, 2008, redeemable by issuer on February 17, 2001 and quarterly thereafter	10,000	10,000
Fixed rate at 5.55%, monthly installment of interest through September 3, 2003, balance due September 3, 2003	5,000	5,000
Fixed rate at 5.49%, monthly installment of interest through February 19, 2004, balance due February 19, 2004	5,000	5,000
Fixed rate at 4.95%, monthly installment of interest through January 16, 2008, balance due January 16, 2008, redeemable by issuer on January 16, 2001 and quarterly thereafter	4,992	4,966
Fixed rate at 5.07%, monthly installment of interest through February 27, 2008, balance due February 27, 2008, redeemable by issuer on February 27, 2001 and quarterly thereafter	1,997	1,988
Fixed rate at 4.30%, monthly installment of interest through October 6, 2008, balance due October 6, 2008, redeemable by issuer on October 5, 2001 and quarterly thereafter	2,987	2,950
Fixed rate at 6.58%, monthly installment of interest through February 28, 2001, balance due February 28, 2001	5,000	-
Fixed rate at 6.60%, monthly installment of interest through March 20, 2002, balance due March 20, 2002	2,000	-

Fixed rate at 6.60%, monthly installment of interest through March 20, 2002, balance due March 20, 2002	2,000	-
Three month LIBOR less 7 basis points (effective rate of 6.4663% at December 31, 2000), monthly installment of interest through March 20, 2001, balance due March 20, 2001, redeemable by issuer on June 20, 2000 and quarterly thereafter	5,000	-
Fixed rate at 6.54%, monthly installment of interest through March 22, 2002, balance due March 22, 2002	4,000	-
Fixed rate at 6.08%, monthly installment of interest through February 21, 2000, balance due February 21, 2000	-	5,000
Fixed rate at 5.50%, monthly installment of interest through June 16, 2000, balance due June 16, 2000	-	1,000
Fixed rate at 5.59%, monthly installment of interest through July 24, 2000, balance due July 24, 2000	-	5,000
Fixed rate at 5.71%, monthly installment of interest through June 18, 2002, balance due June 18, 2002, redeemable by issuer June 18, 1998, and quarterly thereafter	-	4,965
Fixed rate at 5.40%, monthly installment of interest through August 8, 2002, balance due August 8, 2002, redeemable by issuer on August 8, 1998 and quarterly thereafter	-	2,997
Fixed rate at 4.20%, monthly installment of interest through October 6, 2008, balance due October 6, 2008, redeemable by issuer on October 5, 2000 and quarterly thereafter	-	1,983
	$ 52,976	$ 55,849

The notes listed above are collateralized by all unpledged U.S. Treasury and U.S. Agency securities, first mortgages on residential real estate and Federal Home Loan Bank of Chicago stock.

As of December 31, 2000, the scheduled maturities of long-term debt, in thousands, are as follows:

2001	$ 10,000
2002	8,000
2003	5,000
2004	5,000
2005	-
Thereafter	24,976
	$ 52,976

The Corporation had letters of credit outstanding with the Federal Home Loan Bank of Chicago for $51,660,000 and $15,000,000 at December 31, 2000 and 1999, respectively. There were no claims on the letters of credit as of December 31, 2000 and 1999.

INCOME TAXES

The components of income taxes consist of:

	Years Ended December 31,		
	2000	1999	1998
	(Dollars in thousands)		
Current	$ 6,950	$ 6,139	$ 5,404
Deferred	287	(737)	(299)
TOTAL INCOME TAX EXPENSE	$ 7,237	$ 5,402	$ 5,105

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,					
	2000		1999		1998	
	Amount	% of Pretax Income	Amount	% of Pretax Income	Amount	% of Pretax Income
	(Dollars in thousands)					
Income tax at statutory rate	$ 7,452	35.0 %	$ 6,283	35.0 %	$ 5,776	35.0 %
Effect of:						
Benefit of income taxed at lower rates	(100)	(0.5)%	(100)	(0.6)%	(100)	(0.6)%
Tax-exempt interest, net	(759)	(3.5)%	(830)	(4.6)%	(673)	(4.1)%
Amortization of intangibles	615	2.9 %	251	1.4 %	186	1.1 %
Other	29	0.1 %	(202)	(1.1)%	(84)	(0.5)%
	$ 7,237	34.0 %	$ 5,402	30.1 %	$ 5,105	30.9 %

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

	2000	1999
	(Dollars in thousands)	
Deferred tax liability	$ (5,901)	$ (2,751)
Deferred tax asset	5,561	5,217
Valuation allowance for deferred tax assets	-	-
NET DEFERRED TAX ASSET (LIABILITY)	$ (340)	$ 2,466

The tax effects of principal temporary differences are shown in the following table:

	2000	1999
	(Dollars in thousands)	
Investment securities:		
Unrealized gain on securities available for sale	$ (3,890)	$ (1,371)
Other	(19)	168
Basis in premises and equipment	(1,171)	(691)
Allowance for loan losses	4,867	4,127
Property acquired in settlement of loans	(14)	(32)
Loans held for sale	31	7
Mortgage servicing assets	(167)	(198)
Deferred loan fees	(303)	(252)
Basis in deposit intangibles	187	(116)
Deferred compensation	85	657
Performance/restricted stock	-	4
State net operating loss carryforward	250	254
Other	(196)	(91)
NET DEFERRED TAX ASSET (LIABILITY)	$ (340)	$ 2,466

State net operating loss carryforwards of approximately $5,347,000 are available to offset future taxable income. The carryforwards expire as follows: 2005 - $1,907,000; 2006 - $1,002,000; 2010 - $986,000 and 2011 - $1,452,000.

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 Statement of Position 93-6, "Employers' Accounting for Employee Stock Ownership Plans" for shares purchased prior to December 31, 1992.

As permitted by AICPA Statement of Position (SOP) 93-6, compensation expense for shares released during 1999 and 1998 is equal to the original acquisition cost of the shares if they were acquired prior to December 31, 1992. During the year ended December 31, 1999 and 1998, $150,000 of compensation expense was recognized for ESOP shares acquired prior to December 31, 1992, releasing 44,286 common shares to participant accounts, and is reflected in the chart below under "Employee Benefits." During 1999 and 1998, no shares were released that were acquired by the ESOP after December 31, 1992. During 2000, $337,000 of compensation expense was recognized for the ESOP, releasing 18,000 shares to participant accounts, and is reflected in the chart below under "Employee Benefits". For such shares, compensation expense would be equal to the fair market value of the shares released. Compensation expense related to the ESOP plan, including related interest expense, was $488,000, $203,000 and $189,000 in the years ended December 31, 2000, 1999 and 1998.

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

	2000	1999
Allocated shares	791,138	831,091
Unallocated shares	-	-
TOTAL	791,138	831,091
Fair value of allocated shares at December 31	$ 15,773,000	$ 18,803,000

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

	2000		1999	
	Shares	Fair Value	Shares	Fair Value
Allocated shares	18,000	$ 359,000	-	$ -
Unallocated shares	102,000	2,034,000	120,000	2,715,000
TOTAL	120,000	$2,393,000	120,000	$2,715,000

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 $361,000, $652,000 and $637,000 for the years ended December 31, 2000, 1999 and 1998, respectively.

Employer contributions to the employee benefit plans are included in the statements of income as follows:

	Years Ended December 31,		
	2000	1999	1998
	(Dollars in thousands)		
Employee benefits	$ 849	$ 855	$ 826
Interest on employee stock ownership plan debt	151	53	39
TOTAL EMPLOYER CONTRIBUTIONS	$ 1,000	$ 908	$ 865

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 900,000 shares of common stock 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. In March 1996, the Board of Directors approved an increase in the number of shares reserved for issuance as stock options from 900,000 to 1,500,000.

In January of 1999, the Corporation adopted the 1999 Stock Option Plan pursuant to which nonqualified stock options for up to 500,000 shares of common stock 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.

A summary of the status of the Corporation's stock option plan for the years ended December 31, 2000, 1999 and 1998 and the changes during the years ending on those dates is as follows:

	2000		1999		1998	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Outstanding at beginning of year	668,642	$ 12.23	715,622	$ 10.82	659,606	$ 9.34
Granted	62,000	19.88	67,000	18.25	129,542	16.71
Exercised	-	-	(97,280)	6.02	(56,926)	7.42
Terminated and reissuable	(11,600)	14.67	(16,700)	12.49	(16,600)	9.69
Outstanding at end of year	719,042	$ 12.68	668,642	$ 12.23	715,622	$ 10.82
Exercisable at end of year	64,000	$ 18.25	-	$ -	94,880	$ 5.81
Weighted-average fair value per option of options granted during the year		$ 3.19		$ 6.72		$ 4.17

The following table summarizes information about stock options outstanding at December 31, 2000:

	Options Outstanding		Options Exercisable
Exercise Prices	Number Outstanding	Weighted-Average Remaining Contractual Life	Number Outstanding
$ 8.75	285,000	1 year	-
9.25	12,000	1 year	-
12.13	126,800	3 years	-
13.75	52,000	1 year	-
16.75	120,242	3.75 years	-
18.25	64,000	2.96 years	64,000
20.06	54,000	3.96 years	-
17.88	5,000	4 years	-
	719,042	2.23 years	64,000

Grants under the above plan are accounted for following APB No. 25 and related Interpretations. Accordingly, no compensation cost has been recognized for grants under this plan. Had compensation cost for stock-based compensation been determined based on the grant date fair values of awards (the method described in SFAS 123), reported net income and earnings per common share would have been reduced to the pro forma amounts shown below:

	2000	1999	1998
Net income (in thousands):			
As reported	$ 14,053	$ 12,548	$ 11,398
Pro forma	$ 13,809	$ 12,119	$ 11,254
Basic earnings per share:			
As reported	$ 1.05	$ 0.92	$ 0.83
Pro forma	$ 1.03	$ 0.89	$ 0.82
Diluted earnings per share:			
As reported	$ 1.03	$ 0.90	$ 0.81
Pro forma	$ 1.02	$ 0.87	$ 0.80

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.

	2000		1999	1998
	Block 1	Block 2		
Number of options granted	57,000	5,000	67,000	128,942
Risk-free interest rate	4.90%	4.90%	5.84%	5.46%
Expected life, in years	4	4	4	5
Expected volatility	19.89%	19.89%	16.20%	12.05%
Expected dividend yield	2.41%	2.41%	1.94%	2.10%
Estimated fair value per option	$ 3.10	$ 4.22	$ 6.72	$ 4.17

An additional 600 options granted in 1998 vested and were exercised during the year ended December 31, 1998.

Restricted Stock Award Plan:

The 1993 Restricted Stock Award Plan provides for restricted stock awards of up to 450,000 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, 2000, there were 100 shares under grant with performance restrictions allowed by the plan which expire December 31, 2001.

	Number of Shares		
	2000	1999	1998
Under restriction, beginning of year	4,000	8,200	13,200
Granted	700	-	-
Restrictions released	4,600	4,000	-
Forfeited and reissuable	-	200	5,000
Under restriction, end of year	100	4,000	8,200
Available to grant, end of year	408,400	409,100	408,900

Compensation expense is recognized for financial statement purposes over the period of performance. Compensation expense of $22,000, $21,000, and $(5,000) was recognized for financial statement purposes during the years ended December 31, 2000, 1999, and 1998, respectively. There was no compensation expense recognized for income tax purposes in any of the years ended December 31, 2000, 1999, and 1998.

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, 2000:

Balance at the beginning of year	$ 5,535
New loans	1,873
Repayments	2,308
Balance at end of year	$ 5,100

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 the 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, 2000, that the Corporation and the Banks meet all capital adequacy requirements to which they are subject.

As of December 31, 2000, 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.

	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, 2000:						
Total Capital (to Risk Weighted Assets)						
Consolidated	$89,944	9.43%	$ 76,303	8.0%	N/A	N/A
Busey Bank	$86,878	11.90%	$ 58,386	8.0%	$72,983	10.0%
Busey Bank fsb	$20,471	9.69%	$ 16,901	8.0%	$21,127	10.0%
Tier I Capital (to Risk Weighted Assets)						
Consolidated	$74,111	7.77%	$ 38,152	4.0%	N/A	N/A
Busey Bank	$74,176	10.16%	$ 29,193	4.0%	$43,790	6.0%
Busey Bank fsb	$18,031	8.53%	$ 8,451	4.0%	$12,676	6.0%
Tier I Capital (to Average Assets)						
Consolidated	$74,111	5.71%	$ 51,938	4.0%	N/A	N/A
Busey Bank	$74,176	7.36%	$ 40,334	4.0%	$50,418	5.0%
Busey Bank fsb	$18,031	6.49%	$ 11,111	4.0%	$13,888	5.0%

	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, 1999:						
Total Capital (to Risk Weighted Assets)						
Consolidated	$79,122	9.40%	$ 67,328	8.0%	N/A	N/A
Busey Bank	$84,773	11.88%	$ 57,132	8.0%	$71,415	10.0%
First Federal	$17,091	15.06%	$ 9,081	8.0%	$11,351	10.0%
Tier I Capital (to Risk Weighted Assets)						
Consolidated	$65,706	7.81%	$ 33,664	4.0%	N/A	N/A
Busey Bank	$73,335	10.28%	$ 28,536	4.0%	$42,804	6.0%
First Federal	$15,958	14.06%	$ 4,540	4.0%	$ 6,810	6.0%
Tier I Capital (to Average Assets)						
Consolidated	$65,706	5.62%	$ 46,794	4.0%	N/A	N/A
Busey Bank	$73,335	7.06%	$ 41,847	4.0%	$52,309	5.0%
First Federal	$15,958	9.13%	$ 6,993	4.0%	$ 8,742	5.0%

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.

The Corporation and its subsidiaries are parties to 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, standby letters of credit and financial guarantees. Those instruments involve, to varying degrees, elements of credit and interest rate risk. The contract or notional amounts of those instruments reflect the extent of involvement the Corporation has in particular classes of financial instruments.

The Corporation and its subsidiaries' exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and standby letters of credit and financial guarantees written is represented by the contractual amount of those instruments. The Corporation and its subsidiaries use the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments.

Unless noted otherwise, the Corporation and its subsidiaries do not require collateral or other security to support financial instruments with credit risk.

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

	December 31,	
	2000	1999
	(Dollars in thousands)	
Financial instruments whose contract amounts represent credit risk:		
Commitments to extend credit	$ 182,736	$ 164,262
Standby letters of credit	2,640	5,424

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. 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. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The customer's credit worthiness is evaluated on a case-by-case basis. 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 counterparty. Collateral held varies but may include accounts receivable, inventory, property and equipment and income-producing commercial properties.

Standby letters of credit are conditional commitments issued by the Corporation to guarantee the performance of a customer to a third party. Those letters of credit are primarily issued to support public and private borrowing arrangements, including bond financing and similar transactions. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers.

As of December 31, 2000, the Corporation has no futures, forwards, swaps or option contracts, or other financial instruments with similar characteristics.

Lease Commitments

At December 31, 2000, 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 $715,000, $609,000, and $632,000 for the years ended December 31, 2000, 1999 and 1998, respectively.

The projected minimum rental payments under the terms of the leases at December 31, 2000, in thousands, are as follows:

2001	$ 659
2002	588
2003	448
2004	439
2005	427
Thereafter	1,643
	$ 4,204

DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value:

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.

Loans

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. 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 and securities sold under agreements to repurchase is estimated using the rates currently offered for deposits of similar remaining maturities. 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.

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, 2000 and 1999, these items are immaterial in nature.

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

	2000		1999	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(Dollars in thousands)			
Financial assets:				
Cash and cash equivalents	$ 93,285	$ 93,285	$ 83,222	$ 83,222
Securities	228,597	228,597	225,046	225,046
Loans, net	972,101	970,391	876,281	873,018
Accrued interest receivable	10,035	10,035	8,926	8,926
Financial liabilities:				
Deposits	1,148,787	1,148,639	1,027,981	1,026,169
Securities sold under agreements to repurchase	18,890	18,840	23,580	23,580
Short-term borrowings	32,283	32,283	48,327	48,327
Long-term debt	52,976	52,472	55,849	53,866
Accrued interest payable	6,460	6,460	4,530	4,530

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.

REPORTABLE SEGMENTS AND RELATED INFORMATION

First Busey Corporation has three reportable segments, Busey Bank, First Busey Trust & Investment Co., and Busey Bank fsb. Busey Bank provides a full range of banking services to individual and corporate customers through its branch network in central Illinois, through its branch in Indianapolis, Indiana, and through its loan production office in Fort Myers, Florida. First Busey Trust & Investment Co. provides trust and asset management services to individual and corporate customers throughout central Illinois. Busey Bank fsb provides a full range of banking services to individuals and corporate customers in McLean County and the surrounding communities.

The Corporation's three 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 three segments are the same as those described in the summary of significant accounting policies. The Corporation accounts for intersegment revenue and transfers at current market value.

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

December 31, 2000

	Busey Bank	Busey Bank, fsb (formerly First Federal Savings & Loan	First Busey Trust & Investment Co.	All Other	Totals	Eliminations	Consolidated Totals
Interest income	$ 75,634	$ 17,342	$ 179	$ 140	$ 93,295	$ (53)	$ 93,242
Interest expense	38,374	9,439	-	2,564	50,377	99	50,476
Other income	10,106	1,149	4,411	20,806	36,472	(18,184)	18,288
Total income	85,740	18,491	4,590	20,946	129,767	(18,237)	111,530
Net income	13,564	919	1,459	14,393	30,335	(16,282)	14,053
Total assets	1,051,969	297,803	3,485	134,222	1,487,479	(132,435)	1,355,044

December 31, 1999

	Busey Bank	First Federal Savings & Loan	First Busey Trust & Investment Co.	All Other	Totals	Eliminations	Consolidated Totals
Interest income	$ 69,908	$ 2,064	$ 191	$ 148	$ 72,311	$ 0	$ 72,311
Interest expense	32,997	1,130	-	768	34,895	25	34,920
Other income	9,731	108	4,056	18,167	32,062	(15,870)	16,192
Total income	79,639	2,172	4,247	18,315	104,373	(15,870)	88,503
Net income	12,191	384	1,304	13,460	27,339	(14,791)	12,548
Total assets	1,050,137	182,752	3,299	154,976	1,391,164	(144,041)	1,247,123

December 31, 1998

	Busey Bank	First Busey Trust & Investment Co.	All Other	Totals	Eliminations	Consolidated Totals
Interest income	$ 66,778	$ 165	$ 108	$ 67,051	$ (3)	$ 67,048
Interest expense	31,966	-	971	32,937	38	32,975
Other income	8,003	3,490	16,434	27,927	(14,397)	13,530
Total income	74,781	3,655	16,542	94,978	(14,400)	80,578
Net income	11,758	1,175	11,877	24,810	(13,412)	11,398
Total assets	937,710	3,360	103,617	1,044,687	(93,156)	951,531

PARENT COMPANY ONLY FINANCIAL INFORMATION

Condensed financial data for First Busey Corporation is presented below.

BALANCE SHEETS

	December 31, 2000	December 31, 1999
	(Dollars in thousands)	
ASSETS		
Cash and due from subsidiary bank	$ 241	$ 351
Securities available for sale	1,698	1,899
Investments in subsidiaries:		
Bank	108,591	104,921
Non-bank	10,443	8,294
Premises and equipment, net	27	3
Other assets	3,881	4,316
TOTAL ASSETS	$ 124,881	$ 119,784
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Short-term corporate borrowings	$ 30,000	$ 32,707
Short-term ESOP borrowings	2,283	2,620
Other liabilities	273	2,173
TOTAL LIABILITIES	32,556	37,500
Stockholders' equity before unearned ESOP shares and deferred compensation for restricted stock awards	94,609	84,914
Unearned ESOP shares and deferred compensation for restricted stock awards	(2,284)	(2,630)
STOCKHOLDERS' EQUITY	92,325	82,284
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 124,881	$ 119,784

STATEMENTS OF INCOME

	Years Ended December 31,		
	2000	1999	1998
	(Dollars in thousands)		
Operating income:			
Dividends from subsidiaries:			
Bank	$ 14,138	$ 9,000	$ 18,000
Non-bank	2,825	1,850	975
Interest and dividend income	52	75	40
Other income	1,115	790	820
TOTAL OPERATING INCOME	18,130	11,715	19,835
Expenses:			
Salaries and employee benefits	1,040	1,006	957
Interest expense	2,563	768	971
Operating expense	1,096	1,344	1,543
TOTAL EXPENSES	4,699	3,118	3,471
INCOME BEFORE INCOME TAX BENEFIT AND EQUITY IN UNDISTRIBUTED INCOME OF SUBSIDIARIES	13,431	8,597	16,364
Income tax benefit	1,378	776	872
INCOME BEFORE EQUITY IN UNDISTRIBUTED INCOME OF SUBSIDIARIES	14,809	9,373	17,236
Equity in undistributed income of subsidiaries:			
Bank	(574)	3,562	(6,242)
Non-bank	(182)	(387)	404
NET INCOME	$ 14,053	$ 12,548	$ 11,398

STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
	2000	1999	1998
	(Dollars in thousands)		
Cash Flows from Operating Activities			
Net income	$ 14,053	$ 12,548	$ 11,398
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	430	592	872
Equity in undistributed net income of subsidiaries	756	(3,175)	5,838
Noncash dividends from subsidiaries	(2,137)	-	-
Stock-based compensation	181	-	-
Gain on sales of securities	(123)	(25)	(58)
(Gain) loss on disposal of premises and equipment	-	-	11
Changes in assets and liabilities:			
Decrease (increase) in other assets	167	(138)	(213)
Increase (decrease) in other liabilities	(1,900)	498	389
NET CASH PROVIDED BY OPERATING ACTIVITIES	11,427	10,300	18,237
Cash Flows from Investing Activities			
Proceeds from sales of securities available for sale	279	238	86
Purchases of securities available for sale	(277)	(81)	(203)
Purchases of premises and equipment	(37)	(3)	(1)
Capital contribution to subsidiary	-	(27,075)	(10,000)
NET CASH (USED IN) INVESTING ACTIVITIES	(35)	(26,921)	(10,118)
Cash Flows from Financing Activities			
Proceeds from short-term borrowings	1,925	29,357	11,000
Principal payments on short-term borrowings	(4,632)	(2,150)	(11,500)
Purchases of treasury stock	(2,385)	(5,850)	(2,747)
Proceeds from sales of treasury stock	-	1,411	586
Dividends paid	(6,410)	(6,004)	(5,381)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(11,502)	16,764	(8,042)
NET (DECREASE) INCREASE IN CASH AND DUE FROM BANKS	(110)	143	77
Cash and due from banks, beginning	351	208	131
Cash and due from banks, ending	$ 241	$ 351	$ 208

STATEMENTS OF CASH FLOWS (Continued)

	Years Ended December 31, 2000	1999	1998
	(Dollars in thousands)		
Supplemental Schedule of Noncash Investing and Financing Activities			
Principal payments on ESOP debt	$ 337	$ 150	$ 150
Proceeds from ESOP debt	$ -	$ 2,370	$ -
Issuance of treasury stock for acquisition of customer list	$ 400	$ -	$ 825
Change in unrealized gain on securities available for sale - holding company	$ (322)	$ 38	$ 216
Increase in deferred income taxes attributable to the unrealized gain on securities available for sale - holding company	$ 128	$ (63)	$ (76)
Change in unrealized gain on securities available for sale - subsidiaries	$ 6,684	$ (4,700)	$ 858
Transfer of bank subsidiaries to holding company	$ 2,137	$ -	$ -

UNAUDITED INTERIM FINANCIAL DATA

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

	2000			
	December 31	September 30	June 30	March 31
Interest income	$ 24,885	$ 24,026	$ 22,587	$ 21,744
Interest expense	14,099	13,111	11,801	11,465
Net interest income	10,786	10,915	10,786	10,279
Provision for loan losses	840	690	595	390
Noninterest income	4,942	4,338	4,616	4,392
Noninterest expense	10,750	9,055	8,729	8,715
Income before income taxes	4,138	5,508	6,078	5,566
Income taxes	1,157	1,975	2,146	1,959
Net income	$ 2,981	$ 3,533	$ 3,932	$ 3,607
Basic earnings per share	$ 0.22	$ 0.27	$ 0.29	$ 0.27
Diluted earnings per share	$ 0.22	$ 0.26	$ 0.29	$ 0.26

	1999			
	December 31	September 30	June 30	March 31
Interest income	$ 20,766	$ 18,058	$ 16,889	$ 16,598
Interest expense	10,824	8,643	7,765	7,688
Net interest income	9,942	9,415	9,124	8,910
Provision for loan losses	1,670	300	300	300
Noninterest income	4,861	3,820	3,951	3,560
Noninterest expense	9,221	8,044	7,873	7,925
Income before income taxes	3,912	4,891	4,902	4,245
Income taxes	1,115	1,437	1,544	1,306
Net income	$ 2,797	$ 3,454	$ 3,358	$ 2,939
Basic earnings per share	$ 0.21	$ 0.25	$ 0.25	$ 0.21
Diluted earnings per share	$ 0.20	$ 0.25	$ 0.24	$ 0.21

MANAGEMENT REPORT
BUSEY BANK
AS OF DECEMBER 31, 2000

FINANCIAL STATEMENTS

Management of Busey Bank is responsible for the preparation, integrity and fair presentation of its published financial statements as of December 31, 2000, and for the year then ended. The financial statements have been prepared in accordance with generally accepted accounting principles and, as such, include amounts, some of which are based on judgments and estimates of management.

INTERNAL CONTROLS

Management is responsible for establishing and maintaining effective internal control over financial reporting. The internal control system contains monitoring mechanisms, and actions are taken to correct deficiencies identified.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal control may vary over time.

Management assessed its internal control over financial reporting as of December 31, 2000. This assessment was based on criteria for effective internal control over financial reporting described in "Internal Control - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management believes that Busey Bank maintained effective internal control over financial reporting as of December 31, 2000.

DESIGNATED LAWS

Management is also responsible for compliance with the federal and state laws and regulations relating to safety and soundness, including those designated laws and regulations regarding dividend restrictions and loans to insiders. Based on our assessment, management believes Busey Bank complied, in all material respects, with those designated laws and regulations for the year ended December 31, 2000.

//Douglas C. Mills//

Douglas C. Mills, Chairman of the Board
First Busey Corporation (Holding Company)

//P. David Kuhl//

P. David Kuhl, President
Busey Bank

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors
Busey Bank
Urbana, Illinois

We have examined management's assertion that Busey Bank, a wholly owned subsidiary of First Busey Corporation, maintained a system of internal control over financial reporting which is designed to provide reasonable assurance to the Bank's management and Board of Directors regarding the preparation of reliable published financial statements as of December 31, 2000, included in the accompanying management report.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included obtaining an understanding of the internal control structure over financial reporting, testing and evaluating the design and operating effectiveness of the internal control structure, and such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Because of inherent limitations in any internal control structure, errors or irregularities may occur and not be detected. Also, projections of any evaluation of the internal control structure over financial reporting to future periods are subject to the risk that the internal control structure may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assertions that Busey Bank maintained a system of internal control over financial reporting which is designed to provide reasonable assurance to the Bank's management and Board of Directors regarding the preparation of reliable published financial statements as of December 31, 2000, is fairly stated, in all material respects, based upon criteria established in "Internal Control - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

//McGladrey & Pullen, LLP//

Champaign, Illinois
February 8, 2001