UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

x Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Quarterly Period Ended 3/31/2015

o Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File No. 0-15950

FIRST BUSEY CORPORATION

(Exact name of registrant as specified in its charter)

Nevada	**37-1078406**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
100 W. University Ave. **Champaign, Illinois**	**61820**
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code: **(217) 365-4544**

N/A
(Former name, former address and former fiscal year, if changed since last report)

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 o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o	Accelerated filer x
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes o No x

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

Class	Outstanding at May 8, 2015
Common Stock, $.001 par value	86,897,255

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FIRST BUSEY CORPORATION and Subsidiaries
CONSOLIDATED BALANCE SHEETS

March 31, 2015 and December 31, 2014
(Unaudited)

	March 31, 2015	December 31, 2014
	(dollars in thousands)	
Assets		
Cash and due from banks (interest-bearing 2015 $340,005; 2014 $243,769)	$ 428,936	$ 339,438
Securities available for sale, at fair value	831,614	759,065
Securities held to maturity, at amortized cost	35,037	2,373
Loans held for sale	18,685	10,400
Loans (net of allowance for loan losses 2015 $47,652; 2014 $47,453)	2,418,514	2,357,837
Premises and equipment, net	64,996	63,974
Goodwill	25,510	20,686
Other intangible assets	9,856	6,687
Cash surrender value of bank owned life insurance	42,028	41,470
Deferred tax asset, net	20,446	22,173
Other assets	41,562	41,504
Total assets	$ 3,937,184	$ 3,665,607
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Noninterest-bearing	$ 718,738	$ 666,607
Interest-bearing	2,465,147	2,234,241
Total deposits	$ 3,183,885	$ 2,900,848
Securities sold under agreements to repurchase	183,675	198,893
Long-term debt	50,000	50,000
Junior subordinated debt owed to unconsolidated trusts	55,000	55,000
Other liabilities	24,824	27,227
Total liabilities	$ 3,497,384	$ 3,231,968
Stockholders' Equity		
Series C Preferred stock, $.001 par value, 72,664 shares authorized, issued and outstanding, $1,000.00 liquidation value per share	$ 72,664	$ 72,664
Common stock, $.001 par value, authorized 200,000,000 shares; shares issued — 88,287,132	88	88
Additional paid-in capital	593,609	593,687
Accumulated deficit	(207,213)	(210,384)
Accumulated other comprehensive income	8,233	5,817
Total stockholders' equity before treasury stock	$ 467,381	$ 461,872
Common stock shares held in treasury at cost — 2015 1,390,690; 2014 1,426,323	(27,581)	(28,233)
Total stockholders' equity	$ 439,800	$ 433,639
Total liabilities and stockholders' equity	$ 3,937,184	$ 3,665,607
Common shares outstanding at period end	86,896,442	86,860,809

See accompanying notes to unaudited consolidated financial statements.

FIRST BUSEY CORPORATION and Subsidiaries
CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended March 31, 2015 and 2014
(Unaudited)

	2015	2014
	(dollars in thousands, except per share amounts)	
Interest income:		
Interest and fees on loans	$ 24,166	$ 22,533
Interest and dividends on investment securities:		
Taxable interest income	3,272	2,880
Non-taxable interest income	825	838
Total interest income	$ 28,263	$ 26,251
Interest expense:		
Deposits	$ 1,239	$ 1,362
Securities sold under agreements to repurchase	51	39
Long-term debt	10	—
Junior subordinated debt owed to unconsolidated trusts	293	293
Total interest expense	$ 1,593	$ 1,694
Net interest income	$ 26,670	$ 24,557
Provision for loan losses	500	1,000
Net interest income after provision for loan losses	$ 26,170	$ 23,557
Other income:		
Trust fees	$ 5,697	$ 5,617
Commissions and brokers' fees, net	784	671

	2015	2014
Remittance processing	2,487	2,350
Service charges on deposit accounts	2,884	2,695
Other service charges and fees	1,584	1,488
Gain on sales of loans	1,426	981
Security gains, net	1	43
Other	1,102	1,141
Total other income	$ 15,965	$ 14,986
Other expense:		
Salaries and wages	$ 14,506	$ 12,249
Employee benefits	2,343	2,893
Net occupancy expense of premises	2,245	2,243
Furniture and equipment expense	1,191	1,204
Data processing	3,549	2,812
Amortization of intangible assets	769	747
Regulatory expense	643	555
Other	5,301	3,915
Total other expense	$ 30,547	$ 26,618
Income before income taxes	$ 11,588	$ 11,925
Income taxes	3,827	4,038
Net income	$ 7,761	$ 7,887
Preferred stock dividends	182	182
Net income available to common stockholders	$ 7,579	$ 7,705
Basic earnings per common share	$ 0.09	$ 0.09
Diluted earnings per common share	$ 0.09	$ 0.09
Dividends declared per share of common stock	$ 0.05	$ 0.04

See accompanying notes to unaudited consolidated financial statements.

FIRST BUSEY CORPORATION and Subsidiaries
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
For the Three Months Ended March 31, 2015 and 2014
(Unaudited)

	2015	2014
	(dollars in thousands)	
Net income	$ 7,761	$ 7,887
Other comprehensive income, before tax:		
Securities available for sale:		
Unrealized net gains on securities:		
Unrealized net holding gains arising during period	$ 4,031	$ 857
Reclassification adjustment for (gains) included in net income	(1)	(43)
Other comprehensive income, before tax	$ 4,030	$ 814
Income tax expense related to items of other comprehensive income	1,614	335
Other comprehensive income, net of tax	$ 2,416	$ 479
Comprehensive income	$ 10,177	$ 8,366

See accompanying notes to unaudited consolidated financial statements.

FIRST BUSEY CORPORATION and Subsidiaries
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Three Months Ended March 31, 2015 and 2014
(Unaudited)

(dollars in thousands, except per share amounts)

	Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Treasury Stock	Total
Balance, December 31, 2013	$ 72,664	$ 88	$ 593,144	$ (225,722)	$ 4,456	$ (29,266)	$ 415,364
Net income	—	—	—	7,887	—	—	7,887
Other comprehensive income	—	—	—	—	479	—	479
Issuance of treasury stock for employee stock purchase plan	—	—	(104)	—	—	148	44
Net issuance of treasury stock for restricted stock unit vesting and related	—	—	(135)	—	—	125	(10)

tax benefit							
Cash dividends common stock at $0.04 per share	—	—	—	(3,472)	—	—	(3,472)
Stock dividend equivalents restricted stock units at $0.04 per share	—	—	35	(35)	—	—	—
Stock-based employee compensation	—	—	224	—	—	—	224
Preferred stock dividends	—	—	—	(182)	—	—	(182)
Balance, March 31, 2014	$ 72,664	$ 88	$ 593,164	$ (221,524)	$ 4,935	$ (28,993)	$ 420,334
Balance, December 31, 2014	$ 72,664	$ 88	$ 593,687	$ (210,384)	$ 5,817	$ (28,233)	$ 433,639
Net income	—	—	—	7,761	—	—	7,761
Other comprehensive income	—	—	—	—	2,416	—	2,416
Issuance of treasury stock for employee stock purchase plan	—	—	(280)	—	—	428	148
Net issuance of treasury stock for restricted stock unit vesting and related tax benefit	—	—	(206)	—	—	190	(16)
Issuance of treasury stock	—	—	—	—	—	34	34
Cash dividends common stock at $0.05 per share	—	—	—	(4,342)	—	—	(4,342)
Stock dividend equivalents restricted stock units at $0.05 per share	—	—	67	(66)	—	—	1
Stock-based employee compensation	—	—	341	—	—	—	341
Preferred stock dividends	—	—	—	(182)	—	—	(182)
Balance, March 31, 2015	$ 72,664	$ 88	$ 593,609	$ (207,213)	8,233	$ (27,581)	$ 439,800

See accompanying notes to unaudited consolidated financial statements.

FIRST BUSEY CORPORATION and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2015 and 2014
(Unaudited)

	2015	2014
	(dollars in thousands)	
Cash Flows from Operating Activities		
Net income	$ 7,761	$ 7,887
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock-based and non-cash compensation	341	224
Depreciation and amortization	2,163	2,141
Provision for loan losses	500	1,000
Provision for deferred income taxes	119	2,952
Amortization of security premiums and discounts, net	2,165	1,786
Accretion of premiums and discounts on loans, net	(262)	—
Net security gains	(1)	(43)
Gain on sales of loans, net	(1,426)	(981)
Net (gain) on disposition of premises and equipment	—	(2)
Premises and equipment impairment	670	—
Increase in cash surrender value of bank owned life insurance	(379)	(393)
Change in assets and liabilities:		
Decrease (increase) in other assets	1,672	(292)
Decrease in other liabilities	(5,155)	(5,288)
Decrease in interest payable	(42)	(76)
Decrease in income taxes receivable	926	82
Net cash provided by operating activities before activities for loans originated for sale	$ 9,052	$ 8,997
Loans originated for sale	(73,687)	(42,055)
Proceeds from sales of loans	68,576	49,830
Net cash provided by operating activities	$ 3,941	$ 16,772
Cash Flows from Investing Activities		
Proceeds from sales of securities classified available for sale	7,687	59,125
Proceeds from maturities of securities classified available for sale	56,105	54,582
Proceeds from maturities of securities classified held to maturity	4	—
Purchase of securities classified available for sale	(55,383)	(126,159)
Purchase of securities classified held to maturity	—	(1,026)
Net decrease in loans	44,285	54,417
Proceeds from disposition of premises and equipment	9	2

	2015	2014
Proceeds from sale of other real estate owned ("OREO") properties	425	575
Purchases of premises and equipment	(1,062)	(596)
Net cash received in acquisitions	12,114	—
Net cash provided by investing activities	$ 64,184	$ 40,920

(continued on next page)

FIRST BUSEY CORPORATION and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
For the Three Months Ended March 31, 2015 and 2014
(Unaudited)

	2015	2014
	(dollars in thousands)	
Cash Flows from Financing Activities		
Net decrease in certificates of deposit	$ (18,642)	$ (22,871)
Net increase in demand, money market and savings deposits	59,778	80,906
Cash dividends paid	(4,523)	(3,654)
Value of shares surrendered upon vesting of restricted stock units to cover tax obligations	(22)	(12)
Net decrease in securities sold under agreements to repurchase	(15,218)	(55,110)
Net cash provided by (used in) financing activities	$ 21,373	$ (741)
Net increase in cash and due from banks	$ 89,498	$ 56,951
Cash and due from banks, beginning	$ 339,438	$ 231,603
Cash and due from banks, ending	$ 428,936	$ 288,554

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

	2015	2014
Cash payments for:		
Interest	$ 1,635	$ 1,770
Income taxes	$ 3,130	$ 1,100
Non-cash investing and financing activities:		
Other real estate acquired in settlement of loans	$ 192	$ 316

See accompanying notes to unaudited consolidated financial statements.

FIRST BUSEY CORPORATION and Subsidiaries
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 1: Basis of Presentation

The accompanying unaudited consolidated interim financial statements of First Busey Corporation ("First Busey" or the "Company"), a Nevada corporation, have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") for Quarterly Reports on Form 10-Q and do not include certain information and footnote disclosures required by U.S. generally accepted accounting principles ("GAAP") for complete annual financial statements. Accordingly, these financial statements should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2014.

The accompanying Consolidated Balance Sheets as of December 31, 2014, which have been derived from audited financial statements, and the unaudited consolidated interim financial statements have been prepared in accordance with GAAP and reflect all adjustments that are, in the opinion of management, necessary for the fair presentation of the financial position and results of operations as of the dates and for the periods presented. All such adjustments are of a normal recurring nature. The results of operations for the three months ended March 31, 2015 are not necessarily indicative of the results that may be expected for the year ending December 31, 2015.

The consolidated financial statements include the accounts of the Company and its subsidiaries. All material intercompany transactions and balances have been eliminated in consolidation. Certain prior-year amounts have been reclassified to conform to the current presentation with no effect on net income or stockholders' equity.

In preparing the accompanying consolidated financial statements, the Company's management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates. Material estimates which are particularly susceptible to significant change in the near term relate to the fair value of investment securities, the determination of the allowance for loan losses, and the valuation allowance on the deferred tax asset.

The Company has evaluated subsequent events for potential recognition and/or disclosure through the date the consolidated financial statements included in this Quarterly Report on Form 10-Q were issued. There were no significant subsequent events for the quarter ended March 31, 2015 through the issuance date of these consolidated financial statements that warranted adjustment to or disclosure in the consolidated financial statements.

Note 2: Acquisitions

On January 8, 2015, First Busey acquired Herget Financial Corp. ("Herget Financial"), headquartered in Pekin, Illinois and its wholly-owned bank subsidiary, Herget Bank, National Association ("Herget Bank"). First Busey operated Herget Bank as a separate banking subsidiary from January 9, 2015 until March 13, 2015, when it was merged with Busey Bank. At that time, Herget Bank's three branches in Pekin, Illinois became branches of Busey Bank. The operating results of Herget Financial are included with the Company's results of operations since the date of acquisition.

The acquisition of Herget Financial allowed First Busey to further increase its presence in the Pekin and greater Peoria market. Additionally, Herget Financial held a dominant deposit market position in its community and offered trust, estate and asset management services, as well as competitive commercial loan and mortgage offerings, all of which complement First Busey's offerings. First Busey acquired 100% of Herget Financial's outstanding common stock for aggregate cash consideration of $34.1 million which was funded through internal sources. Each shareholder of Herget Financial common stock received $588.00 per share in cash.

During the first quarter of 2015, expenses related to the acquisition of Herget Financial totaled $1.0 million. Additionally, during 2014, First Busey incurred $0.4 million of acquisition expenses related to this transaction. The expenses were comprised primarily of system conversion, restructuring, legal, consulting, regulatory and marketing costs, all of which are reported as a component of other expense in the accompanying unaudited consolidated interim financial statements.

This transaction was accounted for using the acquisition method of accounting and, accordingly, assets acquired, liabilities assumed, and consideration exchanged were recorded at estimated fair values on the date of acquisition. Fair values are subject to refinement for up to one year after the closing date of January 8, 2015 as additional information regarding the closing date fair values becomes available.

The following table provides a preliminary assessment of the assets purchased and liabilities assumed *(dollars in thousands)*:

Cash and due from banks	$	46,214
Securities		111,760
Loans held for sale		1,933
Loans		105,207
Premises and equipment		2,034
Goodwill		4,824
Other intangible assets		3,937
Other assets		2,931
Deposits		241,901
Other liabilities		2,839

The loans acquired in this transaction were recorded at fair value with no carryover of any existing allowance for loan losses. Loans that were not deemed to be credit impaired at acquisition were accounted for under FASB ASC 310-20, *Receivables-Nonrefundable Fees and Other Costs* and were subsequently considered as part of the Company's determination for the adequacy of the allowance for loan losses. Purchased credit-impaired ("PCI") loans, loans with evidence of credit quality deterioration, were accounted for under FASB ASC 310-30, *Receivables — Loans and Debt Securities Acquired with Deteriorated Credit Quality*. The fair value of the acquired performing loans totaled $103.7 million and the fair value of the PCI loans totaled $1.5 million. The other intangible assets acquired in this transaction will be amortized using an accelerated method over 10 years.

Note 3: Recent Accounting Pronouncements

ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)." ASU 2014-09 outlines a single model for companies to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. ASU 2014-09 will require that companies recognize revenue based on the value of transferred goods or services as they occur in the contract and will also require additional disclosures. The new authoritative guidance will be for reporting periods after December 15, 2016, and the Company is evaluating the effect that ASU 2014-09 will have on its consolidated financial statements and related disclosures.

Note 4: Securities

Securities are classified as held to maturity when First Busey has the ability and management has the positive intent to hold those securities to maturity. Accordingly, they are stated at cost, adjusted for amortization of premiums and accretion of discounts. Securities are classified as available for sale when First Busey may decide to sell those securities due to changes in market interest rates, liquidity needs, changes in yields on alternative investments, and for other reasons. They are carried at fair value with unrealized gains and losses, net of taxes, reported in other comprehensive income.

The amortized cost, unrealized gains and losses and fair values of securities classified as available for sale and held to maturity are summarized as follows:

March 31, 2015:		Amortized Cost		Gross Unrealized Gains		Gross Unrealized Losses		Fair Value
				(dollars in thousands)				
Available for sale								
U.S. Treasury securities	$	65,182	$	748	$	—	$	65,930
Obligations of U.S. government corporations and agencies		156,404		994		(13)		157,385
Obligations of states and political subdivisions		206,112		3,194		(225)		209,081
Residential mortgage-backed securities		274,279		6,648		(26)		280,901
Corporate debt securities		109,788		1,136		(22)		110,902
Total debt securities		811,765		12,720		(286)		824,199

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Mutual funds and other equity securities	6,118	1,297	—	7,415
Total	$ 817,883	$ 14,017	$ (286)	$ 831,614
Held to maturity				
Obligations of states and political subdivisions	$ 34,027	$ 320	$ (26)	$ 34,321
Commercial mortgage-backed securities	1,010	56	—	1,066
Total	$ 35,037	$ 376	$ (26)	$ 35,387

December 31, 2014:	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(dollars in thousands)			
Available for sale				
U.S. Treasury securities	$ 50,280	$ 328	$ (2)	$ 50,606
Obligations of U.S. government corporations and agencies	166,207	981	(178)	167,010
Obligations of states and political subdivisions	218,250	2,672	(761)	220,161
Residential mortgage-backed securities	230,596	5,062	(22)	235,636
Corporate debt securities	79,087	296	(76)	79,307
Total debt securities	744,420	9,339	(1,039)	752,720
Mutual funds and other equity securities	4,944	1,401	—	6,345
Total	$ 749,364	$ 10,740	$ (1,039)	$ 759,065
Held to maturity				
Obligations of states and political subdivisions	$ 1,359	$ 15	$ (3)	$ 1,371
Commercial mortgage-backed securities	1,014	40	—	1,054
Total	$ 2,373	$ 55	$ (3)	$ 2,425

The amortized cost and fair value of debt securities available for sale and held to maturity as of March 31, 2015, by contractual maturity, are shown below. Mutual funds and other equity securities do not have stated maturity dates and therefore are not included in the following maturity summary. Mortgages underlying the residential mortgage-backed securities may be called or prepaid without penalties; therefore, actual maturities could differ from the contractual maturities. All residential mortgage-backed securities were issued by U.S. government agencies and corporations.

	Available for sale		Held to maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(dollars in thousands)			
Due in one year or less	$ 121,390	$ 121,890	$ 1,075	$ 1,077
Due after one year through five years	371,768	375,370	6,249	6,286
Due after five years through ten years	134,541	138,857	19,337	19,585
Due after ten years	184,066	188,082	8,376	8,439
Total	$ 811,765	$ 824,199	$ 35,037	$ 35,387

Realized gains and losses related to sales of securities available for sale are summarized as follows:

	Three Months Ended March 31,	
	2015	2014
	(dollars in thousands)	
Gross security gains	$ 1	$ 57
Gross security (losses)	—	(14)
Net security gains	$ 1	$ 43

The tax provision for the net realized gains and losses was insignificant for the three months ended March 31, 2015 and 2014.

Investment securities with carrying amounts of $556.6 million and $536.2 million on March 31, 2015 and December 31, 2014, respectively, were pledged as collateral for public deposits, securities sold under agreements to repurchase and for other purposes as required or permitted by law.

Information pertaining to securities with gross unrealized losses at March 31, 2015 and December 31, 2014 aggregated by investment category and length of time that individual securities have been in a continuous loss position follows:

March 31, 2015:	Continuous unrealized losses existing for less than 12 months, gross		Continuous unrealized losses existing for greater than 12 months, gross		Total, gross	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(dollars in thousands)					
Available for sale						
Obligations of U.S. government corporations and agencies	$ —	$ —	$ 10,142	$ (13)	$ 10,142	$ (13)
Obligations of states and political subdivisions	11,118	(45)	20,238	(180)	31,356	(225)

Residential mortgage-backed securities		9,484		(26)		—		—		9,484		(26)
Corporate debt securities		8,212		(22)		—		—		8,212		(22)
Total temporarily impaired securities	$	28,814	$	(93)	$	30,380	$	(193)	$	59,194	$	(286)
Held to maturity												
Obligations of states and political subdivisions	$	1,952	$	(26)	$	—	$	—	$	1,952	$	(26)
Total temporarily impaired securities	$	1,952	$	(26)	$	—	$	—	$	1,952	$	(26)

December 31, 2014:	Continuous unrealized losses existing for less than 12 months, gross				Continuous unrealized losses existing for greater than 12 months, gross				Total, gross			
		Fair Value		Unrealized Losses		Fair Value		Unrealized Losses		Fair Value		Unrealized Losses
	(dollars in thousands)											
Available for sale												
U.S. Treasury securities	$	—	$	—	$	366	$	(2)	$	366	$	(2)
Obligations of U.S. government corporations and agencies		—		—		25,118		(178)		25,118		(178)
Obligations of states and political subdivisions		40,385		(140)		40,201		(621)		80,586		(761)
Residential mortgage-backed securities		10,630		(22)		—		—		10,630		(22)
Corporate debt securities		16,400		(72)		213		(4)		16,613		(76)
Total temporarily impaired securities	$	67,415	$	(234)	$	65,898	$	(805)	$	133,313	$	(1,039)
Held to maturity												
Obligations of states and political subdivisions	$	534	$	(3)	$	—	$	—	$	534	$	(3)
Total temporarily impaired securities	$	534	$	(3)	$	—	$	—	$	534	$	(3)

Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to the length of time and extent to which the fair value has been less than cost, the financial condition and near-term prospects of the issuer, and whether the Company has the intent to sell the security and it is more-likely-than-not it will have to sell the security before recovery of its cost basis.

The total number of securities in the investment portfolio in an unrealized loss position as of March 31, 2015 was 91, and represented a loss of 0.5% of the aggregate carrying value. Based upon a review of unrealized loss circumstances, the unrealized losses resulted from changes in market interest rates and liquidity, not from changes in the probability of receiving the contractual cash flows. The Company does not intend to sell the securities and it is more-likely-than-not that the Company will recover the amortized cost prior to being required to sell the securities. Full collection of the amounts due according to the contractual terms of the securities is expected; therefore, the Company does not consider these investments to be other-than-temporarily impaired at March 31, 2015.

The Company had available for sale obligations of state and political subdivisions with a fair value of $209.1 million and $220.2 million as of March 31, 2015 and December 31, 2014, respectively. In addition, the Company had held to maturity obligations of state and political subdivisions with a fair value of $34.3 million and $1.4 million at March 31, 2015 and December 31, 2014, respectively.

As of March 31, 2015, the fair value of the Company’s obligations of state and political subdivisions portfolio was comprised of $204.0 million of general obligation bonds and $39.4 million of revenue bonds issued by 295 issuers, primarily consisting of states, counties, cities, towns, villages and school districts. The Company held investments in general obligation bonds in 30 states (including the District of Columbia), including seven states in which the aggregate fair value exceeded $5.0 million. The Company held investments in revenue bonds in 17 states, including two states where the aggregate fair value exceeded $5.0 million.

As of December 31, 2014, the Company’s obligations of state and political subdivisions portfolio was comprised of $183.7 million of general obligation bonds and $37.9 million of revenue bonds issued by 220 issuers, primarily consisting of states, counties, cities, towns, villages and school districts. The Company held investments in general obligation bonds in 23 states (including the District of Columbia), including seven states in which the aggregate fair value exceeded $5.0 million. The Company held investments in revenue bonds in 15 states, including two states where the aggregate fair value exceeded $5.0 million.

The amortized cost and fair values of the Company’s portfolio of general obligation bonds are summarized in the following tables by the issuers’ state:

March 31, 2015: U.S. State	Number of Issuers		Amortized Cost		Fair Value		Average Exposure Per Issuer (Fair Value)
			(dollars in thousands)				
Illinois	84	$	65,460	$	66,809	$	795
Wisconsin	37		30,840		31,180		843
Michigan	41		33,041		33,570		819
Pennsylvania	11		13,149		13,226		1,202
Ohio	10		11,038		11,084		1,108
Texas	18		12,299		12,376		688
Iowa	3		6,113		6,191		2,063
Other	51		28,942		29,609		581
Total general obligations bonds	255	$	200,882	$	204,045	$	800

December 31, 2014: U.S. State	Number of Issuers		Amortized Cost		Fair Value		Average Exposure Per Issuer (Fair Value)
			(dollars in thousands)				
Illinois	63	$	59,979	$	61,058	$	969
Wisconsin	39		36,165		36,365		932
Michigan	33		30,400		30,739		931
Pennsylvania	10		12,756		12,761		1,276
Ohio	8		9,954		9,922		1,240
Texas	7		7,364		7,313		1,045
Iowa	3		6,116		6,142		2,047
Other	24		18,862		19,370		807
Total general obligations bonds	187	$	181,596	$	183,670	$	982

The general obligation bonds are diversified across many issuers, with $3.4 million being the largest exposure to a single issuer at March 31, 2015 and December 31, 2014. Accordingly, as of March 31, 2015 and December 31, 2014, the Company did not hold general obligation bonds of any single issuer, the aggregate book or market value of which exceeded 10% of the Company's stockholders' equity. Of the general obligation bonds in the Company's portfolio, 98.1% had been rated by at least one nationally recognized statistical rating organization and 1.9% were unrated, based on the fair value as of March 31, 2015. Of the general obligation bonds in the Company's portfolio, 97.1% had been rated by at least one nationally recognized statistical rating organization and 2.9% were unrated, based on the fair value as of December 31, 2014.

The amortized cost and fair values of the Company's portfolio of revenue bonds are summarized in the following tables by the issuers' state:

March 31, 2015: U.S. State	Number of Issuers		Amortized Cost		Fair Value		Average Exposure Per Issuer (Fair Value)
			(dollars in thousands)				
Illinois	6	$	7,708	$	7,710	$	1,285
Indiana	11		12,616		12,666		1,151
Other	23		18,933		18,981		825
Total revenue bonds	40	$	39,257	$	39,357	$	984

December 31, 2014: U.S. State	Number of Issuers		Amortized Cost		Fair Value		Average Exposure Per Issuer (Fair Value)
			(dollars in thousands)				
Illinois	4	$	6,772	$	6,708	$	1,677
Indiana	8		12,520		12,469		1,559
Other	21		18,721		18,685		890
Total revenue bonds	33	$	38,013	$	37,862	$	1,147

The revenue bonds are diversified across many issuers and revenue sources with $3.0 million being the largest exposure to a single issuer at each of March 31, 2015 and December 31, 2014. Accordingly, as of March 31, 2015 and December 31, 2014, the Company did not hold revenue bonds of any single issuer, the aggregate book or market value of which exceeded 10% of the Company's stockholders' equity. All of the revenue bonds in the Company's portfolio had been rated by at least one nationally recognized statistical rating organization as of March 31, 2015 and December 31, 2014. Some of the primary types of revenue bonds owned in the Company's portfolio include: primary education or government building lease rentals secured by ad valorem taxes, utility systems secured by utility system net revenues, housing authorities secured by mortgage loans or principal receipts on mortgage loans, secondary education secured by student fees/tuitions, and pooled issuances (i.e. bond bank) consisting of multiple underlying municipal obligors.

Substantially all of the Company's obligations of state and political subdivision securities are owned by Busey Bank**,** whose investment policy requires that state and political subdivision securities purchased be investment grade. Busey Bank's investment policy also limits the amount of rated state and political subdivision securities to an aggregate 100% of the Bank's Total Risk Based Capital at the time of purchase and an aggregate 15% of Total Risk Based Capital for unrated state and political subdivision securities issued by municipalities having taxing authority or located in counties/micropolitan statistical areas/metropolitan statistical areas in which an office of the Bank is located. The investment policy states fixed income investments that are not Office of the Comptroller of the Currency Type 1 securities (U.S. Treasuries, agencies, municipal government general obligation and, for well-capitalized institutions, most municipal revenue bonds) should be analyzed prior to acquisition to determine that (1) the security has low risk of default by the obligor, and (2) the full and timely repayment of principal and interest is expected over the expected life of the investment. All securities in the Bank's obligations of state and political subdivision securities portfolio are subject to ongoing review. Factors that may be considered as part of ongoing monitoring of state and political subdivision securities include credit rating changes by nationally recognized statistical rating organizations, market valuations, third-party municipal credit analysis, which may include indicative information regarding the issuer's capacity to pay, market and economic data and such other factors as are available and relevant to the security or the issuer such as its budgetary position and sources, strength and stability of taxes and/or other revenue.

As of March 31, 2015, the Company's regular monitoring of its obligations of state and political subdivisions portfolio had not uncovered any facts or circumstances resulting in significantly different credit ratings than those assigned by a nationally recognized statistical rating organization.

Note 5: Loans

Geographic distributions of loans were as follows:

March 31, 2015

	Illinois	Florida	Indiana	Total
	(dollars in thousands)			
Commercial	$ 544,059	$ 13,378	$ 29,267	$ 586,704
Commercial real estate	848,166	166,012	123,239	1,137,417
Real estate construction	48,496	14,025	28,541	91,062
Retail real estate	531,642	109,305	11,948	652,895
Retail other	16,192	581	—	16,773
Total	$ 1,988,555	$ 303,301	$ 192,995	$ 2,484,851
Less held for sale(1)				18,685
				$ 2,466,166
Less allowance for loan losses				47,652
Net loans				$ 2,418,514

(1)Loans held for sale are included in retail real estate.

	December 31, 2014			
	Illinois	Florida	Indiana	Total
	(dollars in thousands)			
Commercial	$ 554,779	$ 16,739	$ 30,242	$ 601,760
Commercial real estate	811,034	171,243	121,874	1,104,151
Real estate construction	60,994	17,950	28,110	107,054
Retail real estate	473,171	106,658	12,644	592,473
Retail other	9,690	562	—	10,252
Total	$ 1,909,668	$ 313,152	$ 192,870	$ 2,415,690
Less held for sale(1)				10,400
				$ 2,405,290
Less allowance for loan losses				47,453
Net loans				$ 2,357,837

(1) Loans held for sale are included in retail real estate.

Net deferred loan origination costs included in the tables above were $0.7 million as of March 31, 2015 and $0.6 million as of December 31, 2014. Gross loans increased to $2.48 billion at March 31, 2015 from $2.41 billion at December 31, 2014 as a result of seasonal changes in the legacy loan portfolio offset by the addition of loans obtained as part of the Herget Financial acquisition.

The Company believes that making sound loans is a necessary and desirable means of employing funds available for investment. Recognizing the Company's obligations to its stockholders, depositors, and to the communities it serves, authorized personnel are expected to seek to develop and make sound, profitable loans that resources permit and that opportunity affords. The Company maintains lending policies and procedures designed to focus lending efforts on the types, locations and duration of loans most appropriate for its business model and markets. While not specifically limited, the Company attempts to focus its lending on short to intermediate-term (0-7 years) loans in geographies within 125 miles of its lending offices. The Company attempts to utilize government-assisted lending programs, such as the Small Business Administration and United States Department of Agriculture lending programs, when prudent. Generally, loans are collateralized by assets, primarily real estate, of the borrowers and guaranteed by individuals. The loans are expected to be repaid primarily from cash flows of the borrowers, or from proceeds from the sale of selected assets of the borrowers.

Management reviews and approves the Company's lending policies and procedures on a routine basis. Management routinely (at least quarterly) reviews the Company's allowance for loan losses and reports related to loan production, loan quality, concentrations of credit, loan delinquencies and non-performing and potential problem loans. The Company's underwriting standards are designed to encourage relationship banking rather than transactional banking. Relationship banking implies a primary banking relationship with the borrower that includes, at a minimum, an active deposit banking relationship in addition to the lending relationship. The integrity and character of the borrower are significant factors in the Company's loan underwriting. As a part of underwriting, tangible positive or negative evidence of the borrower's integrity and character are sought out. Additional significant underwriting factors beyond location, duration, a sound and profitable cash flow basis and the borrower's character are the quality of the borrower's financial history, the liquidity of the underlying collateral and the reliability of the valuation of the underlying collateral.

Total borrowing relationships, including direct and indirect debt, are generally limited to $20 million, which is significantly less than the Company's regulatory lending limit. Borrowing relationships exceeding $20 million are reviewed by the Company's board of directors at least annually and more frequently by management. At no time is a borrower's total borrowing relationship permitted to exceed the Company's regulatory lending limit. Loans to related parties, including executive officers and the Company's various directorates, are reviewed for compliance with regulatory guidelines by the Company's board of directors at least annually.

The Company maintains an independent loan review department that reviews the loans for compliance with the Company's loan policy on a periodic basis. In addition to compliance with this policy, the loan review process reviews the risk assessments made by the Company's credit department, lenders and loan

committees. Results of these reviews are presented to management and the audit committee at least quarterly.

The Company's lending can be summarized into five primary areas: commercial loans, commercial real estate loans, real estate construction loans, retail real estate loans, and other retail loans. A description of each of the lending areas can be found in the Company's Annual Report on Form 10-K for the year ended December 31, 2014. The significant majority of the lending activity occurs in the Company's Illinois and Indiana markets, with the remainder in the Florida market. Due to the small scale of the Indiana loan portfolio and its geographical proximity to the Illinois portfolio, the Company believes that quantitative or qualitative segregation between Illinois and Indiana is not material or warranted.

The Company utilizes a loan grading scale to assign a risk grade to all of its loans. Loans are graded on a scale of 1 through 10 with grades 2, 4 & 5 unused. A description of the general characteristics of the grades is as follows:

- *Grades 1, 3, 6*- These grades include loans which are all considered strong credits, with grade 1 being investment or near investment grade. A grade 3 loan is comprised of borrowers that exhibit credit fundamentals that exceed industry standards and loan policy guidelines. A grade 6 loan is comprised of borrowers that exhibit acceptable credit fundamentals.

- *Grade 7*- This grade includes loans on management's "Watch List" and is intended to be utilized on a temporary basis for a pass grade borrower where a significant risk-modifying action is anticipated in the near future.

- *Grade 8*- This grade is for "Other Assets Specially Mentioned" loans that have potential weaknesses which may, if not checked or corrected, weaken the asset or inadequately protect the Company's credit position at some future date.

- *Grade 9*- This grade includes "Substandard" loans, in accordance with regulatory guidelines, for which the accrual of interest has not been stopped. Assets so classified must have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected.

- *Grade 10*- This grade includes "Doubtful" loans that have all the characteristics of a substandard loan with additional factors that make collection in full highly questionable and improbable. Such loans are placed on non-accrual status and may be dependent on collateral having a value that is difficult to determine.

All loans are graded at the inception of the loan. All commercial loans that are $1.0 million or less are processed through an expedited underwriting process. If the credit receives a pass grade it is aggregated into a homogenous pool of either: $0.35 million or less or $0.35 million to $1.0 million. These pools are monitored on a quarterly basis for the first year, semiannually in the second year and annually thereafter. Homogenous pool credits which are subsequently downgraded to a grading of 7 or worse are subject to the same portfolio review as loans over $1.0 million. All commercial loans greater than $1.0 million receive a portfolio review at least annually. Commercial loans greater than $1.0 million that have a grading of 7 receive a portfolio review twice per year. Commercial loans greater than $1.0 million that have a grading of 8 or worse receive a portfolio review on a quarterly basis. Interim grade reviews may take place if circumstances of the borrower warrant a more timely review.

Loans in the highest grades, represented by grades 1, 3, 6 and 7, totaled $2.32 billion at March 31, 2015 compared to $2.28 billion at December 31, 2014. Loans in the lowest grades, represented by grades 8, 9 and 10, totaled $140.0 million at March 31, 2015, compared to $124.0 million at December 31, 2014. The March 31, 2015 totals reflect the post-combination results of acquiring Herget Financial.

The following table presents weighted average risk grades segregated by category of loans (excluding held for sale, loan accretion, non-posted and clearings) and geography:

	March 31, 2015					
	Weighted Avg. Risk Grade	Grades 1,3,6	Grade 7	Grade 8	Grade 9	Grade 10
	(dollars in thousands)					
Illinois/Indiana						
Commercial	4.89	$ 532,050	$ 25,763	$ 10,603	$ 4,171	$ 995
Commercial real estate	5.69	862,408	58,604	26,956	21,582	3,370
Real estate construction	6.32	60,610	4,117	10,858	1,148	381
Retail real estate	3.81	497,348	12,772	9,124	3,001	2,295
Retail other	4.77	14,942	23	587	—	458
Total Illinois/Indiana		$ 1,967,358	$ 101,279	$ 58,128	$ 29,902	$ 7,499
Florida						
Commercial	5.11	$ 11,638	$ 135	$ 73	$ 582	$ 950
Commercial real estate	6.14	117,557	18,560	14,001	15,357	537
Real estate construction	6.27	12,577	—	605	828	15
Retail real estate	4.04	84,240	11,486	9,295	1,021	1,201
Retail other	3.06	574	—	7	—	—
Total Florida		$ 226,586	$ 30,181	$ 23,981	$ 17,788	$ 2,703
Total		$ 2,193,944	$ 131,460	$ 82,109	$ 47,690	$ 10,202

	December 31, 2014					
	Weighted Avg. Risk Grade	Grades 1, 3, 6	Grade 7	Grade 8	Grade 9	Grade 10
	(dollars in thousands)					
Illinois/Indiana						
Commercial	4.80	$ 542,796	$ 27,032	$ 8,549	$ 5,498	$ 1,146
Commercial real estate	5.67	819,708	64,975	25,719	19,821	2,685
Real estate construction	5.91	71,074	5,332	11,448	1,204	46
Retail real estate	3.46	453,560	10,478	4,569	3,179	1,414

Retail other	3.21	9,632	26	24	—	8
Total Illinois/Indiana		$ 1,896,770	$ 107,843	$ 50,309	$ 29,702	$ 5,299
Florida						
Commercial	5.40	$ 13,455	$ 105	$ 78	$ 1,459	$ 1,642
Commercial real estate	6.00	123,807	25,520	6,002	15,404	510
Real estate construction	6.21	16,475	—	615	842	18
Retail real estate	4.09	82,185	11,686	9,601	1,031	1,531
Retail other	2.94	562	—	—	—	—
Total Florida		$ 236,484	$ 37,311	$ 16,296	$ 18,736	$ 3,701
Total		$ 2,133,254	$ 145,154	$ 66,605	$ 48,438	$ 9,000

Loans are considered past due if the required principal and interest payments have not been received as of the date such payments were due. Loans are placed on non-accrual status when, in management's opinion, the borrower may be unable to meet payment obligations as they become due, as well as when required by regulatory provisions. Loans may be placed on non-accrual status regardless of whether or not such loans are considered past due. When interest accrual is discontinued, all unpaid accrued interest is reversed. Interest income is subsequently recognized only to the extent cash payments are received in excess of the principal due. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

An age analysis of past due loans still accruing and non-accrual loans is as follows:

	March 31, 2015			
	Loans past due, still accruing			Non-accrual Loans
	30-59 Days	60-89 Days	90+Days	
	(dollars in thousands)			
Illinois/Indiana				
Commercial $	1,471	$ 406	$ 140	$ 995
Commercial real estate	183	120	—	3,370
Real estate construction	67	—	—	381
Retail real estate	1,186	138	49	2,295
Retail other	15	17	—	458
Total Illinois/Indiana	$ 2,922	$ 681	$ 189	$ 7,499
Florida				
Commercial	$ —	$ —	$ —	$ 950
Commercial real estate	—	—	—	537
Real estate construction	—	—	—	15
Retail real estate	—	113	—	1,201
Retail other	—	—	—	—
Total Florida	$ —	$ 113	$ —	$ 2,703
Total	$ 2,922	$ 794	$ 189	$ 10,202

	December 31, 2014			
	Loans past due, still accruing			Non-accrual Loans
	30-59 Days	60-89 Days	90+Days	
	(dollars in thousands)			
Illinois/Indiana				
Commercial	$ 15	$ 105	$ —	$ 1,146
Commercial real estate	1,068	—	10	2,685
Real estate construction	—	—	—	46
Retail real estate	488	128	—	1,414
Retail other	15	—	—	8
Total Illinois/Indiana	$ 1,586	$ 233	$ 10	$ 5,299
Florida				
Commercial	$ —	$ —	$ —	$ 1,642
Commercial real estate	—	—	—	510
Real estate construction	—	—	—	18
Retail real estate	—	—	—	1,531
Retail other	—	—	—	—
Total Florida	$ —	$ —	$ —	$ 3,701
Total	$ 1,586	$ 233	$ 10	$ 9,000

A loan is impaired when, based on current information and events, it is probable the Company will be unable to collect scheduled principal and interest payments when due according to the terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-

by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. The following loans are assessed for impairment by the Company: loans 60 days or more past due and over $0.25 million, loans graded 8 over $0.5 million and loans graded 9 or 10.

Impairment is measured on a loan-by-loan basis for commercial and construction loans by either the present value of the expected future cash flows discounted at the loan's effective interest rate, the loan's observable market price, or the fair value of the collateral if the loan is collateral dependent. PCI loans are considered impaired. Large groups of smaller balance homogenous loans are collectively evaluated for impairment. Accordingly, the Company does not separately identify individual consumer and residential loans for impairment disclosures unless such loans are the subject of a restructuring agreement.

The gross interest income that would have been recorded in the three months ended March 31, 2015 if impaired loans had been current in accordance with their original terms was $0.1 million. The amount of interest collected on those loans and recognized on a cash basis that was included in interest income was insignificant for the three months ended March 31, 2015.

The Company's loan portfolio includes certain loans that have been modified in a troubled debt restructuring ("TDR"), where concessions have been granted to borrowers who have experienced financial difficulties. The Company will restructure loans for its customers who appear to be able to meet the terms of their loan over the long term, but who may be unable to meet the terms of the loan in the near term due to individual circumstances.

The Company considers the customer's past performance, previous and current credit history, the individual circumstances surrounding the current difficulties and the customer's plan to meet the terms of the loan in the future prior to restructuring the terms of the loan. Generally, all five primary areas of lending are restructured through short-term interest rate relief, short-term principal payment relief, short-term principal and interest payment relief or forbearance (debt forgiveness). Once a restructured loan has gone 90+ days past due or is placed on non-accrual status, it is included in the non-performing loan totals. A summary of restructured loans as of March 31, 2015 and December 31, 2014 is as follows:

	March 31, 2015	December 31, 2014
	(dollars in thousands)	
Restructured loans:		
In compliance with modified terms	$ 9,697	$ 11,866
30 – 89 days past due	155	—
Included in non-performing loans	1,519	1,126
Total	$ 11,371	$ 12,992

All TDRs are considered to be impaired for purposes of assessing the adequacy of the allowance for loan losses and for financial reporting purposes. When the Company modifies a loan in a TDR, it evaluates any possible impairment similar to other impaired loans based on present value of the expected future cash flows discounted at the loan's effective interest rate, the loan's observable market price, or the fair value of the collateral if the loan is collateral dependent. If the Company determines that the value of the TDR is less than the recorded investment in the loan, impairment is recognized through an allowance estimate in the period of the modification and in periods subsequent to the modification.

Performing loans classified as TDRs during the three months ended March 31, 2015 included two retail real estate modifications in Illinois/Indiana for short-term principal payment relief, with a recorded investment of $0.1 million and two retail real estate modifications in Florida for short-term principal payment relief, with a recorded investment of $0.3 million.

One performing loan classified as a TDR during the three months ended March 31, 2014 was insignificant.

The gross interest income that would have been recorded in the three months ended March 31, 2015 and 2014 if performing TDRs had been in accordance with their original terms instead of modified terms was insignificant.

TDRs that were entered into during the last twelve months that subsequently were classified as non-performing and had payment defaults (a default occurs when a loan is 90 days or more past due or transferred to non-accrual) during the three months ended March 31, 2015 consisted of one Florida commercial modification totaling $1.0 million.

There were no TDRs that were entered into during the last twelve months that subsequently were classified as non-performing and had payment defaults during the three months ended March 31, 2014.

The following tables provide details of impaired loans, segregated by category and geography. The unpaid contractual principal balance represents the recorded balance prior to any partial charge-offs. The recorded investment represents customer balances net of any partial charge-offs recognized on the loan. The average recorded investment is calculated using the most recent four quarters.

	March 31, 2015					
	Unpaid Contractual Principal Balance	Recorded Investment with No Allowance	Recorded Investment with Allowance	Total Recorded Investment	Related Allowance	Average Recorded Investment
	(dollars in thousands)					
Illinois/Indiana						
Commercial	$ 2,874	$ 1,410	$ 637	$ 2,047	$ 546	$ 2,430
Commercial real estate	5,460	2,510	2,122	4,632	1,297	4,917
Real estate construction	636	340	41	381	41	1,573
Retail real estate	4,017	3,419	25	3,444	25	2,694
Retail other	525	458	—	458	—	93
Total Illinois/Indiana	$ 13,512	$ 8,137	$ 2,825	$ 10,962	$ 1,909	$ 11,707
Florida						
Commercial	$ 2,050	$ 950	$ —	$ 950	$ —	$ 520

	Unpaid Contractual Principal Balance	Recorded Investment with No Allowance	Recorded Investment with Allowance	Total Recorded Investment	Related Allowance	Average Recorded Investment
Commercial real estate	5,753	4,406	1,261	5,667	357	5,112
Real estate construction	606	537	—	537	—	509
Retail real estate	10,214	9,767	—	9,767	—	9,577
Retail other	7	—	7	7	7	6
Total Florida	$ 18,630	$ 15,660	$ 1,268	$ 16,928	$ 364	$ 15,724
Total	$ 32,142	$ 23,797	$ 4,093	$ 27,890	$ 2,273	$ 27,431

	December 31, 2014					
	Unpaid Contractual Principal Balance	Recorded Investment with No Allowance	Recorded Investment with Allowance	Total Recorded Investment	Related Allowance	Average Recorded Investment
	(dollars in thousands)					
Illinois/Indiana						
Commercial	$ 2,944	$ 1,376	$ 741	$ 2,117	$ 595	$ 2,479
Commercial real estate	4,007	1,140	2,854	3,994	1,975	5,473
Real estate construction	46	—	46	46	46	2,269
Retail real estate	2,794	2,403	25	2,428	25	3,061
Retail other	8	8	—	8	—	2
Total Illinois/Indiana	$ 9,799	$ 4,927	$ 3,666	$ 8,593	$ 2,641	$ 13,284
Florida						
Commercial	$ 2,742	$ 1,642	$ —	$ 1,642	$ —	$ 330
Commercial real estate	5,775	4,414	1,274	5,688	370	5,032
Real estate construction	620	551	—	551	—	485
Retail real estate	11,181	9,755	350	10,105	150	9,532
Retail other	7	—	7	7	7	5
Total Florida	$ 20,325	$ 16,362	$ 1,631	$ 17,993	$ 527	$ 15,384
Total	$ 30,124	$ 21,289	$ 5,297	$ 26,586	$ 3,168	$ 28,668

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

Allowance for Loan Losses

The allowance for loan losses represents an estimate of the amount of losses believed inherent in the Company's loan portfolio at the balance sheet date. The allowance for loan losses is evaluated geographically, by class of loans. The allowance calculation involves a high degree of estimation that management attempts to mitigate through the use of objective historical data where available. Loan losses are charged against the allowance for loan losses when management believes the uncollectibility of the loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance. Overall, the Company believes the allowance methodology is consistent with prior periods and the balance was adequate to cover the estimated losses in the Company's loan portfolio at March 31, 2015 and December 31, 2014.

The general portion of the Company's allowance contains two components: (i) a component for historical loss ratios, and (ii) a component for adversely graded loans. The historical loss ratio component is an annualized loss rate calculated using a sum-of-years digits weighted 20-quarter historical average.

The Company's component for adversely graded loans attempts to quantify the additional risk of loss inherent in the grade 8 and grade 9 portfolios. The grade 9 portfolio has an additional allocation placed on those loans determined by a one-year charge-off percentage for the respective loan type/geography. The minimum additional reserve on a grade 9 loan was 3.00% as of March 31, 2015 and December 31, 2014, which is an estimate of the additional loss inherent in these loan grades based upon a review of overall historical charge-offs. As of March 31, 2015, the Company believed this minimum reserve remained adequate.

Grade 8 loans have an additional allocation placed on them determined by the trend difference of the respective loan type/geography's rolling 12- and 20-quarter historical loss trends. If the rolling 12-quarter average is higher (more current information) than the rolling 20-quarter average, the Company adds the additional amount to the allocation. The minimum additional amount for grade 8 loans was 1.00% as of March 31, 2015 and December 31, 2014, based upon a review of the differences between the rolling 12- and 20-quarter historical loss averages by region. As of March 31, 2015, the Company believed this minimum additional amount remained adequate.

The specific portion of the Company's allowance relates to loans that are impaired, which includes non-performing loans, TDRs and other loans determined to be impaired. The impaired loans are subtracted from the general loans and are allocated specific reserves as discussed above.

Impaired loans are reported at the fair value of the underlying collateral, less estimated costs to sell, if repayment is expected solely from the collateral. Collateral values are estimated using a combination of observable inputs, including recent appraisals discounted for collateral specific changes and current market conditions, and unobservable inputs based on customized discounting criteria.

The general quantitative allocation based upon historical charge off rates is adjusted for qualitative factors based on current general economic conditions and other qualitative risk factors both internal and external to the Company. In general, such valuation allowances are determined by evaluating, among other things: (i) Management & Staff; (ii) Loan Underwriting, Policy and Procedures; (iii) Internal/External Audit & Loan Review; (iv) Valuation of Underlying Collateral; (v) Macro and Local Economic Factor; (vi) Impact of Competition, Legal & Regulatory Issues; (vii) Nature and Volume of Loan Portfolio;

(viii) Concentrations of Credit; (ix) Net Charge-Off Trend; and (x) Non-Accrual, Past Due and Classified Trend. Management evaluates the degree of risk that each one of these components has on the quality of the loan portfolio on a quarterly basis. Based on each component's risk factor, a qualitative adjustment to the reserve may be applied to the appropriate loan categories.

During the first quarter of 2015, the Company adjusted Illinois/Indiana and Florida qualitative factors relating to Management & Staff, Nature and Volume of Loan Portfolio, and Net Charge-Off Trend. The adjustment of these factors increased our allowance requirements by $3.3 million at March 31, 2015 compared to the method used for December 31, 2014. Adjustments to increase these qualitative factors were made to recognize perceived changing degrees of risk or changing processes, offset decreasing quantitative factors and reflect management's evaluation of risk. The Company will continue to monitor its qualitative factors on a quarterly basis.

The following table details activity on the allowance for loan losses. Allocation of a portion of the allowance to one category does not preclude its availability to absorb losses in other categories.

	As of and for the Three Months Ended March 31, 2015 (dollars in thousands)					
	Commercial	Commercial Real Estate	Real Estate Construction	Retail Real Estate	Retail Other	Total
Illinois/Indiana						
Beginning balance	$ 8,869	$ 16,434	$ 2,590	$ 10,745	$ 304	$ 38,942
Provision for loan loss	(198)	564	(831)	1,648	(10)	1,173
Charged-off	(1)	(708)	—	(239)	(7)	(955)
Recoveries	47	35	158	170	8	418
Ending Balance	$ 8,717	$ 16,325	$ 1,917	$ 12,324	$ 295	$ 39,578
Florida						
Beginning balance	$ 1,172	$ 4,205	$ 205	$ 2,917	$ 12	$ 8,511
Provision for loan loss	(396)	(226)	(26)	(8)	(17)	(673)
Charged-off	—	—	—	(77)	—	(77)
Recoveries	35	209	—	51	18	313
Ending Balance	$ 811	$ 4,188	$ 179	$ 2,883	$ 13	$ 8,074

	As of and for the Three Months Ended March 31, 2014 (dollars in thousands)					
	Commercial	Commercial Real Estate	Real Estate Construction	Retail Real Estate	Retail Other	Total
Illinois/Indiana						
Beginning balance	$ 8,452	$ 16,379	$ 2,540	$ 6,862	$ 216	$ 34,449
Provision for loan loss	69	(617)	(553)	3,545	42	2,486
Charged-off	(674)	(284)	—	(1,275)	(101)	(2,334)
Recoveries	70	20	474	60	56	680
Ending Balance	$ 7,917	$ 15,498	$ 2,461	$ 9,192	$ 213	$ 35,281
Florida						
Beginning balance	$ 1,926	$ 5,733	$ 1,168	$ 4,287	$ 4	$ 13,118
Provision for loan loss	256	(275)	(952)	(509)	(6)	(1,486)
Charged-off	(20)	—	—	(20)	—	(40)
Recoveries	129	271	17	130	6	553
Ending Balance	$ 2,291	$ 5,729	$ 233	$ 3,888	$ 4	$ 12,145

The following table presents the allowance for loan losses and recorded investments in loans by category and geography:

	As of March 31, 2015 (dollars in thousands)					
	Commercial	Commercial Real Estate	Real Estate Construction	Retail Real Estate	Retail Other	Total
Illinois/Indiana						
Amount allocated to:						
Loans individually evaluated for impairment	$ 546	$ 1,297	$ 41	$ 25	$ —	$ 1,909
Loans collectively evaluated for impairment	8,171	15,028	1,876	12,299	295	37,669
Ending Balance	$ 8,717	$ 16,325	$ 1,917	$ 12,324	$ 295	$ 39,578
Loans:						
Loans individually evaluated for impairment	$ 2,047	$ 4,053	$ 41	$ 3,087	$ 289	$ 9,517
Loans collectively evaluated for impairment	571,279	966,773	76,656	523,523	15,734	2,153,965
PCI loans evaluated for impairment	—	579	340	357	169	1,445
Ending Balance	$ 573,326	$ 971,405	$ 77,037	$ 526,967	$ 16,192	$ 2,164,927
Florida						
Amount allocated to:						
Loans individually evaluated for impairment	$ —	$ 357	$ —	$ —	$ 7	$ 364

Loans collectively evaluated for impairment	811	3,831	179	2,883	6	7,710
Ending Balance	$ 811	$ 4,188	$ 179	$ 2,883	$ 13	$ 8,074
Loans:						
Loans individually evaluated for impairment	$ 950	$ 5,667	$ 537	$ 9,767	$ 7	$ 16,928
Loans collectively evaluated for impairment	12,428	160,345	13,488	97,476	574	284,311
Ending Balance	$ 13,378	$ 166,012	$ 14,025	$ 107,243	$ 581	$ 301,239

	As of December 31, 2014					
	Commercial	Commercial Real Estate	Real Estate Construction	Retail Real Estate	Retail Other	Total
	(dollars in thousands)					
Illinois/Indiana						
Amount allocated to:						
Loans individually evaluated for impairment	$ 595	$ 1,975	$ 46	$ 25	$ —	$ 2,641
Loans collectively evaluated for impairment	8,274	14,459	2,544	10,720	304	36,301
Ending Balance	$ 8,869	$ 16,434	$ 2,590	$ 10,745	$ 304	$ 38,942
Loans:						
Loans individually evaluated for impairment	$ 2,117	$ 3,994	$ 46	$ 2,428	$ 8	$ 8,593
Loans collectively evaluated for impairment	582,904	928,914	89,058	473,611	9,682	2,084,169
Ending Balance	$ 585,021	$ 932,908	$ 89,104	$ 476,039	$ 9,690	$ 2,092,762
Florida						
Amount allocated to:						
Loans individually evaluated for impairment	$ —	$ 370	$ —	$ 150	$ 7	$ 527
Loans collectively evaluated for impairment	1,172	3,835	205	2,767	5	7,984
Ending Balance	$ 1,172	$ 4,205	$ 205	$ 2,917	$ 12	$ 8,511
Loans:						
Loans individually evaluated for impairment	$ 1,642	$ 5,688	$ 551	$ 10,105	$ 7	$ 17,993
Loans collectively evaluated for impairment	15,097	165,555	17,399	95,929	555	294,535
Ending Balance	$ 16,739	$ 171,243	$ 17,950	$ 106,034	$ 562	$ 312,528

Note 6: Foreclosed Real Estate

OREO represents properties acquired through foreclosure or other proceedings in settlement of loans. OREO is held for sale and is recorded at the date of foreclosure at the fair value of the properties less estimated costs of disposal, which establishes a new cost basis. Any adjustment 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. Revenue, expense, gains and losses from the operations of foreclosed assets are included in operations. At March 31, 2015, the Company held $0.1 million in commercial OREO, $0.2 million in residential OREO and an insignificant amount of other repossessed assets. At December 31, 2014, the Company held $0.2 million of other repossessed assets. The following table summarizes activity related to OREO:

	Three Months Ended March 31, 2015	Year Ended December 31, 2014
	(dollars in thousands)	
OREO:		
Beginning balance	$ 216	$ 2,133
Additions, transfers from loans	192	660
Additions, fair value from Herget Financial acquisition	284	—
Proceeds from sales of OREO	(425)	(2,739)
Gain on sales of OREO	48	162
Valuation allowance for OREO	—	—
Ending balance	$ 315	$ 216

At March 31, 2015 the Company had $0.7 million of residential real estate in the process of foreclosure.

Note 7: Securities Sold Under Agreements to Repurchase

Securities sold under agreements to repurchase, which are classified as secured borrowings, generally mature either daily or within one year from the transaction date. Securities sold under agreements to repurchase are reflected at the amount of cash received in connection with the transaction. The underlying securities are held by the Company's safekeeping agent. The Company may be required to provide additional collateral based on the fair value of the underlying securities. The following table sets forth the distribution of securities sold under agreements to repurchase and weighted average interest rates:

	March 31, 2015	December 31, 2014
	(dollars in thousands)	
Balance at end of period	$ 183,675	$ 198,893
Weighted average interest rate at end of period	0.09%	0.14%
Maximum outstanding at any month end in year-to-date period	$ 191,531	$ 198,893
Average daily balance for the year-to-date period	$ 186,663	$ 148,452
Weighted average interest rate during period (1)	0.11%	0.12%

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

Note 8: Earnings Per Common Share

Earnings per common share have been computed as follows:

	Three Months Ended March 31,	
	2015	2014
	(in thousands, except per share data)	
Net income available to common stockholders	$ 7,579	$ 7,705
Shares:		
Weighted average common shares outstanding	86,957	86,866
Dilutive effect of outstanding options, warrants and restricted stock units as determined by the application of the treasury stock method	551	365
Weighted average common shares outstanding, as adjusted for diluted earnings per share calculation	87,508	87,231
Basic earnings per common share	$ 0.09	$ 0.09
Diluted earnings per common share	$ 0.09	$ 0.09

Basic earnings per share are computed by dividing net income available to common stockholders for the period by the weighted average number of common shares outstanding, which include deferred stock units that are vested but not delivered.

Diluted earnings per common share is computed using the treasury stock method and reflects the potential dilution that could occur if the Company's outstanding stock options were exercised and restricted stock units were vested. Stock options and restricted stock units for which the exercise or the grant price exceeds the average market price over the period have an anti-dilutive effect and are excluded from the calculation. At March 31, 2015, 261,306 outstanding options and 573,833 warrants were anti-dilutive and excluded from the calculation of common stock equivalents. At March 31, 2014, 482,430 outstanding options and 573,833 warrants were anti-dilutive and excluded from the calculation of common stock equivalents.

Note 9: Stock-based Compensation

The Company grants share-based compensation awards to its employees and members of its board of directors as provided for under the Company's 2010 Equity Incentive Plan. The Company currently grants share-based compensation in the form of restricted stock units ("RSUs") and deferred stock units ("DSUs"). The Company grants RSUs to members of management periodically throughout the year. Each RSU is equivalent to one share of the Company's common stock. These units have a requisite service period ranging from one to five years. The Company annually grants share-based awards in the form of DSUs, which are RSUs with a deferred settlement date, to its board of directors. Each DSU is equivalent to one share of the Company's common stock. The DSUs vest over a twelve-month period following the grant date or on the next annual shareholder's meeting, whichever is earlier. These units generally are subject to the same terms as RSUs under the Company's 2010 Equity Incentive Plan, except that, following vesting, settlement occurs within 30 days following the earlier of separation from the board or a change in control of the Company. Subsequent to vesting and prior to delivery, these units will continue to earn dividend equivalents. The Company also has outstanding stock options granted prior to 2011.

Under the terms of the Company's 2010 Equity Incentive Plan, the Company is allowed, but not required, to source stock option exercises and grants of RSUs and DSUs from its inventory of treasury stock. As of March 31, 2015, the Company held 1,390,690 shares in treasury. On February 3, 2015, First Busey announced that its board of directors approved a repurchase plan under which the Company is authorized to repurchase, from time to time as the Company deems appropriate, up to an aggregate of two million shares of its common stock. The repurchase plan has no expiration date and replaced the prior repurchase plan that was originally approved in 2008.

A description of the 2010 Equity Incentive Plan can be found in the Company's Proxy Statement for the 2015 Annual Meeting of Stockholders. The Company's 2010 Equity Incentive Plan is designed to encourage ownership of its common stock by its employees and directors, to provide additional incentive for them to promote the success of its business, and to attract and retain talented personnel. All of the Company's employees and directors, and those of its subsidiaries, are eligible to receive awards under the plan.

A summary of the status of and changes in the Company's stock option awards for the three months ended March 31, 2015 follows:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term
Outstanding at beginning of year	510,130	$ 16.33	
Granted	—	—	
Exercised	—	—	
Expired	143,824	19.09	
Outstanding at end of period	366,306	$ 15.24	2.09
Exercisable at end of period	366,306	$ 15.24	2.09

The Company did not record any stock option compensation expense for the three months ended March 31, 2015 or 2014.

A summary of the changes in the Company's stock unit awards for the three months ended March 31, 2015, is as follows:

	Restricted Stock Units	Director Deferred Stock Units	Total	Weighted-Average Grant Date Fair Value
Non-vested at beginning of year	1,183,870	55,745	1,239,615	$ 5.25
Granted	—	—	—	—
Dividend Equivalents Earned	9,610	1,185	10,795	6.16
Vested	(13,870)	(733)	(14,603)	5.09
Forfeited	—	—	—	—
Non-vested at end of period	1,179,610	56,197	1,235,807	$ 5.26
Outstanding at end of period	1,179,610	147,243	1,326,853	$ 5.25

All recipients earn quarterly dividend equivalents on their respective units. These dividend equivalents are not paid out during the vesting period, but instead entitle the recipients to additional units. Therefore, dividends earned each quarter compound based upon the updated unit balances. Upon vesting/delivery, shares are expected (though not required) to be issued from treasury.

The Company recognized $0.3 million and $0.2 million of compensation expense related to non-vested stock units for the three months ended March 31, 2015 and 2014. As of March 31, 2015, there was $3.2 million of total unrecognized compensation cost related to these non-vested stock units. This cost is expected to be recognized over a period of 3.4 years.

Note 10: Income Taxes

At March 31, 2015, the Company was under examination by the Illinois Department of Revenue for the Company's 2011 and 2012 income tax filings.

Note 11: Outstanding Commitments and Contingent Liabilities

Legal Matters

The Company is a party to legal actions which arise in the normal course of its 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 Company.

Credit Commitments and Contingencies

The Company is a party to credit-related financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the Consolidated Balance Sheets.

The Company's exposure to credit loss is represented by the contractual amount of those commitments. The Company uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments. A summary of the contractual amount of the Company's exposure to off-balance-sheet risk relating to the Company's commitments to extend credit and standby letters of credit follows:

	March 31, 2015	December 31, 2014
	(dollars in thousands)	
Financial instruments whose contract amounts represent credit risk:		
Commitments to extend credit	$ 592,716	$ 561,439
Standby letters of credit	21,046	20,466

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

Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer's obligation to a third party. Those guarantees are primarily issued to support public and private borrowing arrangements, including bond financing and similar transactions and primarily have terms of one year or less. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The Company holds collateral, which may include accounts receivable, inventory, property and equipment, and income producing properties, supporting those commitments if deemed necessary. In the event the customer does not perform in accordance with the terms of the agreement with the third party, the Company would be required to fund the commitment. The maximum potential amount of future payments the Company could be required to make is represented by the contractual amount shown in the summary above. If the commitment is funded, the Company would be entitled to seek recovery from the customer. As of March 31, 2015 and December 31, 2014, no amounts were recorded as liabilities for the Company's potential obligations under these guarantees.

Note 12: Capital

The ability of the Company to pay cash dividends to its stockholders and to service its debt historically was dependent on the receipt of cash dividends from its subsidiaries. However, Busey Bank sustained significant losses during 2008 and 2009 resulting in pressure on its capital, which was relieved through injections of capital from the Company. State chartered banks have certain statutory and regulatory restrictions on the amount of cash dividends they may pay. Due to the significant losses in the past and the Company's desire to maintain a strong capital position at Busey Bank, no dividends have been paid from Busey Bank since 2009. Until such time as retained earnings have been restored, Busey Bank will not be permitted to pay dividends, and we will need to request permission from Busey Bank's primary regulator to distribute any capital out of Busey Bank. On January 22, 2013, with the approval of its primary regulator, Busey Bank transferred $50.0 million to the Company, representing a return of capital and associated surplus as a result of an amendment to Busey Bank's charter. Further, on October 22, 2014, with the approval of its primary regulator, Busey Bank transferred $60.0 million to the Company, representing a return of capital and associated surplus as a result of a further amendment to Busey Bank's charter.

The Company and Busey Bank are subject to regulatory capital requirements administered by federal and state banking agencies that involve the quantitative measure of their assets, liabilities, and certain off-balance-sheet items, as calculated under regulatory accounting practices. Quantitative measures established by regulations to ensure capital adequacy require the Company and Busey Bank to maintain minimum amounts and ratios (set forth in the table below) of total, Tier 1 capital and Common Equity Tier 1 capital (as defined in the regulations) to risk-weighted assets (as defined in the regulations), and, for the Bank, Tier 1 capital (as defined in the regulations) to average assets (as defined in the regulations). Failure to meet minimum capital requirements may cause regulatory bodies to initiate certain discretionary and/or mandatory actions that, if undertaken, may have a direct material effect on our financial statements. The Company, as a financial holding company, is required to be "well capitalized" in the capital categories shown in the table below. As of March 31, 2015, the Company and Busey Bank met all capital adequacy requirements to which they were subject, including the guidelines to be considered "well capitalized."

	Actual		Minimum Capital Requirement		Minimum To Be Well Capitalized	
As of March 31, 2015:	**Amount**	**Ratio**	**Amount**	**Ratio**	**Amount**	**Ratio**
			(dollars in thousands)			
Total Capital (to Risk Weighted Assets)						
Consolidated	$ 490,842	17.64%	$ 222,584	8.00%	$ 278,229	10.00%
Busey Bank	$ 425,831	15.44%	$ 220,679	8.00%	$ 275,849	10.00%
Tier 1 Capital (to Risk Weighted Assets)						
Consolidated	$ 455,320	16.36%	$ 166,938	6.00%	$ 222,584	8.00%
Busey Bank	$ 390,604	14.16%	$ 165,509	6.00%	$ 220,679	8.00%
Common Equity Tier 1 Capital (to Risk Weighted Assets)						
Consolidated	$ 327,656	11.78%	$ 125,204	4.50%	$ 180,849	6.50%
Busey Bank	$ 390,604	14.16%	$ 124,132	4.50%	$ 179,302	6.50%
Tier 1 Capital (to Average Assets)						
Consolidated	$ 455,320	11.80%	$ 154,330	4.00%	N/A	N/A
Busey Bank	$ 390,604	10.25%	$ 152,459	4.00%	$ 190,573	5.00%

On July 21, 2010, President Obama signed the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") into law, which required the Board of Governors of the Federal Reserve System to establish minimum capital levels for bank holding companies on a consolidated basis that are as stringent as those required for insured depository institutions. The components of Tier 1 capital were restricted to capital instruments that at the time of signing were considered to be Tier 1 capital for insured depository institutions. As a result, the proceeds of trust preferred securities are excluded from Tier 1 capital unless such securities were issued prior to May 19, 2010 by bank holding companies with less than $15.0 billion of assets. As the Company has assets of less than $15.0 billion, it is able to maintain its trust preferred proceeds as Tier 1 capital but it will have to comply with new capital mandates in other respects, and it will not be able to raise Tier 1 capital through the issuance of trust preferred securities in the future.

In July 2013, the U.S. federal banking authorities approved the implementation of the Basel III regulatory capital reforms and issued rules effecting certain changes required by the Dodd-Frank Act (the "Basel III Rules"). The Basel III Rules are applicable to all U.S. banks that are subject to minimum capital requirements, as well as to bank and savings and loan holding companies other than "small bank holding companies" (generally bank holding companies with consolidated assets of less than $1 billion). The Basel III Rules not only increased most of the required minimum regulatory capital ratios, but they also introduced a new Common Equity Tier 1 Capital ratio and the concept of a capital conservation buffer. The Basel III Rules also expanded the definition of capital as in effect currently by establishing criteria that instruments must meet to be considered Additional Tier 1 Capital (Tier 1 Capital in addition to Common Equity) and Tier 2 Capital. A number of instruments that generally qualified as Tier 1 Capital no longer qualify, or their qualifications changed, as the Basel III Rules are fully implemented.

The Basel III Rules also permitted banking organizations with less than $15.0 billion in assets to retain, through a one-time election, the past treatment for accumulated other comprehensive income, which did not affect regulatory capital. First Busey and the Bank made this election in the first quarter of 2015 to avoid variations in the level of their capital depending on fluctuations in the fair value of their securities portfolio. The Basel III Rules maintained the general structure of the prompt corrective action framework, while incorporating increased requirements. The prompt corrective action guidelines were also revised to add the Common Equity Tier 1 Capital ratio. In order to be a "well-capitalized" depository institution under the new Basel III Rules, a bank and holding company must maintain a Common Equity Tier 1 Capital ratio of 6.5% or more; a Tier 1 Capital ratio of 8% or more; a Total Capital ratio of 10% or more; and a leverage ratio of 5% or more. Financial institutions became subject to the new Basel III Rules on January 1, 2015, with phase-in periods for many of the changes. As of March 31, 2015, the Company and the Bank were in compliance with the current phase Basel III Rules and management believes that the Company and the Bank would meet all capital adequacy requirements under the Basel III Rules on a fully phased-in basis as if such requirements had been in effect.

Note 13: Reportable Segments and Related Information

The Company has three reportable segments, Busey Bank, FirsTech and Busey Wealth Management. Busey Bank provides a full range of banking services to individual and corporate customers through its branch network in downstate Illinois, through its branch in Indianapolis, Indiana, and through its branch network in southwest Florida. FirsTech provides remittance processing for online bill payments, lockbox and walk-in payments. Busey Wealth Management is the parent company of Busey Trust Company, which provides a full range of asset management, investment and fiduciary services to individuals, businesses and foundations, tax preparation and philanthropic advisory services.

The Company'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 other category consists of the Parent Company and the elimination of intercompany transactions.

The segment financial information provided below has been derived from the internal accounting system used by management to monitor and manage the financial performance of the Company. The accounting policies of the three segments are the same as those described in the summary of significant accounting policies in the Company's Annual Report on Form 10-K for the year ended December 31, 2014.

Following is a summary of selected financial information for the Company's business segments *(dollars in thousands)*:

	Goodwill		Total Assets	
	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
Goodwill & Total Assets:				
Busey Bank	$ 4,824	$ —	$ 3,859,021	$ 3,589,419
FirsTech	8,992	8,992	28,847	28,540
Busey Wealth Management	11,694	11,694	31,067	31,196
Other	—	—	18,249	16,452
Total	$ 25,510	$ 20,686	$ 3,937,184	$ 3,665,607

	Three Months Ended March 31,	
	2015	2014
Interest income:		
Busey Bank	$ 28,189	$ 26,181
FirsTech	13	12
Busey Wealth Management	71	64
Other	(10)	(6)
Total interest income	$ 28,263	$ 26,251
Interest expense:		
Busey Bank	$ 1,310	$ 1,410
FirsTech	—	—
Busey Wealth Management	—	—
Other	283	284
Total interest expense	$ 1,593	$ 1,694
Other income:		
Busey Bank	$ 8,969	$ 8,227
FirsTech	2,532	2,387
Busey Wealth Management	4,679	4,541
Other	(215)	(169)
Total other income	$ 15,965	$ 14,986
Other expense:		
Busey Bank	$ 24,300	$ 21,044
FirsTech	1,946	1,872
Busey Wealth Management	3,135	2,903
Other	1,166	799
Total other expense	$ 30,547	$ 26,618

Income before income taxes		
Busey Bank	$ 11,048	$ 10,954
FirsTech	599	528
Busey Wealth Management	1,615	1,702
Other	(1,674)	(1,259)
Total income before income taxes	$ 11,588	$ 11,925
Net income:		
Busey Bank	$ 7,278	$ 7,279
FirsTech	358	309
Busey Wealth Management	963	1,002
Other	(838)	(703)
Total net income	$ 7,761	$ 7,887

Note 14: Fair Value Measurements

The fair value of an asset or liability is the price that would be received by selling that asset or paid in transferring that liability in an orderly transaction occurring in the principal market (or most advantageous market in the absence of a principal market) for such asset or liability. In estimating fair value, the Company utilizes valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. Such valuation techniques are consistently applied. Inputs to valuation techniques include the assumptions that market participants would use in pricing an asset or liability. FASB ASC Topic 820 establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1 Inputs - Unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 Inputs - Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates, volatilities, prepayment speeds, credit risks, etc.) or inputs that are derived principally from or corroborated by market data by correlation or other means.

Level 3 Inputs - Unobservable inputs for determining the fair values of assets or liabilities that reflect the Company’s own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

A description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below. These valuation methodologies were applied to those Company assets and liabilities that are carried at fair value.

There were no transfers between levels during the quarter ended March 31, 2015.

In general, fair value is based upon quoted market prices, when available. If such quoted market prices are not available, fair values are measured utilizing independent valuation techniques of identical or similar securities for which significant assumptions are derived primarily from or corroborated by observable data. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. These adjustments may include amounts to reflect, among other things, counterparty credit quality and the company’s creditworthiness as well as unobservable parameters. Any such valuation adjustments are applied consistently over time. The Company’s valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While management believes the Company’s valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. Furthermore, the reported fair value amounts have not been comprehensively revalued since the presentation dates and, therefore, estimates of fair value after the balance sheet date may differ significantly from the amounts presented herein.

Securities Available for Sale. Securities classified as available for sale are reported at fair value utilizing level 1 and level 2 measurements. For mutual funds and other equity securities, unadjusted quoted prices in active markets for identical assets are utilized to determine fair value at the measurement date and have been classified as level 1 in the ASC 820 fair value hierarchy. For all other securities, the Company obtains fair value measurements from an independent pricing service. The independent pricing service evaluations are based on market data. The independent pricing service utilizes evaluated pricing models that vary by asset class and incorporate available trade, bid and other market information. Because many fixed income securities do not trade on a daily basis, the independent pricing service evaluated pricing applications apply available information as applicable through processes such as benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing, to prepare evaluations. In addition, the independent pricing service uses model processes, such as the Option Adjusted Spread model, to assess interest rate impact and develop prepayment scenarios. The models and processes take into account market convention. For each asset class, a team of evaluators gathers information from market sources and integrates relevant credit information, perceived market movements and sector news into the evaluated pricing applications and models.

The market inputs that the independent pricing service normally seeks for evaluations of securities, listed in approximate order of priority, include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. The independent pricing service also monitors market indicators, industry and economic events. Information of this nature is a trigger to acquire further market data. For certain security types, additional inputs may be used or some of the market inputs may not be applicable. Evaluators may prioritize inputs differently on any given day for any security based on market conditions, and not all inputs listed are available for use in the evaluation process for each security evaluation on a given day. Because the data utilized was observable, the securities have been classified as level 2 in the ASC 820 fair value hierarchy.

Derivative Assets and Derivative Liabilities. Derivative assets and derivative liabilities are reported at fair value utilizing level 2 measurements. Derivative instruments with positive fair values are reported as an asset and derivative instruments with negative fair value are reported as liabilities. The fair value of derivative assets and liabilities is determined based on prices obtained from a third party. Values of derivative assets and liabilities are primarily based on observable inputs and are classified as level 2 in the ASC 820 fair value hierarchy.

The following table summarizes financial assets and financial liabilities measured at fair value on a recurring basis as of March 31, 2015 and December 31, 2014, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

March 31, 2015	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
	(dollars in thousands)			
Securities available for sale				
U.S. Treasury securities	$ —	$ 65,930	$ —	$ 65,930
Obligations of U.S. government corporations and agencies	—	157,385	—	157,385
Obligations of states and political subdivisions	—	209,081	—	209,081
Residential mortgage-backed securities	—	280,901	—	280,901
Corporate debt securities	—	110,902	—	110,902
Mutual funds and other equity securities	7,415	—	—	7,415
Derivative assets				
Foreign currency forward contracts	—	18	—	18

December 31, 2014	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
	(dollars in thousands)			
Securities available for sale				
U.S. Treasury securities	$ —	$ 50,606	$ —	$ 50,606
Obligations of U.S. government corporations and agencies	—	167,010	—	167,010
Obligations of states and political subdivisions	—	220,161	—	220,161
Residential mortgage-backed securities	—	235,636	—	235,636
Corporate debt securities	—	79,307	—	79,307
Mutual funds and other equity securities	6,345	—	—	6,345
Derivative assets				
Foreign currency forward contracts	—	15	—	15

Certain financial assets and financial liabilities are measured at fair value on a non-recurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment).

Impaired Loans. The Company does not record loans at fair value on a recurring basis. However, periodically, a loan is considered impaired and is reported at the fair value of the underlying collateral, less estimated costs to sell, if repayment is expected solely from the collateral. Impaired loans measured at fair value typically consist of loans on non-accrual status and restructured loans in compliance with modified terms. Collateral values are estimated using a combination of observable inputs, including recent appraisals, and unobservable inputs based on customized discounting criteria. Due to the significance of the unobservable inputs, all impaired loan fair values have been classified as level 3 in the ASC 820 fair value hierarchy.

OREO. Non-financial assets and non-financial liabilities measured at fair value include OREO (upon initial recognition or subsequent impairment). OREO properties are measured using a combination of observable inputs, including recent appraisals, and unobservable inputs based on customized discounting criteria. Due to the significance of the unobservable inputs, all OREO fair values have been classified as level 3 in the ASC 820 fair value hierarchy.

The following table summarizes assets and liabilities measured at fair value on a non-recurring basis as of March 31, 2015 and December 31, 2014, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
	(dollars in thousands)			
March 31, 2015				
Impaired loans	$ —	$ —	$ 1,820	$ 1,820
OREO	—	—	208	208
December 31, 2014				
Impaired loans	$ —	$ —	$ 2,129	$ 2,129

The following table presents additional quantitative information about assets measured at fair value on a non-recurring basis for which the Company has utilized level 3 inputs to determine fair value:

	Quantitative Information about Level 3 Fair Value Measurements			
	Fair Value Estimate (dollars in thousands)	Valuation Techniques	Unobservable Input	Range (Weighted Average)
March 31, 2015				
Impaired loans	$ 1,820	Appraisal of collateral	Appraisal adjustments	-6.9% to -100.0% (-51.1%)
OREO	208	Appraisal of collateral	Appraisal adjustments	-32.7% to -100.0% (-84.7%)
December 31, 2014				

Impaired loans	$ 2,129	Appraisal of collateral	Appraisal adjustments	-7.7% to -100.0% (-54.3%)

The estimated fair values of financial instruments that are reported at amortized cost in the Company's Consolidated Balance Sheets, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value, were as follows:

	March 31, 2015		December 31, 2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(dollars in thousands)			
Financial assets:				
Level 2 inputs:				
Cash and due from banks	$ 428,936	$ 428,936	$ 339,438	$ 339,438
Securities held to maturity	35,037	35,387	2,373	2,425
Loans held for sale	18,685	19,039	10,400	10,634
Accrued interest receivable	12,491	12,491	11,187	11,187
Level 3 inputs:				
Loans, net	2,418,514	2,440,340	2,357,837	2,360,000
Financial liabilities:				
Level 2 inputs:				
Deposits	$ 3,183,885	$ 3,184,855	$ 2,900,848	$ 2,900,763
Securities sold under agreements to repurchase	183,675	183,675	198,893	198,893
Long-term debt	50,000	50,000	50,000	50,000
Junior subordinated debt owed to unconsolidated trusts	55,000	55,000	55,000	55,000
Accrued interest payable	499	499	507	507

The fair value of loans, net reflects general changes in the interest rate curve used to calculate fair values based on cash flows.

FASB ASC Topic 825 requires disclosure of the fair value of financial assets and financial liabilities, including those financial assets and financial liabilities that are not measured and reported at fair value on a recurring basis or non-recurring basis. A detailed description of the valuation methodologies used in estimating the fair value of financial instruments is set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2014.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is management's discussion and analysis of the financial condition of First Busey Corporation and its subsidiaries (referred to herein as "First Busey," "Company," "we," or "our") at March 31, 2015 (unaudited), as compared with December 31, 2014 and March 31, 2014 (unaudited), and the results of operations for the three months ended March 31, 2015 and 2014 (unaudited), and the three months ended December 31, 2014 (unaudited). Management's discussion and analysis should be read in conjunction with the Company's consolidated financial statements and notes thereto appearing elsewhere in this Quarterly Report, as well as the Company's Annual Report on Form 10-K for the year ended December 31, 2014.

EXECUTIVE SUMMARY

Operating Results

First Busey's net income for the first quarter of 2015 was $7.8 million and net income available to common stockholders was $7.6 million, or $0.09 per fully diluted common share. The Company reported net income of $7.9 million and net income available to common stockholders of $7.7 million, or $0.09 per fully-diluted common share, for the first quarter of 2014 and net income of $7.6 million and net income available to common stockholders of $7.4, or $0.08 per fully-diluted common share for the fourth quarter of 2014. Net income was influenced by acquisition and other non-recurring costs during the first quarter of 2015.

On January 8, 2015, First Busey completed its acquisition of Herget Financial, headquartered in Pekin, Illinois. The Company incurred $1.0 million of one-time expenses in the first quarter of 2015 related to this acquisition, including $0.7 million of system conversion costs and $0.3 million of other costs, consisting primarily of restructuring, legal, consulting, regulatory and marketing costs. In the fourth quarter of 2014, the Company recorded $0.4 million of other costs relating to this acquisition. The Herget Financial transaction added loans with a fair value of $107.1 million and deposits with a fair value of $241.9 million as of the acquisition date.

The Company further undertook additional initiatives to refine its branch network and restructure various internal teams to improve efficiency going forward. These initiatives resulted in $0.7 million of premises and equipment impairments and $0.3 million in other corporate restructuring costs, all of which were one-time, non-recurring items. In recent years, the Company has experienced rapid adoption by its customers of online and mobile banking channels, providing opportunities to reduce its traditional branch network. Digital channels are currently accessed by more than 70% of customers with over 30% using mobile devices and over 20% enrolled in mobile deposit programs. As more than half of our customers are successfully meeting their transactional banking needs without the necessity to enter bank branches, the Company continues to widen digital options to support emerging customer preferences.

Busey Wealth Management's net income was $1.0 million for the first quarter of 2015, compared to $1.1 million for the fourth quarter of 2014 and $1.0 million for the first quarter of 2014. Assets under care increased to $5.3 billion as of March 31, 2015, compared to $5.2 billion and December 31, 2014 and $5.0 billion at March 31, 2014. FirsTech's net income of $0.4 million for the first quarter of 2015 increased from $0.3 million in the fourth and first quarters

of 2014, primarily due to growth in electronic processing revenues, including online and mobile services. Revenues from trust fees, commissions and brokers' fees and remittance processing activities - which are primarily generated through Busey Wealth Management and FirsTech - represented 56.2% of the Company's non-interest income for the quarter ended March 31, 2015, providing a balance to revenue from traditional banking activities. Trust fees and commissions and brokers' fees increased to $6.5 million for the first quarter of 2015 due to seasonal farm management fees, compared to $5.4 million for the fourth quarter of 2014 and $6.3 million for the first quarter of 2014.

Asset Quality

While much internal focus has been directed toward growth, the Company's commitment to credit quality continues to be evident by strong performance across a range of credit indicators. The March 31, 2015 asset metrics reflected the post-combination results of acquiring Herget Financial. Gross loans increased to $2.48 billion at March 31, 2015 from $2.41 billion at December 31, 2014 and $2.23 billion at March 31, 2014 as a result of seasonal changes in the legacy loan portfolio offset by the addition of loans obtained as part of the Herget Financial acquisition. As of March 31, 2015, the Company reported non-performing loans of $10.4 million compared to $9.0 million as of December 31, 2014 and $14.3 million as of March 31, 2014. The Company recorded net charge-offs of $0.3 million for the first quarter of 2015 compared to net recovery of $0.4 million for fourth quarter of 2014 and net charge-offs of $1.1 million for the first quarter of 2014. The provision for loan loss increased to $0.5 million in the first quarter of 2015, from zero in the fourth quarter of 2014, but decreased from $1.0 million in the first quarter of 2014.

With a continued commitment to the quality of assets and the strength of our balance sheet, near-term loan losses are expected to remain generally low. While these results are encouraging, asset quality metrics can be generally influenced by market-specific economic conditions, and specific measures may fluctuate from quarter to quarter. The key metrics are as follows:

	As of and for the Three Months Ended		
ASSET QUALITY	**March 31, 2015**	**December 31, 2014**	**March 31, 2014**
Gross loans(1)	**$ 2,484,851**	$ 2,415,690	$ 2,232,632
Commercial loans(2)	**1,815,183**	1,812,965	1,683,557
Allowance for loan losses	**47,652**	47,453	47,426
Non-performing loans			
Non-accrual loans	**10,202**	9,000	14,340
Loans 90+ days past due	**189**	10	—
Non-performing loans, segregated by geography			
Illinois/ Indiana	**7,688**	5,309	11,175
Florida	**2,703**	3,701	3,165
Loans 30-89 days past due	**3,716**	1,819	4,005
Other non-performing assets	**315**	216	1,937
Non-performing assets to total loans and non-performing assets	**0.4%**	0.4%	0.7%
Allowance as a percentage of non-performing loans	**458.6%**	526.7%	330.7%
Allowance for loan losses to loans	**1.9%**	2.0%	2.1%

(1) Includes loans held for sale.
(2) Includes loans categorized as commercial, commercial real estate and real estate construction.

Economic Conditions of Markets

Our primary markets, which are in micro-urban communities in downstate Illinois, are distinct from the smaller rural populations of Illinois and have strong industrial, academic or healthcare employment bases. Our primary downstate Illinois markets of Champaign, Macon, McLean and Peoria counties are anchored by several strong, familiar and stable organizations.

Champaign County is home to the University of Illinois — Urbana/Champaign ("U of I"), the University's primary campus. U of I has in excess of 44,000 students. Additionally, Champaign County healthcare providers serve a significant area of downstate Illinois and western Indiana. Macon County is home to the North American headquarters for Archer Daniels Midland ("ADM"), a Fortune 100 company and one of the largest agricultural processors in the world. ADM's presence in Macon County supports many derivative businesses in the agricultural processing arena. Additionally, Macon County is home to Millikin University, and its healthcare providers serve a significant role in the market. McLean County is home to State Farm, Country Financial, Illinois State University and Illinois Wesleyan University. State Farm, a Fortune 100 company, is the largest employer in McLean County, and Country Financial and the universities provide additional stability to a growing area of downstate Illinois. Peoria County is home to Caterpillar, a Fortune 100 company, and Bradley University, in addition to a large healthcare presence serving much of the western portion of downstate Illinois. The institutions noted above, coupled with a large agricultural sector, anchor the communities in which they are located, and have provided a comparatively stable foundation for housing, employment and small business.

The State of Illinois, where the largest portion of the Company's customer base is located, continues to be one of the most troubled of any state in the United States with pension under-funding, continued budget deficits and a declining credit outlook. Additionally, the Company is located in markets with significant universities and healthcare companies, which rely heavily on state funding and contracts. A temporary income tax increase passed in 2011 began phasing out in 2015, which may affect the State's revenue. Payment lapses by the State of Illinois to its vendors and government sponsored entities may have negative effects on our primary market areas.

The Company has one banking center in the Indianapolis, Indiana area which is the most populous city of Indiana with a diverse economy. Many large corporations are headquartered in Indianapolis and it is the host to numerous conventions and sporting events annually.

The Company has seven banking centers in southwest Florida. Southwest Florida has shown continuing signs of improvement in areas such as job growth and home sales over the last few years. In addition, median sales prices of homes in Florida continue to be on the rise. Although we have seen recent improvement in certain economic indicators, we don't believe that southwest Florida has yet returned to its peak economic strength.

OPERATING PERFORMANCE

NET INTEREST INCOME

Net interest income is the difference between interest income and fees earned on earning assets and interest expense incurred on interest-bearing liabilities. Interest rate levels and volume fluctuations within earning assets and interest-bearing liabilities impact net interest income. Net interest margin is tax-equivalent net interest income as a percent of average earning assets.

Certain assets with tax favorable treatment are evaluated on a tax-equivalent basis. Tax-equivalent basis assumes a federal income tax rate of 35%. Tax favorable assets generally have lower contractual pre-tax yields than fully taxable assets. A tax-equivalent analysis is performed by adding the tax savings to the earnings on tax favorable assets. After factoring in the tax favorable effects of these assets, the yields may be more appropriately evaluated against alternative earning assets. In addition to yield, various other risks are factored into the evaluation process.

The following tables show 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 the interest-bearing liabilities, and the related interest rates for the periods shown. The tables also show, for the periods indicated, a summary of the changes in interest earned and interest expense resulting from changes in volume and rates for the major components of interest-earning assets and interest-bearing liabilities. All average information is provided on a daily average basis.

AVERAGE BALANCE SHEETS AND INTEREST RATES
THREE MONTHS ENDED MARCH 31, 2015 AND 2014

	2015			2014			Change in income/ expense due to(1)		
	Average Balance	Income/ Expense	Yield/ Rate(3)	Average Balance	Income/ Expense	Yield/ Rate(3)	Average Volume	Average Yield/Rate	Total Change
	(dollars in thousands)								
Assets									
Interest-bearing bank deposits	$ 298,837	$ 192	0.26%	$ 187,256	$ 121	0.26%	$ 72	$ (1)	$ 71
Investment securities									
U.S. Government obligations	227,283	656	1.17%	333,720	1,054	1.28%	(313)	(85)	(398)
Obligations of states and political subdivisions(1)	246,982	1,660	2.73%	261,628	1,715	2.66%	(98)	43	(55)
Other securities	387,669	2,033	2.13%	226,862	1,279	2.29%	849	(95)	754
Loans(1) (2)	2,486,569	24,260	3.96%	2,235,314	22,596	4.10%	2,472	(808)	1,664
Total interest-earning assets(1)	$ 3,647,340	$ 28,801	3.20%	$ 3,244,780	$ 26,765	3.35%	$ 2,982	$ (946)	$ 2,036
Cash and due from banks	93,493			96,102					
Premises and equipment	65,855			65,754					
Allowance for loan losses	(48,149)			(48,005)					
Other assets	142,659			149,080					
Total Assets	$ 3,901,198			$ 3,507,711					
Liabilities and Stockholders' Equity									
Interest-bearing transaction deposits	$ 101,288	$ 33	0.13%	$ 47,935	$ 6	0.05%	$ 11	$ 16	$ 27
Savings deposits	238,436	10	0.02%	213,693	10	0.02%	1	(1)	—
Money market deposits	1,568,613	471	0.12%	1,477,024	420	0.12%	27	24	51
Time deposits	533,267	725	0.55%	569,487	926	0.66%	(56)	(145)	(201)
Short-term borrowings:									
Repurchase agreements	186,663	51	0.11%	131,645	39	0.12%	15	(3)	12
Long-term debt	50,367	10	0.08%	—	—	—%	10	—	10
Junior subordinated debt owed to unconsolidated trusts	55,000	293	2.16%	55,000	293	2.16%	—	—	—
Total interest-bearing liabilities	$ 2,733,634	$ 1,593	0.24%	$ 2,494,784	$ 1,694	0.28%	$ 8	$ (109)	$ (101)
Net interest spread(1)			2.96%			3.07%			
Noninterest-bearing deposits	703,505			568,145					
Other liabilities	28,026			27,029					
Stockholders' equity	436,033			417,753					
Total Liabilities and Stockholders' Equity	$ 3,901,198			$ 3,507,711					
Interest income / earning assets(1)	$ 3,647,340	$ 28,801	3.20%	$ 3,244,780	$ 26,765	3.35%			
Interest expense / earning assets	$ 3,647,340	$ 1,593	0.17%	$ 3,244,780	$ 1,694	0.22%			
Net interest margin(1)		$ 27,208	3.03%		$ 25,071	3.13%	$ 2,974	$ (837)	$ 2,137

(1) On a tax-equivalent basis assuming a federal income tax rate of 35%.
(2) Non-accrual loans have been included in average loans.
(3) Annualized.

Total average interest-earning assets increased $402.6 million, or 12.4%, to $3.65 billion for the three month period ended March 31, 2015 as compared to $3.24 billion for the same period in 2014. Average interest-bearing bank deposits increased $111.6 million, or 59.6%, to $298.8 million for the three month period ended March 31, 2015 as compared to $187.3 million for the same period in 2014. Average loans increased $251.3 million, or 11.2%, to $2.49 billion for the three month period ended March 31, 2015 as compared to $2.24 billion for the same period in 2014 primarily due to our continued emphasis on organic commercial loan growth and the Herget Financial acquisition; however, loans were added at lower yields due to the competitive lending environment. Still, loans generally have notably higher yields compared to interest-bearing bank deposits and investment securities.

Total average interest-bearing liability balances increased $238.9 million, or 9.6%, to $2.73 billion for the three month period ended March 31, 2015 as compared to $2.49 billion for the same period in 2014. Average noninterest-bearing deposits increased $135.4 million, or 23.8%, to $703.5 million for the three month period ended March 31, 2015 as compared to $568.1 million for the same period in 2014. As of March 31, 2015, core deposits were 76.4% of total assets and are an important low cost source of funding. In addition, in late 2014 the Company took on a modest level of long-term debt, taking advantage of low interest rates and attractive funding as a supplement to core deposits to fund loan growth.

Interest income, on a tax-equivalent basis, increased $2.0 million, or 7.6%, to $28.8 million for the three month period ended March 31, 2015 from $26.8 million for the same period in 2014. The interest income increase related primarily to the increase in loan volumes. Interest expense decreased $0.1 million, or 6.0%, to $1.6 million for the three month period ended March 31, 2015 from $1.7 million for the same period in 2014.

Net interest margin

Net interest margin, our net interest income expressed as a percentage of average earning assets stated on a tax-equivalent basis, decreased to 3.03% for the three month period ended March 31, 2015 compared to 3.13% for the same period in 2014. Net interest margin was influenced by strong deposit levels, which increased short-term assets during the quarter. Average deposit balances for the three month period ended March 31, 2015 grew 9.3% compared to the same period in 2014 primarily from the Herget Financial acquisition, positively impacting earnings and net income, while decreasing the net interest margin. In addition, the net interest margin was influenced by changes in asset mix related to the Herget Financial acquisition.

Quarterly net interest margins for 2015 and 2014 are as follows:

	2015	2014
First Quarter	3.03%	3.13%
Second Quarter	—	3.13%
Third Quarter	—	3.19%
Fourth Quarter	—	3.13%

The net interest spread, which represents the difference between the average rate earned on earning assets and the average rate paid on interest-bearing liabilities, also on a tax-equivalent basis, was 2.96% for the three month period ended March 31, 2015, compared to 3.07% for the same period in 2014.

We continued to experience downward pressure on our yield in interest-earning assets resulting from a protracted period of historically low rates and heightened competition for assets throughout the banking industry. The development of a stronger asset mix from increased loan balances, while actively bringing down interest expense and optimizing funding costs, remains a focus. We believe improvements in margin will be achieved through continued deployment of our liquid funds at higher yields as we expect to redeploy cash and securities into our loan portfolio at improved yields as the economy continues to strengthen.

Management attempts to mitigate the effects of an unpredictable interest-rate environment through effective portfolio management, prudent loan underwriting and operational efficiencies. Please refer to the Notes to Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2014 for accounting policies underlying the recognition of interest income and expense.

OTHER INCOME

	Three Months Ended March 31,		
	2015	2014	% Change
	(dollars in thousands)		
Trust fees	$ 5,697	$ 5,617	1.4%
Commissions and brokers' fees, net	784	671	16.8%
Remittance processing	2,487	2,350	5.8%
Service charges on deposit accounts	2,884	2,695	7.0%
Other service charges and fees	1,584	1,488	6.5%
Gain on sales of loans	1,426	981	45.4%
Security gains, net	1	43	(97.7)%
Other	1,102	1,141	(3.4)%
Total other income	$ 15,965	$ 14,986	6.5%

Total other income of $16.0 million for the three month period ended March 31, 2015 increased by $1.0 million as compared to $15.0 million for the same period in 2014.

Combined wealth management revenue, consisting of trust fees and commissions and brokers' fees, net, of $6.5 million rose $0.2 million from $6.3 million for the same period in 2014. Growth in new assets under care ("AUC") driven by our wealth management teams in 2015 and 2014 suggest future income will also be positively impacted as wealth management revenues are typically highly correlated to AUC. Furthermore, the Company believes the boutique

services offered by Trevett Capital Partners within its suite of wealth services broadens its business base and enhances its ability to further develop revenue sources.

Remittance processing revenue relates to our payment processing company, FirsTech. FirsTech's revenue of $2.5 million for the three month period ended March 31, 2015 increased $0.1 million compared to $2.4 million for the same period of 2014, primarily due to growth in electronic processing revenues, including online and mobile services. FirsTech adds important diversity to our revenue stream while widening our array of service offerings to larger commercial clients within our footprint and nationally.

Overall, service charges on deposit accounts combined with other service charges and fees increased to $4.5 million for the three month period ended March 31, 2015 as compared to $4.2 million for the same period of 2014. Evolving regulation, product changes and changing behaviors by our client base may impact the revenue derived from charges on deposit accounts.

Gain on sales of loans increased to $1.4 million for the three month period ended March 31, 2015 as compared to $1.0 million for the same period of 2014. Total mortgage production is reflected in both the gain on loans sold and the balances of loans retained in the retail real estate portfolio, and the mix of sales versus retention may vary over time.

Other income of $1.1 million for the three month period ended March 31, 2015 decreased slightly compared to the same period in 2014.

OTHER EXPENSE

	Three Months Ended March 31,		
	2015	2014	% Change
	(dollars in thousands)		
Compensation expense:			
Salaries and wages	$ 14,506	$ 12,249	18.4%
Employee benefits	2,343	2,893	(19.0)%
Total compensation expense	$ 16,849	$ 15,142	11.3%
Net occupancy expense of premises	2,245	2,243	0.1%
Furniture and equipment expenses	1,191	1,204	(1.1)%
Data processing	3,549	2,812	26.2%
Amortization of intangible assets	769	747	2.9%
Regulatory expense	643	555	15.9%
Other	5,301	3,915	35.4%
Total other expense	$ 30,547	$ 26,618	14.8%
Income taxes	$ 3,827	$ 4,038	(5.2)%
Effective rate on income taxes	33.0%	33.9%	
Efficiency ratio	69.0%	64.7%	
Full-time equivalent employees as of period-end	828	822	

Total other expense of $30.5 million for the three month period ended March 31, 2015 increased by $3.9 million as compared to $26.6 million for the same period in 2014. Total other expense was influenced by the Herget Financial acquisition and other non-recurring expenses during the first quarter of 2015.

Total compensation expense of $16.8 million increased $1.7 million for the three month period ended March 31, 2015 as compared to $15.1 million for the same period in 2014 due to restructuring expenses and an increase in the number of employees in connection with the Herget Financial acquisition.

Combined net occupancy expense of premises and furniture and equipment expenses of $3.4 million for the three month period ended March 31, 2015 was comparable to the same period in 2014. We continue to evaluate our operations for appropriate cost control measures while seeking improvements in service delivery to our customers.

Data processing expense increased 26.2% for the three month period ended March 31, 2015 to $3.5 million as compared to $2.8 million for the same period in 2014. The increase was primarily due to non-recurring software conversion expenses related to the acquisition of Herget Financial. As the Company manages data processing expense, it continues to enhance its mobile and internet banking services and prioritize strategies to mitigate the risk from cybercriminals through the use of new technology, industry best practices and customer education.

Amortization of intangible assets increased for the three month period ended March 31, 2015 to $0.8 million as compared to $0.7 million for the same period in 2014 as a result of the January 8, 2015 Herget Financial acquisition.

Regulatory expense increased 15.9% for the three month period ended March 31, 2015 as compared to the same period in 2014 as a result of a non-recurring expense related to the Herget Financial acquisition.

Other expense of $5.3 million for the three month period ended March 31, 2015 increased $1.4 million as compared to $3.9 million for the same period in 2014. The increase consisted primarily of costs related to restructuring initiatives which include a $0.7 million cost for premises impairment and other acquisition related expenses.

The effective rate of income taxes, or income taxes divided by income before taxes, of 33.0% for the three months ended March 31, 2015, was lower than the combined federal and state statutory rate of approximately 41% due to amounts of tax preferred interest income, such as municipal bond interest and bank owned life insurance income, accounting for a portion of our taxable income. As taxable income increases, we expect our effective tax rate to increase. Under current law, Illinois net operating loss carryover limitations expired in 2014 and the corporate income tax rate decreased as of January 1, 2015. The Company continues to monitor evolving state tax legislation and its potential impact on operations on an ongoing basis.

The efficiency ratio represents total other expense, less amortization charges, as a percentage of tax-equivalent net interest income plus other income, less security gains and losses. The efficiency ratio, which is a non-GAAP financial measure commonly used by management and the investment community in the banking industry, measures the amount of expense that is incurred to generate a dollar of revenue. The efficiency ratio of 69.0% for the three month period ended March 31, 2015 increased from 64.7% in the comparable period in 2014. We will continue to examine appropriate avenues to improve efficiency, as a focus in future periods, with an emphasis on revenue growth.

FINANCIAL CONDITION

SIGNIFICANT BALANCE SHEET ITEMS

	March 31, 2015	December 31, 2014	% Change
	(dollars in thousands)		
Assets			
Securities, including available for sale and held to maturity	$ 866,651	$ 761,438	13.8%
Loans, net, including loans held for sale	2,437,199	2,368,237	2.9%
Total assets	$ 3,937,184	$ 3,665,607	7.4%
Liabilities			
Deposits:			
Noninterest-bearing	$ 718,738	$ 666,607	7.8%
Interest-bearing	2,465,147	2,234,241	10.3%
Total deposits	$ 3,183,885	$ 2,900,848	9.8%
Securities sold under agreements to repurchase	$ 183,675	$ 198,893	(7.7)%
Long-term debt	50,000	50,000	—%
Total liabilities	$ 3,497,384	$ 3,231,968	8.2%
Stockholders' equity	$ 439,800	$ 433,639	1.4%

First Busey's balance sheet at March 31, 2015 increased 7.4% as compared with its balance sheet at December 31, 2014. Overall, total assets increased by $271.6 million to $3.94 billion at March 31, 2015 as compared to $3.67 billion at December 31, 2014. Liabilities increased by $265.4 million, or 8.2%, to $3.50 billion at March 31, 2015 compared to $3.23 billion at December 31, 2014.

Stockholders' equity increased to $439.8 million at March 31, 2015 as compared to $433.6 million at December 31, 2014. This increase was primarily the result of first quarter earnings, partially offset by dividends paid on preferred and common stock. Dividends paid on the preferred stock totaled $0.2 million for the three months ended March 31, 2015 and 2014. The Company anticipates that the preferred stock will be redeemed in full in early 2016 due to the scheduled increase in the dividend rate at that time.

ASSET QUALITY

Loan Portfolio

Geographic distributions of loans by category were as follows:

	March 31, 2015			
	Illinois	Florida	Indiana	Total
	(dollars in thousands)			
Commercial	$ 544,059	$ 13,378	$ 29,267	$ 586,704
Commercial real estate	848,166	166,012	123,239	1,137,417
Real estate construction	48,496	14,025	28,541	91,062
Retail real estate	531,642	109,305	11,948	652,895
Retail other	16,192	581	—	16,773
Total	$ 1,988,555	$ 303,301	$ 192,995	$ 2,484,851
Less held for sale(1)				18,685
				$ 2,466,166
Less allowance for loan losses				47,652
Net loans				$ 2,418,514

(1) Loans held for sale are included in retail real estate.

	December 31, 2014			
	Illinois	Florida	Indiana	Total
	(dollars in thousands)			
Commercial	$ 554,779	$ 16,739	$ 30,242	$ 601,760
Commercial real estate	811,034	171,243	121,874	1,104,151
Real estate construction	60,994	17,950	28,110	107,054
Retail real estate	473,171	106,658	12,644	592,473
Retail other	9,690	562	—	10,252
Total	$ 1,909,668	$ 313,152	$ 192,870	$ 2,415,690
Less held for sale(1)				10,400
				$ 2,405,290
Less allowance for loan losses				47,453
Net loans				$ 2,357,837

(1) Loans held for sale are included in retail real estate.

The total loan portfolio, gross, as of March 31, 2015 increased $69.2 million from December 31, 2014; gross commercial balances (consisting of commercial, commercial real estate and real estate construction loans) increased $2.2 million from December 31, 2014. Loans held for sale increased by $8.3 million as of March 31, 2015 from December 31, 2014. Retail real estate and retail other, less loans held for sale, increased $58.7 million as of March 31, 2015 from December 31, 2014. Achieving growth through organic means remains a focus for us, and was supplemented in the first quarter of 2015 by the Herget Financial acquisition. Further, our commitment to credit quality remains strong.

Allowance for loan losses

Our allowance for loan losses was $47.7 million, or 1.9% of loans, at March 31, 2015, compared to $47.5 million, or 2.0% of loans, at December 31, 2014.

Typically, when we move loans into non-accrual status, the loans are collateral dependent and charged down through the allowance for loan losses to the fair value of our interest in the underlying collateral less estimated costs to sell. Our loan portfolio is collateralized primarily by real estate.

We continue to attempt to identify problem loan situations on a proactive basis. Once problem loans are identified, adjustments to the provision for loan losses are made based upon all information available at that time. The provision reflects management's analysis of additional allowance for loan losses necessary to cover probable losses in our loan portfolio.

As of March 31, 2015, management believed the level of the allowance and coverage of non-performing loans to be appropriate based upon the information available. However, additional losses may be identified in our loan portfolio as new information is obtained. We may need to provide for additional loan losses in the future as management continues to identify potential problem loans and gains further information concerning existing problem loans.

First Busey does not originate or hold any Alt-A or subprime loans or investments.

Provision for Loan Losses

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

As net charge-offs and non-performing loans trended lower, the provision for loan loss decreased to $0.5 million in the first quarter of 2015 compared to $1.0 million in the same period of 2014.

Sensitive assets include non-accrual loans, loans on our classified loan reports and other loans identified as having more than reasonable potential for loss. Management reviews sensitive assets on at least a quarterly basis for changes in each applicable customer's ability to pay and changes in valuation of underlying collateral in order to estimate probable losses. The majority of these loans are being repaid in conformance with their contracts.

Non-performing Loans

Loans are considered past due if the required principal and interest payments have not been received as of the date such payments were due. Loans are placed on non-accrual status when, in management's opinion, the borrower may be unable to meet payment obligations as they become due, as well as when required by regulatory provisions. Loans may be placed on non-accrual status regardless of whether or not such loans are considered past due. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

The following table sets forth information concerning non-performing loans as of each of the dates indicated:

	March 31, 2015	December 31, 2014	September 30, 2014	June 30, 2014
	(dollars in thousands)			
Non-accrual loans	$ 10,202	$ 9,000	$ 8,681	$ 11,232

Loans 90+ days past due and still accruing	189	10	65	235
Total non-performing loans	$ 10,391	$ 9,010	$ 8,746	$ 11,467
OREO	$ 315	$ 216	$ 216	$ 1,622
Total non-performing assets	$ 10,706	$ 9,226	$ 8,962	$ 13,089
Allowance for loan losses	$ 47,652	$ 47,453	$ 47,014	$ 47,428
Allowance for loan losses to loans	1.9%	2.0%	2.0%	2.0%
Allowance for loan losses to non-performing loans	458.6%	526.7%	537.6%	413.6%
Non-performing loans to loans, before allowance for loan losses	0.4%	0.4%	0.4%	0.5%
Non-performing loans and OREO to loans, before allowance for loan losses	0.4%	0.4%	0.4%	0.6%

Total non-performing assets were $10.7 million at March 31, 2015, compared to $9.2 million at December 31, 2014. The March 31, 2015 totals reflect the post-combination results of acquiring Herget Financial. Asset quality metrics remain dependent upon market-specific economic conditions, and specific measures may fluctuate from quarter to quarter.

Potential Problem Loans

Potential problem loans are those loans which are not categorized as impaired, restructured, non-accrual or 90+ days past due, but where current information indicates that the borrower may not be able to comply with present loan repayment terms. Management assesses the potential for loss on such loans as it would with other problem loans and has considered the effect of any potential loss in determining its provision for probable loan losses. Potential problem loans totaled $30.0 million at March 31, 2015 and $30.9 million at December 31, 2014. We do not believe the potential losses associated with these potential problem loans will be as great as seen in the past. Management continues to monitor these credits and anticipates that restructurings, guarantees, additional collateral or other planned actions will result in full repayment of the debts. As of March 31, 2015, management identified no other loans that represent or result from trends or uncertainties which management reasonably expected to materially impact future operating results, liquidity or capital resources. As of March 31, 2015, management was not aware of any information about any other credits which caused management to have serious doubts as to the ability of such borrower(s) to comply with the loan repayment terms.

LIQUIDITY

Liquidity management is the process by which we ensure that adequate liquid funds are available to meet the present and future cash flow obligations arising in the daily operations of our business. These financial obligations consist of needs for funds to meet commitments to borrowers for extensions of credit, fund capital expenditures, honor withdrawals by customers, pay dividends to stockholders and pay operating expenses. Our most liquid assets are cash and due from banks, interest-bearing bank deposits, and, if needed, federal funds sold. The balances of these assets are dependent on the Company’s operating, investing, lending, and financing activities during any given period.

First Busey’s primary sources of funds consist of deposits, investment maturities and sales, loan principal repayments, and capital funds. Additional liquidity is provided by repurchase agreements, the ability to borrow from the Federal Reserve and the Federal Home Loan Bank (“FHLB”), and brokered deposits. Management intends to satisfy long-term liquidity needs primarily through retention of capital funds.

During 2014, as part of our ongoing balance sheet strategy, the Company took on a modest level of long-term debt taking advantage of low interest rates and attractive funding options by executing $50.0 million in FHLB discount note indexed advances. The variable rate notes range in maturity from five to ten years with options to prepay at par prior to maturity.

Based upon the level of investment securities that reprice within 30 days and 90 days, as of March 31, 2015, management believed that adequate liquidity existed to meet all projected cash flow obligations. We seek to achieve a satisfactory degree of liquidity by 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.

OFF-BALANCE-SHEET ARRANGEMENTS

At March 31, 2015, the Company had outstanding standby letters of credit of $21.1 million and commitments to extend credit of $592.7 million to its customers. Since these commitments generally have fixed expiration dates and many will expire without being drawn upon, the total commitment level does not necessarily represent future cash requirements. These commitments are made in the ordinary course of business to meet the financing needs of the Company’s customers. As of March 31, 2015, no amounts were recorded as liabilities for the Company’s potential obligations under these commitments.

CAPITAL RESOURCES

Our capital ratios are in excess of those required to be considered “well-capitalized” pursuant to applicable regulatory guidelines at both the consolidated level and at the Bank. 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 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%, Tier 1 capital to total risk-weighted asset ratio of not less than 6.00%, Common Equity Tier 1 capital to total risk-weighted asset ratio of not less than 4.50% and a Tier 1 leverage ratio of not less than 4.00%. As of March 31, 2015, we had a total capital to total risk-weighted asset ratio of 17.64%, a Tier 1 capital to risk-weighted asset ratio of 16.36%, Common Equity

Tier 1 capital to risk-weighted asset ratio of 11.78% and a Tier 1 leverage ratio of 11.80%; the Bank had ratios of 15.44%, 14.16%, 14.16% and 10.25%, respectively.

FORWARD LOOKING STATEMENTS

Statements made in this report, other than those concerning historical financial information, may be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, plans, objectives, future performance and business of First Busey. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of First Busey's management and on information currently available to management, are generally identifiable by the use of words such as "believe," "expect," "anticipate," "plan," "intend," "estimate," "may," "will," "would," "could," "should" or other similar expressions. Additionally, all statements in this document, including forward-looking statements, speak only as of the date they are made, and we undertake no obligation to update any statement in light of new information or future events. A number of factors, many of which are beyond our ability to control or predict, could cause actual results to differ materially from those in our forward-looking statements. These factors include, among others, the following: (i) the strength of the local and national economy; (ii) the economic impact of any future terrorist threats or attacks; (iii) changes in state and federal laws, regulations and governmental policies concerning First Busey's general business (including the impact of the Dodd-Frank Act and the extensive regulations to be promulgated thereunder, as well as the Basel III Rules); (iv) changes in interest rates and prepayment rates of First Busey's assets; (v) increased competition in the financial services sector and the inability to attract new customers; (vi) changes in technology and the ability to develop and maintain secure and reliable electronic systems; (vii) the loss of key executives or employees; (viii) changes in consumer spending; (ix) unexpected results of acquisitions, including the acquisition of Herget Financial; (x) unexpected outcomes of existing or new litigation involving First Busey; (xi) changes in accounting policies and practices; and (xii) the economic impact of exceptional weather occurrences such as tornadoes, hurricanes, floods, and blizzards. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Additional information concerning First Busey and its business, including additional factors that could materially affect its financial results, is included in First Busey's filings with the Securities and Exchange Commission.

CRITICAL ACCOUNTING ESTIMATES

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

Our significant accounting policies are described in Note 1 of the Company's Annual Report on Form 10-K for the year ended December 31, 2014. The majority of these accounting policies do not require management to make difficult, subjective or complex judgments or estimates or the variability of the estimates is not material. However, the following policies could be deemed critical:

Fair Value of Investment Securities. Securities are classified as held to maturity when First Busey has the ability and management has the positive intent to hold those securities to maturity. Accordingly, they are stated at cost, adjusted for amortization of premiums and accretion of discounts. First Busey had $35.0 million of securities classified as held to maturity at March 31, 2015. First Busey had no securities classified as trading at March 31, 2015. Securities are classified as available for sale when First Busey may decide to sell those securities due to changes in market interest rates, liquidity needs, changes in yields on alternative investments, and for other reasons. They are carried at fair value with unrealized gains and losses, net of taxes, reported in other comprehensive income. As of March 31, 2015, First Busey had $831.6 million of securities classified as available for sale. For equity securities, unadjusted quoted prices in active markets for identical assets are utilized to determine fair value at the measurement date. For all other securities, we obtain fair value measurements from an independent pricing service. The fair value measurements consider observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, trade execution data, market consensus prepayment speeds, credit information and the security's terms and conditions, among other things. Due to the limited nature of the market for certain securities, the fair value and potential sale proceeds could be materially different in the event of a sale.

Realized securities gains or losses are reported in security gains (losses), net in the Consolidated Statements of Income. The cost of securities sold is based on the specific identification method. Declines in the fair value of available for sale securities below their amortized cost are evaluated to determine whether the loss is temporary or other-than-temporary. If the Company (a) has the intent to sell a debt security or (b) will more-likely-than-not be required to sell the debt security before its anticipated recovery, then the Company recognizes the entire unrealized loss in earnings as an other-than-temporary loss. If neither of these conditions are met, the Company evaluates whether a credit loss exists. The impairment is separated into the amount of the total impairment related to the credit loss and the amount of total impairment related to all other factors. The amount of the total other-than-temporary impairment related to the credit loss is recognized in earnings, and the amount related to all other factors is recognized in other comprehensive income.

The Company also evaluates whether the decline in fair value of an equity security is temporary or other-than-temporary. In determining whether an unrealized loss on an equity security is temporary or other-than-temporary, management considers various factors including the magnitude and duration of the impairment, the financial condition and near-term prospects of the issuer, and the intent and ability of the Company to hold the equity security to forecasted recovery.

Allowance for Loan Losses. First Busey has established an allowance for loan losses which represents its estimate of the probable losses inherent in the loan portfolio as of the date of the financial statements and reduces the total loans outstanding by an estimate of uncollectible loans. Loans deemed uncollectible are charged against and reduce the allowance. 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.

To determine the adequacy of the allowance for loan losses, a formal analysis is completed quarterly to assess the risk within the loan portfolio. This assessment is reviewed by senior management of Busey Bank and the Company. The analysis includes a review of historical performance, dollar amount and trends of past due loans, dollar amount and trends in non-performing loans, certain impaired loans, and loans identified as sensitive assets. Sensitive assets include non-accrual loans, past-due loans, loans on First Busey's watch loan reports and other loans identified as having probable potential for loss.

The allowance consists of specific and general components. The specific component considers loans that are classified as impaired. For such loans that are classified as impaired, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the impaired loan is lower than the carrying amount of that loan. The general component covers non-classified loans and classified loans not considered impaired, and is based on

historical loss experience adjusted for qualitative factors. Other adjustments may be made to the allowance for pools of loans after an assessment of internal or external influences on credit quality that are not fully reflected in the historical loss experience.

A loan is considered to be impaired when, based on current information and events, it is probable First Busey will not be able to collect all principal and interest amounts due according to the contractual terms of the loan agreement. When a loan becomes impaired, management generally calculates the impairment based on the present value of expected future cash flows discounted at the loan's effective interest rate. If the loan is collateral dependent, the fair value of the collateral is used to measure the amount of impairment. The amount of impairment and any subsequent changes are recorded through a charge to the provision for loan losses. For collateral dependent loans, First Busey has determined the required allowance on these loans based upon the estimated fair value, net of selling costs, of the applicable collateral. The required allowance or actual losses on these impaired loans could differ significantly if the ultimate fair value of the collateral is significantly different from the fair value estimates used by First Busey in estimating such potential losses.

Deferred Taxes. We have maintained significant net deferred tax assets for deductible temporary differences, the largest of which relates to the State of Illinois net operating loss carryforward and the allowance for loan losses. For income tax return purposes, only actual charge-offs are deductible, not the provision for loan losses. Under generally accepted accounting principles, a valuation allowance is required to be recognized if it is "more-likely-than-not" that the deferred tax asset will not be realized. The determination of the recoverability of the deferred tax assets is highly subjective and dependent upon judgment concerning management's evaluation of both positive and negative evidence, the forecasts of future income, applicable tax planning strategies, and assessments of the current and future economic and business conditions. We consider both positive and negative evidence regarding the ultimate recoverability of our deferred tax assets. Positive evidence includes available tax planning strategies and the probability that taxable income will continue to be generated in future periods, as it was in periods since March 31, 2010, while negative evidence includes a cumulative loss in 2009 and 2008 and certain business and economic trends. We evaluated the recoverability of our net deferred tax assets and established a valuation allowance for certain state net operating loss and credit carryforwards that are not expected to be fully realized. Management believes that it is more-likely-than-not that the other deferred tax assets included in the accompanying consolidated financial statements will be fully realized. We determined that no valuation allowance was required for any other deferred tax assets as of March 31, 2015, although there is no guarantee that those assets will be recognizable in future periods.

We assess the likelihood that any deferred tax assets will be realized through the reduction of taxes in future periods and establish a valuation allowance for those assets for which recovery is not more-likely-than-not. In making this assessment, we must make judgments and estimates regarding the ability to realize the asset through the future reversal of existing taxable temporary differences, future taxable income, and the possible application of future tax planning strategies. The Company's evaluation gave consideration to the fact that all net operating loss carrybacks have been utilized. Therefore, utilization of net operating loss carryforwards are dependent on implementation of tax strategies and continued profitability.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of changes 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 First Busey as other types of market risk, such as foreign currency exchange rate risk and commodity price risk, have minimal impact or do not arise in the normal course of First Busey's business activities.

The Bank has an asset-liability committee which meets at least quarterly to review current market conditions and attempts to structure the Bank's balance sheet to ensure stable net interest income despite potential changes in interest rates with all other variables constant.

As interest rate changes do not impact all categories of assets and liabilities equally or simultaneously, the asset-liability committee primarily relies on balance sheet and income simulation analysis to determine the potential impact of changes in market interest rates on net interest income. In these standard simulation models, the balance sheet is projected over a year-one time horizon and a year-two time horizon, and net interest income is calculated under current market rates and then assuming permanent instantaneous shifts of +/-100, +/-200, +/-300 and +/-400 basis points. Management measures such changes assuming immediate and sustained shifts in the federal funds rate and other market rate indices and the corresponding shifts in other non-market rate indices based on their historical changes relative to changes in the federal funds rate and other market indices. The model assumes assets and liabilities remain constant at the measurement date

balances. The model uses repricing frequency on all variable-rate assets and liabilities. Prepayment speeds on loans have been adjusted to incorporate expected prepayment speeds in both a declining and rising rate environment. As of March 31, 2015 and December 31, 2014, due to the current low interest rate environment, a downward adjustment in federal fund rates was not meaningful.

Utilizing this measurement concept, the interest rate risk of First Busey due to an immediate and sustained change in interest rates, expressed as a change in net interest income as a percentage of the net interest income calculated in the constant base model, was as follows:

	Year-One: Basis Point Changes							
	-400	-300	-200	-100	+100	+200	+300	+400
March 31, 2015	NA	NA	NA	NA	(0.94)%	(1.98)%	(3.32)%	(4.86)%
December 31, 2014	NA	NA	NA	NA	(2.47)%	(5.10)%	(8.09)%	(11.35)%

	Year-Two: Basis Point Changes							
	-400	-300	-200	-100	+100	+200	+300	+400
March 31, 2015	NA	NA	NA	NA	2.06%	3.75%	4.99%	5.66%
December 31, 2014	NA	NA	NA	NA	0.46%	0.43%	(0.17)%	(1.31)%

The risk is monitored and managed within approved policy limits. The calculation of potential effects of hypothetical interest rate changes was based on numerous assumptions and should not be relied upon as indicative of actual results. Actual results will differ from simulated results due to timing, magnitude and frequency of interest rate changes as well as changes in market conditions and management strategies. The above results do not take into account any management action to mitigate potential risk.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

An evaluation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) was carried out as of March 31, 2015, under the supervision and with the participation of our Chief Executive Officer, Chief Financial Officer and several other members of our senior management. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2015, our disclosure controls and procedures were effective in ensuring that the information we are required to disclose in the reports we file or submit under the Exchange Act is (i) accumulated and communicated to our management (including the Chief Executive Officer and Chief Financial Officer) to allow timely decisions regarding required disclosure, and (ii) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms.

Changes in Internal Control over Financial Reporting

During the quarter ended March 31, 2015, First Busey did not make any changes in its internal control over financial reporting or other factors that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

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

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors disclosed in Item 1A of Part I of the Company's 2014 Annual Report on Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Repurchases

There were no purchases made by or on behalf of First Busey of shares of its common stock during the quarter ended March 31, 2015.

On February 3, 2015, First Busey announced that its board of directors approved a repurchase plan under which the Company is authorized to repurchase up to an aggregate of two million shares of its common stock. The repurchase plan has no expiration date and replaced the prior repurchase plan that was originally approved in 2008.

ITEM 3. DEFAULTS UPON SENIOR SECURITES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

(a) None.

(b) None.

ITEM 6. EXHIBITS

*10.1 Employment Agreement by and among First Busey Corporation, FirsTech, Inc. and Howard Mooney, dated February 1, 2014.

*10.2 First Busey Corporation Executive Deferred Compensation Plan, dated December 16, 2008.

*31.1 Certification of Principal Executive Officer, pursuant to Rule 13a-14(a) and Rule 15d-14(a).

*31.2	Certification of Principal Financial Officer, pursuant to Rule 13a-14(a) and Rule 15d-14(a).
*32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, from the Company's Chief Executive Officer.
*32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, from the Company's Chief Financial Officer.
*101	Interactive Data File Interactive data files pursuant to Rule 405 of Regulation S-T: (i) Consolidated Balance Sheets at March 31, 2015 and December 31, 2014; (ii) Consolidated Statements of Income for the three months ended March 31, 2015 and 2014; (iii) Consolidated Statements of Comprehensive Income for the three months ended March 31, 2015 and 2014; (iv) Consolidated Statements of Stockholders' Equity for the three months ended March 31, 2015 and 2014; (v) Consolidated Statements of Cash Flows for the three months ended March 31, 2015 and 2014; and (vi) Notes to Unaudited Consolidated Financial Statements.

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*Filed herewith

SIGNATURES

Pursuant to the requirements 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.

FIRST BUSEY CORPORATION
(Registrant)

By: /s/ VAN A. DUKEMAN

Van A. Dukeman
President and Chief Executive Officer
(Principal executive officer)

By: /s/ ROBIN N. ELLIOTT

Robin N. Elliott
Chief Financial Officer
(Principal financial and accounting officer)

Date: May 8, 2015

EMPLOYMENT AGREEMENT

This **EMPLOYMENT AGREEMENT** (this "**Agreement**") is by and among First Busey Corporation ("**First Busey**"), FirsTech, Inc. ("**First Tech**"), and together with First Busey, "**Employer**") and Howard Mooney ("**Executive**," and together with Employer, the "**Parties**").

RECITALS

A. The FirsTech is a wholly owned subsidiary of First Busey.

B. Executive is currently employed by Employer pursuant to that certain employment agreement dated July 30, 2007, as subsequently amended (the "**Prior Employment Agreement**");

C. Employer has determined it to be in its best interests to enter into this Agreement pertaining to the employment of Executive as of and following the Effective Date (as defined below).

D. Executive desires to be employed by Employer as of and following the Effective Date in accordance with the terms of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements of the Parties contained herein, the Parties hereby agree as follows:

AGREEMENTS

Section 1. **Prior Employment Agreement**. This Agreement supersedes all of the terms and conditions of the Prior Employment Agreement and any such Prior Employment Agreement shall become null and void as of the Effective Time, and the parties thereunder shall have no rights or interests therein.

Section 2. **Term with Automatic Renewal Provision.** This Agreement shall be effective as of February 1, 2014 (the "**Effective Date**"). Subject to the terms of this Agreement, the term of this Agreement (the "**Term**") and Executive's employment hereunder shall be for a period of one (1) year commencing as of the Effective Date. The Term shall automatically renew for one (1) additional year at the end of the then existing Term, unless either Party provides written notice to the other Party not less than ninety (90) days prior to the end of the then existing Term that such Party does not wish to extend the Term.

Section 3. **Employment.**

(a) **Positions and Duties.** Subject to the terms of this Agreement, Executive shall devote Executive's full business time, energies and talent to serving as the President and Chief Executive Officer of FirsTech and as the Chief Information Officer of First Busey, at the direction of the Chief Executive Officer of First Busey (the "**CEO**"). Executive shall perform all duties assigned to Executive faithfully, loyally and efficiently, and shall have such duties, authority and responsibilities as may be assigned to Executive from time to time by the CEO, which duties, authority and responsibilities shall include those customarily held by such officer

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of comparable companies, subject always to the charter and bylaw provisions and policies of Employer and the directions of the CEO. Executive shall perform the duties required by this Agreement at Employer's principal place of business unless the nature of such duties requires otherwise. Notwithstanding the foregoing, during the Term, Executive may devote reasonable time to activities other than those required under this Agreement, including activities of a charitable, educational, religious or similar nature (including professional associations) to the extent such activities do not in any material way inhibit, prohibit, interfere with or conflict with Executive's duties under this Agreement or conflict in any material way with the business of Employer.

(b) **Transfers.** The Board of Directors of First Busey (the "**Board**") may, in its sole discretion, cause Executive's employment to be transferred from Employer to any wholly-owned subsidiary of First Busey, in which case all references in this Agreement to "**Employer**" shall be deemed to refer to such subsidiary (and First Busey, if applicable).

Section 4. **Compensation and Benefits.** Subject to the terms of this Agreement, during the Term of this Agreement, Employer shall compensate Executive for Executive's services as follows:

(a) **Base Compensation.** Executive's annual base salary rate shall be Two Hundred and Thirty-Five Thousand Dollars ($235,000.00) (the "**Base Salary**"), which shall be payable in accordance with Employer's normal payroll practices as are in effect from time to time. Beginning in 2014 and annually thereafter, the Board shall review Executive's Base Salary at such time as it reviews Employer's executive compensation to determine whether Executive's Base Salary should be maintained at its existing level or increased, with any increase being effective as determined by the Board.

(b) **Discretionary Performance Bonus.** Employer shall consider Executive for a bonus each year during the Term based on performance criteria established by the Board and/or the CEO and any other factors deemed by the Board to be appropriate. Bonuses shall be awarded, if at all, in the sole discretion of the Board, and nothing in this Agreement shall require the payment of a bonus in any given year. For purposes of this Agreement, bonuses shall be considered earned when all corporate action has been taken to determine such bonuses. Payment of any such bonus shall be made as soon as practicable after it is earned, but in no event later than two and one-half (2½) months following the end of the calendar year in which it is earned; provided that, Bonuses shall not be considered earned until the Board has made all determinations and taken all actions necessary to establish such bonuses.

(c) **Long Term Incentive Program.** Executive shall be eligible to participate in Employer's long-term equity incentive program, as determined in the sole discretion of the Board (or an authorized committee thereof).

(d) **Profit Sharing Benefit.** Executive shall be eligible to receive an annual profit sharing benefit based on the combined amount of Executive's Base Salary and, if applicable, Executive's discretionary performance bonus, after Executive meets the eligibility requirements of the applicable profit sharing plan. The Board shall decide the exact amount of

this benefit annually in its sole discretion. Employer shall contribute this benefit for the account of Executive to Employer's tax-qualified retirement plan and/or any nonqualified deferred compensation plan that Employer establishes or maintains. All such profit sharing benefit payments shall be determined and governed by the terms of the applicable plan. Employer shall have no obligation to continue to maintain any particular benefit plan or arrangement and the profit sharing benefit described in this **Section 4(d)** may be amended or terminated by Employer at any time for any reason or no reason, *provided* such amendment or termination applies to all other similarly situated senior executives of Employer.

(e) **Reimbursement of Expenses.** Employer shall reimburse Executive for all travel, entertainment and other out-of-pocket expenses that Executive reasonably and necessarily incurs in the performance of Executive's duties under this Agreement. Executive shall document these expenses to the extent necessary to comply with all applicable laws and Employer policies. Any reimbursement payments hereunder shall be made as soon as practicable, and when taxable to Executive, in no event later than two and one-half (2½) months following the end of the year in which the corresponding expenses are incurred.

(f) **Other Benefits.** Executive shall be eligible to participate, subject to the terms thereof, in all Employer retirement plans and health, dental, life insurance and similar plans, as may be in effect from time to time with respect to similarly situated senior executives. In addition to the foregoing benefits, Executive shall continue to be eligible to participate in Employer's key life insurance program following the Effective Date (which entry date was September 1, 2003) with a death benefit amount of one million dollars ($1,000,000.00), subject to insurability and all other terms of such program.

(g) **Vacations.** Executive shall be subject to Employer's general vacation policy as may be in effect from time to time, but shall accrue not less than twenty-five (25) days of paid vacation annually.

(h) **Withholding.** Employer may withhold any applicable federal, state and local withholding and other taxes from payments that become due or allowances that are provided to Executive.

Section 5. **Rights and Payments Upon Termination.** Either Party may terminate Executive's employment under this Agreement pursuant to the terms of this **Section 5**. Executive's right to benefits and payments, if any, for periods after the effective date of Executive's termination of employment with Employer (the "**Termination Date**") shall be determined in accordance with this **Section 5**:

(a) **Termination Without Cause.** Either Party may terminate this Agreement and Executive's employment hereunder for any reason by delivering written notice of termination to the other Party no fewer than thirty (30) days before the Termination Date (*provided* that such notice shall not be required in a Termination for Cause (as defined below)), which date shall be specified in the notice of termination. Employer may provide for an earlier Termination Date, *provided* Employer pays to Executive the Base Salary that would have been earned during such notice period. Any payment in lieu of notice pursuant to this **Section 5(a)**

shall be made in a single lump sum on the first payroll date following the Termination Date. If Executive voluntarily terminates Executive's employment under this Agreement other than pursuant to **Section 5(c)** (Termination for Good Reason), then Employer shall be required to pay Executive the Accrued Amounts, and Employer shall have no further obligations to Executive under this Agreement. "**Accrued Amounts**" shall be the following amounts as have accrued through the Termination Date: (i) earned but unpaid Base Salary, (ii) earned but unpaid bonus under **Section 4(b)**, (iii) accrued but unpaid vacation pay; and (iv) provided Executive submits the required documentation in accordance with established policies and within thirty (30) days of the Termination Date, unreimbursed business expenses incurred during the Term.

(b) **Termination for Cause.** Employer may terminate this Agreement and Executive's employment hereunder immediately for Cause by delivering written notice of termination to Executive (with such notice being delivered no less than thirty (30) days before the Termination Date in the event of a termination based on either a curable breach or failure under subsection (vii) below or subsection (viii) below). "**Cause**" for termination shall exist if: (i) Executive engages in one (1) or more unsafe or unsound banking practices or material violations of a law or regulation applicable to Employer or any subsidiary; (ii) Executive engages in any repeated violations of a policy of Employer after being warned in writing by the Board or the CEO not to violate such policy; (iii) Executive engages in any single violation of a policy of Employer if such violation materially and adversely affects the business or affairs of Employer; (iv) Executive fails to timely implement a direction or order of the Board or the CEO, unless such direction or order would violate the law; (v) Executive engages in a breach of fiduciary duty or act of dishonesty involving the affairs of Employer; (vi) Executive is removed or suspended from banking pursuant to Section 8(e) of the Federal Deposit Insurance Act or any other applicable state or federal law; (vii) Executive commits a material breach of Executive's obligations under this Agreement, and if such breach is determined to be curable by the CEO or the Board, Executive fails to cure such breach during the thirty (30)-day notice period, if applicable; (viii) Executive materially fails to perform Executive's duties to Employer with the degree of skill, care or competence expected by the Board or the CEO following written notice by the CEO or the Board, and if such failure is determined to be curable by the CEO or the Board, Executive fails to cure such failure during the thirty (30)-day notice period, if applicable; or (ix) Executive is found guilty of, or pleads *nolo contendere* to, a felony or an act of dishonesty in connection with the performance of Executive's duties as an officer of Employer, or an act that disqualifies Executive from serving as an officer or director of Employer. If Executive's employment is terminated pursuant to this **Section 5(b)**, then Employer shall be required to pay Executive the Accrued Amounts, and Employer shall have no further obligations to Executive under this Agreement.

(c) **Termination for Good Reason.** Prior to Executive's termination for Good Reason (as defined below), Executive shall give Employer written notice of the occurrence of the event or condition that Executive believes constitutes a Good Reason within thirty (30) days of the initial existence of such event or condition, which written notice shall provide detailed facts, and not mere conclusions, to support Executive's claim of termination for Good Reason. If Employer determines that the events or conditions exist as alleged by Executive, and does not cure such events or conditions within thirty (30) days of Executive's written notice, then this Agreement and Executive's employment hereunder shall terminate on the thirtieth (30th) day

following Executive's written notice. "**Good Reason**" means the occurrence of any one (1) or more of the following, without Executive's prior consent: (i) a material adverse change in the nature, scope or status of Executive's position, authorities or duties from those in effect in accordance with **Section 3(a)** immediately following the Effective Date; (ii) a reduction in Executive's Base Salary, unless such reduction applies to all similarly situated senior executives of Employer; (iii) Employer changes the primary location of Executive's employment to a place that is more than fifty (50) miles from Executive's primary location of employment as of the Effective Date; or (iv) Employer otherwise commits a material breach of its obligations under this Agreement.

(d) **Termination upon Change in Control.** Following a Change in Control, this Agreement and Executive's employment hereunder may be terminated in accordance with **Section 5(a)**, **(b)**, or **(c)** by delivering written notice of termination to the other Party no less than thirty (30) days before the Termination Date.

(i) A "**Change in Control**" shall be deemed to have occurred upon the first to occur of the following: (A) any "person" (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934 (the "**1934 Act**")), other than a trustee or other fiduciary holding securities under an employee benefit plan of First Busey or a corporation owned directly or indirectly by the stockholders of First Busey in substantially the same proportions as their ownership of stock of First Busey, is or becomes a "beneficial owner" (within the meaning of Rule 13d-3 of the 1934 Act), directly or indirectly, of securities representing more than fifty percent (50%) of the combined voting power of the then outstanding voting securities of First Busey; (B) during any period of twelve (12) consecutive months, the individuals who at the beginning of such period constitute the Board (and any new director whose election by the Board or nomination for election by First Busey's stockholders was approved by a vote of at least a majority of the directors when still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board; or (C) the consummation of (1) a merger or consolidation of First Busey with any other corporation, other than a merger or consolidation that would result in the voting securities of First Busey outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the total voting power represented by the voting securities of First Busey or such surviving entity outstanding immediately after such merger or consolidation; or (2) a complete liquidation or dissolution of, or an agreement for the sale or other disposition of all or substantially all of the assets of, First Busey.

(ii) Notwithstanding **Section 5(d)(i)**, a Change in Control shall not be deemed to have occurred if Executive agrees in writing that the transaction or event in question does not constitute a Change in Control for the purposes of this Agreement.

(e) **Termination upon Disability.** Employer shall not terminate this Agreement and Executive's employment hereunder if Executive becomes "disabled" within the meaning of Employer's then current employee disability program or, at Employer's election, as determined by a physician selected by Employer, unless, as a result of such disability, Executive

is unable to perform Executive's duties with the requisite level of skill and competence for a period of six (6) consecutive months. Thereafter, Employer may terminate this Agreement for Cause in accordance with **Section 5(b)**.

(f) **Termination upon Death.** This Agreement shall terminate if Executive dies during the Term, effective on the date of Executive's death. Any payments that are owing to Executive under this Agreement or otherwise at the time of Executive's death shall be made to whomever Executive may designate in writing as Executive's beneficiary, or absent such a designation, to the executor or administrator of Executive's estate. Termination of this Agreement under this **Section 5(f)** shall be deemed to be a termination in accordance with **Section 5(b)**.

(g) **Severance Benefits.** Employer shall pay severance benefits to Executive as follows:

(i) If this Agreement and Executive's employment hereunder are terminated by Employer without Cause pursuant to **Section 5(a)**, or by Executive for Good Reason pursuant to **Section 5(c)**, Employer shall pay Executive an amount equal to one hundred percent (100%) (or two hundred percent (200%) if the foregoing terminations occur within one (1) year after the occurrence of a Change in Control) of the sum of (A) Executive's then applicable Base Salary, plus (B) the amount of the most recent performance bonus that Employer paid to Executive pursuant to **Section 4(b)** (the "**Severance Payment**"). Employer shall also reimburse Executive for up to twelve (12) months (or eighteen (18) months if the foregoing terminations occur within one (1) year after the occurrence of a Change in Control) for continuing coverage under Employer's health insurance pursuant to the health care continuation rules of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("**COBRA**"), *provided* that Executive remains eligible for, and elects, such COBRA continuation for such period following the Termination Date, and *provided*, *further*, that, to the extent Executive paid a portion of the premium for such benefits while employed, Executive shall continue to pay such portion during the period of continuation hereunder, and any period of continuation hereunder shall be credited against Executive's continuation rights under COBRA.

(ii) Subject to Executive's execution of an irrevocable general release and waiver of claims as required by **Section 5(j)**, all payments that become due to Executive under this **Section 5(g)** shall be made in substantially equal installments in accordance with Employer's regular payroll practices then in effect for a one (1)-year period (or two (2)-year period if following a Change in Control) beginning on the regular payroll date occurring on or closest before the sixtieth (60th) day following the Termination Date; *provided, however*, that if the Termination Date occurs on or after November 2nd in any year, such payments shall not commence until the first payroll date in January of the next year. Employer shall be obligated to make all payments that become due to Executive under this **Section 5(g)** whether or not Executive obtains other employment following termination or takes steps to mitigate any damages that Executive claims to have sustained as a result of termination. The payments provided for in this **Section 5(g)** are intended to supplement any compensation or other benefits that have accrued or vested with respect to Executive or for Executive's account as of the Termination Date.

(iii) The Parties intend that no portion of any payment under this Agreement, or payments to or for the benefit of Executive under any other agreement or plan, be deemed to be an "**Excess Parachute Payment**" as defined in Section 280G of the Internal Revenue Code of 1986 (the "**Code**"). The present value of any payments to or for the benefit of Executive in the nature of compensation, as determined by the legal counsel or certified public accountants for Employer in accordance with Code Section 280G(d)(4), receipt of which is contingent on a Change in Control, and to which Code Section 280G applies (in the aggregate "**Total Payments**"), shall be reduced, as necessary, such that the payment does not exceed an amount equal to one

dollar ($1.00) less than the maximum amount that Employer may pay without loss of deduction under Code Section 280G(a), *provided* that any such reduction shall be in accordance with Code Section 409A.

(iv) If Employer is not permitted to make any payments that may become due to Executive under this **Section 5(g)** because First Busey or FirsTech is not in compliance with any regulatory-mandated minimum capital requirements or if making the payments would cause the First Busey's capital to fall below such minimum capital requirements, then Employer shall delay making such payments until the earliest possible date it could resume making the payments without violating such minimum capital requirements. Further, if Employer is not permitted to make any payments that may become due to Executive under this **Section 5(g)** because of the operation of any other applicable law or regulation, then Employer shall delay making such payments until the earliest possible date it could resume making the payments without violating such applicable law or regulation.

(h) **Payment Equalization.** If Employer is paying, or in the case of a lump sum, has paid, Executive a Severance Payment pursuant to **Section 5(g)(i)**, then Executive shall not seek or apply for unemployment compensation under the Illinois Unemployment Act 820 ILCS 405/100 et seq. or any other state or federal unemployment compensation law at any time prior to a date following the final payment made hereunder or with respect to the period during which such payments were or were to be made until the final payment is made.

(i) **Specified Employee.** If at the time of any payment hereunder Executive is considered to be a Specified Employee (as defined below) and such payment is required to be treated as deferred compensation under Code Section 409A, then, to the extent required by Code Section 409A, payments shall be delayed to the date that is six (6) months after the Termination Date. For purposes of Code Section 409A, all installment payments of deferred compensation made hereunder, or pursuant to another plan or arrangement, shall be deemed to be separate payments and, accordingly, the aforementioned deferral shall only apply to separate payments that would occur during the six (6)-month deferral period and all other payments shall be unaffected.

(i) All payments delayed pursuant to this **Section 5(i)** shall be accumulated and paid in a lump-sum, catch-up payment as of the first (1st) day of the seventh (7th) month following the Termination Date (or, if earlier, the date of death of Executive), with all such delayed payments being credited with interest (compounded monthly) for such period of delay equal to the prime rate in effect on the first (1st) day of such six (6)-month period. Any portion of the benefits hereunder that were not otherwise due to be paid during the six (6)-month

period following the Termination Date shall be paid to Executive in accordance with the payment schedule established herein.

(ii) The term "**Specified Employee**" means any person who holds a position with Employer of senior vice president or higher and has compensation greater than that stated in Code Section 416(i)(1)(A)(i). The determination of whether Executive is a Specified Employee shall be based upon the twelve (12)-month period ending on each December 31st (such twelve (12)-month period is referred to below as the "identification period"). If Executive is determined to be a Specified Employee during the identification period, he shall be treated as a Specified Employee for purposes of this Agreement during the twelve (12)-month period that begins on the April 1st following the close of such identification period. For purposes of determining whether Executive is a Specified Employee under Code Section 416(i), compensation shall mean Executive's W-2 compensation as reported by Employer for a particular calendar year.

(j) **Release.** As a condition to Employer's obligation to pay any severance benefit under **Section 5(g)**, Executive shall execute a general release of, and waiver of claims against, Employer and its subsidiaries and affiliates, substantially in the form attached hereto as Exhibit A on or before the sixtieth (60th) day following the Termination Date. For the avoidance of doubt, in order for such release to be deemed effective for purposes of this Agreement, any applicable revocation period with respect to such release and waiver must have expired on or before such sixtieth (60th) day.

Section 6. **Confidentiality.** Executive acknowledges that the nature of Executive's employment shall require that Executive produce and have access to records, data, trade secrets and information that are not available to the public regarding Employer and its subsidiaries and affiliates ("**Confidential Information**"). Executive shall hold in confidence and not directly or indirectly disclose any Confidential Information to third parties unless disclosure becomes reasonably necessary in connection with Executive's performance of Executive's duties hereunder, or the Confidential Information lawfully becomes available to the public from other sources, or Executive is authorized in writing by Employer to disclose it or Executive is required to make disclosure by a law or pursuant to the authority of any administrative agency or judicial body. All Confidential Information and all other records, files, documents and other materials or copies thereof relating to the business of Employer or any of its subsidiaries or affiliates that Executive prepares or uses shall be the sole property of Employer. Executive's access to and use of Employer's computer systems, networks and equipment, and all Employer information contained therein, shall be restricted to legitimate business purposes on behalf of Employer; any other access to or use of such systems, network and equipment is without authorization and is prohibited. The restrictions contained in this **Section 6** shall extend to any personal computers or other electronic devices of Executive that are used for business purposes relating to Employer. Executive shall not transfer any Employer information to any personal computer or other electronic device that is not otherwise used for any business purpose relating to Employer. Executive shall promptly return all originals and copies of any Confidential Information and other records, files, documents and other materials to Employer if Executive's employment with Employer is terminated for any reason.

Section 7. **Non-Competition and Non-Solicitation Covenants.** The primary service area of Employer's business in which Executive will actively participate extends separately to an area that encompasses a twenty-five (25)-mile radius from each banking and other office location of Employer and its subsidiaries and affiliates and a fifty (50)-mile radius from Employer's main office in Champaign, Illinois (collectively, the "**Restrictive Area**"). As an essential ingredient and in consideration of this Agreement and Executive's employment by Employer, Executive shall not, for a period of one (1) year after termination of Executive's employment with Employer for any reason and whether such termination of employment is during the Term or after the termination or expiration of the Term (the "**Restrictive Period)**, directly or indirectly compete with the business of Employer, including by doing any of the following (the "**Restrictive Covenant**"):

(a) engage or invest in, own, manage, operate, control, finance, participate in the ownership, management, operation or control of, be employed by, associate with or in any manner be connected with, serve as an employee, officer or director of or consultant to, lend his name or any similar name to, lend his credit to, or render services or advice to any person, firm, partnership, corporation, trust or other entity that owns or operates, a bank,

savings and loan association, credit union or similar financial institution (a "**Financial Institution**") with any office located, or to be located at an address identified in a filing with any regulatory authority, within the Restrictive Area; *provided*, *however*, that in the event a successor to First Busey succeeds to or assumes First Busey's rights and obligations under this Agreement in connection with a Change in Control, this **Section 7(a)** shall apply only to the primary service areas of First Busey as they existed immediately before the Change in Control;

(b) directly or indirectly, for himself or any Financial Institution: (i) induce or attempt to induce any officer of Employer or any of its subsidiaries or affiliates, or any employee who previously reported to Executive, to leave the employ of Employer or any of its subsidiaries or affiliates; (ii) in any way interfere with the relationship between Employer or any of its subsidiaries or affiliates and any such officer or employee; (iii) employ, or otherwise engage as an employee, independent contractor or otherwise, any such officer or employee; or (iv) induce or attempt to induce any customer, supplier, licensee or business relation of Employer of any of its subsidiaries or affiliates to cease doing business with Employer or any of its subsidiaries or affiliates or in any way interfere with the relationship between Employer or any of its subsidiaries or affiliates and any of their respective customers, suppliers, licensees or business relations, where Executive had personal contact with, or has accessed Confidential Information in the preceding twelve (12) months with respect to, such customers, suppliers, licensees or business relations; or

(c) directly or indirectly, for himself or any Financial Institution, solicit the business of any person or entity known to Executive to be a customer of Employer or any of its subsidiaries or affiliates, where Executive, or any person reporting to Executive, had personal contact with such person or entity, with respect to products, activities or services that compete in whole or in part with the products, activities or services of Employer or any of its subsidiaries or affiliates.

The foregoing Restrictive Covenant shall not prohibit Executive from owning directly or

indirectly capital stock or similar securities that are listed on a securities exchange or quoted on the National Association of Securities Dealers Automated Quotation System that do not represent more than one percent (1%) of the outstanding capital stock of any Financial Institution.

Section 8. **Remedies for Breach.** Executive has reviewed the provisions of this Agreement with legal counsel, or has been given adequate opportunity to seek such counsel, and Executive acknowledges that the covenants contained herein are reasonable with respect to their duration, geographical area and scope. Executive further acknowledges that the restrictions contained in this Agreement are reasonable and necessary for the protection of the legitimate business interests of Employer, that they create no undue hardships, that any violation of these restrictions would cause substantial injury to Employer and its interests, that Employer would not have agreed to enter into this Agreement without receiving Executive's agreement to be bound by these restrictions and that such restrictions were a material inducement to Employer to enter into this Agreement. During the Restrictive Period, Employer shall have the right to communicate the existence and terms of this Agreement to any third party with whom Executive may seek or obtain future employment or other similar arrangement. In addition, in the event of any violation or threatened violation of the restrictions contained in this Agreement, Employer, in addition to and not in limitation of, any other rights, remedies or damages available to Employer under this Agreement or otherwise at law or in equity, shall be entitled to preliminary and permanent injunctive relief to prevent or restrain any such violation by Executive and any and all persons directly or indirectly acting for or with him, as the case may be. If Executive violates the Restrictive Covenant and Employer brings legal action for injunctive or other relief, Employer shall not, as a result of the time involved in obtaining such relief, be deprived of the benefit of the full period of the Restrictive Covenant. Accordingly, the Restrictive Covenant shall be deemed to have the duration specified herein computed from the date the relief is granted but reduced by the time between the period when the Restrictive Period began to run and the date of the first violation of the Restrictive Covenant by Executive.

Section 9. **Indemnity; Other Protections.**

(a) **Indemnification.** Employer shall indemnify Executive (and, upon Executive's death, Executive's heirs, executors and administrators) to the fullest extent permitted by law against all expenses, including reasonable attorneys' fees, court and investigative costs, judgments, fines and amounts paid in settlement (collectively, "**Expenses**") reasonably incurred by Executive in connection with or arising out of any pending, threatened or completed action, suit or proceeding in which Executive becomes involved by reason of Executive's having been an officer or director of Employer. The indemnification rights provided for herein are not exclusive and shall supplement any rights to indemnification that Executive may have under any applicable bylaw or charter provision of Employer, or any resolution of Employer or any applicable statute.

(b) **Advancement of Expenses.** In the event that Executive becomes a party, or is threatened to be made a party, to any pending, threatened or completed action, suit or proceeding for which Employer is permitted or required to indemnify Executive under this Agreement, any applicable bylaw or charter provision of Employer, any resolution of Employer,

or any applicable statute, Employer shall, to the fullest extent permitted by law, advance all Expenses incurred by Executive in connection with the investigation, defense, settlement, or appeal of any threatened, pending or completed action, suit or proceeding, subject to receipt by Employer of a written undertaking from Executive to reimburse Employer for all Expenses actually paid by Employer to or on behalf of Executive in the event it shall be ultimately determined that Employer cannot lawfully indemnify Executive for such Expenses, and to assign to Employer all rights of Executive to indemnification under any policy of directors' and officers' liability insurance to the extent of the amount of Expenses actually paid by Employer to or on behalf of Executive.

(c) **Litigation.** Unless precluded by an actual or potential conflict of interest, Employer shall have the right to recommend counsel to Executive to represent Executive in connection with any claim covered by this **Section 9**. Further, Executive's choice of counsel, Executive's decision to contest or settle any such claim and the terms and amount of the settlement of any such claim shall be subject to Employer's prior written approval, which approval shall not be unreasonably withheld by Employer.

Section 10. **General Provisions.**

(a) **Amendment.** Except as set forth explicitly herein, this Agreement may not be amended or modified except by written agreement signed by Executive and First Busey.

(b) **Successors; Assignment.** This Agreement shall be binding upon and inure to the benefit of Executive, Employer and their respective personal representatives, successors and assigns. Except as set forth in **Section 7(a)**, for the purposes of this Agreement, any successor or assign of Employer shall be deemed to be "**Employer**." Employer shall require any successor or assign of Employer or any direct or indirect purchaser or acquirer of all or substantially all of the business, assets or liabilities of Employer, whether by transfer, purchase, merger, consolidation, stock acquisition or otherwise, to assume and agree in writing to perform this Agreement and Employer's obligations hereunder in the same manner and to the same extent as Employer would have been required to perform them if no such transaction had occurred.

(c) **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties concerning the subject matter hereof, and supersedes all prior negotiations, undertakings, agreements and arrangements with respect thereto, whether written or oral. The provisions of this Agreement shall be regarded as divisible and separate; if any provision is declared invalid or unenforceable, the validity and enforceability of the remaining provisions shall not be affected. In the event any provision of this Agreement (including any provision of the Restrictive Covenant) is held to be overbroad as written, such provision shall be deemed to be amended to narrow the application of such provision to the extent necessary to make such provision enforceable according to applicable law.

(d) **Survival.** The provisions of **Section 6** (Confidentiality), **Section 7** (Non-Competition and Non-Solicitation Covenants), **Section 8** (Remedies for Breach), **Section 9** (Indemnity; Other Protections) and **Section 10** (General Provisions) shall survive the expiration or termination of this Agreement for any reason.

(e) **Governing Law and Enforcement.** This Agreement shall be construed and the legal relations of the Parties shall be determined in accordance with the laws of the State of Illinois without reference to the law regarding conflicts of law.

(f) **Arbitration.** Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration conducted at a location selected by Employer within fifty (50) miles from Champaign-Urbana, Illinois, in accordance with the rules of the American Arbitration Association.

(g) **Prevailing Party Legal Fees.** Should either Party initiate any action or proceeding to enforce this Agreement or any provision hereof, or for damages by reason of any alleged breach of this Agreement or of any provision hereof, or for a declaration of rights hereunder, the prevailing Party in any such action or proceeding shall be entitled to receive from the other Party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing Party in connection with such action or proceeding; *provided*, *however*, that reasonable attorneys' fees shall be limited to the fees of the last attorney to represent the Party and to the lesser of the fees incurred as a result of the reasonable hourly rate of the attorney or any contingent or other arrangement for the payment of legal fees. The payment, if any, of costs and expenses to either Party under this **Section 10(g)** shall be made no later than two and one-half (2½) months following the end of the year in which a final adjudication is made in the action or proceeding.

(h) **Waiver.** No waiver by either Party at any time of any breach by the other Party of, or compliance with, any condition or provision of this Agreement to be performed by the other Party shall be deemed a waiver of any similar or dissimilar provisions or conditions at the same time or any prior or subsequent time.

(i) **Notices.** Notices pursuant to this Agreement shall be in writing and shall be deemed given when received; and, if mailed, shall be mailed by United States registered or certified mail, return receipt requested, postage prepaid; and if to Employer, addressed to the principal headquarters of First Busey, attention: President and Chief Executive Officer; and if to Executive, to the address for Executive as most currently reflected in the corporate records or to such other address as Executive has most recently provided to Employer.

(j) **Code Section 409A.** To the extent any provision of this Agreement or action by Employer would subject Executive to liability for interest or additional taxes under Code Section 409A, it shall be deemed null and void, to the extent permitted by law and deemed advisable by Employer. It is intended that this Agreement will comply with Code Section 409A, and this Agreement shall be administered accordingly, and interpreted and construed on a basis consistent with such intent. Notwithstanding anything herein to the contrary, no termination or other similar payments and benefits hereunder shall be payable on account of Executive's termination of employment unless Executive's termination of employment constitutes a "separation from service" within the meaning of Section 409A. To the extent any reimbursements or in-kind benefit payments under this Agreement are subject to Code Section 409A, such reimbursements and in-kind benefit payments shall be made in accordance with Treasury Regulation §1.409A-3(i)(1)(iv). This Agreement may be amended to the extent

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necessary (including retroactively) by Employer to maintain to the maximum extent practicable the original intent of this Agreement while avoiding the application of taxes or interest under Code Section 409A. The preceding shall not be construed as a guarantee of any particular tax effect for Executive's compensation and benefits and Employer does not guarantee that any compensation or benefits provided under this Agreement will satisfy the provisions of Code Section 409A.

(k) **Clawback.** Any amount or benefit received under this Agreement shall be subject to potential cancellation, recoupment, rescission, payback, or other action in accordance with the terms of any applicable Employer clawback policy (the "**Policy**") or any applicable law, as may be in effect from time to time. Executive acknowledges and consents to Employer's application, implementation, and enforcement of (i) the Policy or any similar policy established by Employer that may apply to Executive and (ii) any provision of applicable law relating to cancellation, rescission, payback, or recoupment of compensation, as well as Executive's express agreement that Employer may take such actions as may be necessary to effectuate the Policy, any similar policy, or applicable law, without further consideration or action.

(l) **Construction.** This Agreement shall be deemed drafted equally by the Parties. Any presumption or principle that the language of this Agreement is to be construed against any Party shall not apply. Whenever used in this Agreement, the singular includes the plural and vice versa (where applicable); the words "hereof," "herein," "hereto," "hereby," "hereunder," and other words of similar import refer to this Agreement as a whole (including exhibits); all references to sections, schedules and exhibits are to sections, schedules and exhibits in or to this Agreement unless otherwise specified; the words "include," "includes" and "including" means "include, without limitation," "includes, without limitation" and "including, without

limitation," respectively; any reference to a document or set of documents, and the rights and obligations of the parties under any such documents, means such document or documents as amended from time to time, and any and all modifications, extensions, renewals, substitutions or replacements thereof; and references to a statute shall refer to the statute and any amendments and any successor statutes, and to all regulations promulgated under or implementing the statute, as amended, or its successors, as in effect at the relevant time. The headings used in this Agreement are for convenience only, shall not be deemed to constitute a part hereof, and shall not be deemed to limit, characterize or in any way affect the construction or enforcement of the provisions of this Agreement. This Agreement may be executed in any number of identical counterparts, any of which may contain the signatures of less than all Parties, and all of which together shall constitute a single agreement. All remedies of any Party are cumulative and not alternative, and are in addition to any other remedies available at law, in equity or otherwise.

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

FIRST BUSEY CORPORATION and FIRSTECH, INC.	**EXECUTIVE**
By: /s/ VAN A. DUKEMAN	/s/ HOWARD MOONEY
Van A. Dukeman President and Chief Executive Officer of First Busey Corporation	Howard Mooney

Signature Page to Howard Mooney Employment Agreement

Exhibit A to Employment Agreement

AGREEMENT AND RELEASE

This Agreement and Release (this "**Release**") is made and entered into as of (the "**Release Date**"), by and among First Busey Corporation ("**First Busey**"), Busey Bank (the "**Bank**" and together with First Busey, "**Employer**") and ("**Executive**," and together with Employer, the "**Parties**"). In consideration of the mutual covenants hereinafter set forth, the Parties hereby agree as follows:

Section 1. **Separation.** Executive's employment with Employer shall end effective .

Section 2. **Payment and Benefits.** In consideration of the promises made in this Release, First Busey has agreed to pay Executive the compensation and benefits as provided in that certain employment agreement made and entered into as of , by and among the Parties (the "**Employment Agreement**"). Executive understands and acknowledges that the compensation and benefits provided under this Section 2 constitute an amount in excess of that to which Executive would be entitled without entering into this Release. Executive acknowledges that such compensation and benefits are being provided by First Busey, in part, as consideration for Executive entering into this Release, including the release of claims and waiver of rights provided in Section 3 of this Release.

Section 3. **Release of Claims and Waiver of Rights.** Executive, on Executive's own behalf and that of Executive's heirs, executors, attorneys, administrators, successors and assigns, fully releases and discharges Employer, its predecessors, successors, subsidiaries, affiliates and assigns, and its and their directors, officers, trustees, employees, and agents, in their individual and official capacities, and the current and former trustees and administrators of any retirement or other benefit plan applicable to the employees or former employees of Employer, in their individual and official capacities (the "**Released Parties**"), from any and all liability, claims, demands and actions, including liability, claims, demands and actions arising under Employer's policies and procedures, whether formal or informal; the United States or State of Illinois Constitutions; the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Illinois Human Rights Act; the Employee Retirement Income Security Act of 1974; the Age Discrimination in Employment Act; Executive Order 11246; and any other federal, state or local statute, ordinance or regulation with respect to employment, and in addition thereto, from any other liability, claims, demands and actions with respect to Executive's employment with Employer or other association with Employer through the Release Date, including the termination of Executive's employment with Employer, any right of payment for disability or any other statutory or contractual right of payment or any claim for relief on the basis of any alleged tort or breach of contract under the common law of the State of Illinois or any other state, including defamation, intentional or negligent infliction of emotional distress, breach of the covenant of good faith and fair dealing, promissory estoppel, and negligence. Executive represents that Executive has not assigned or filed any claim, demand, action or charge against the Released Parties. Executive further acknowledges that Executive is aware that statutes exist that render null and void releases and discharges of any claims, rights, demands, liabilities, actions and causes of action that are unknown to the releasing or discharging party at the time of execution of the release and discharge. Executive hereby expressly waives, surrenders and

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agrees to forego any protection to which Executive would otherwise be entitled by virtue of the existence of any such statute in any jurisdiction, including the State of Illinois.

Section 4. **Covenant Not to Sue.** Executive shall not bring, file, charge, claim, sue or cause, assist, or permit to be brought, filed, charged or claimed any action, cause of action, or proceeding regarding or in any way related to any of the claims described in Section 3 of this Release; Executive's

release of claims and waiver of rights provided in Section 3 of this Release is, shall constitute and may be pleaded as, a bar to any such claim, action, cause of action or proceeding. If any government agency or court assumes jurisdiction of any charge, complaint or cause of action covered by this Release, Executive shall not seek and shall not accept any personal equitable or monetary relief in connection with any investigation, civil action, suit or legal proceeding.

Section 5. **Mutual Non-Disparagement.** At all times following the signing of this Release, neither Party shall engage in any vilification of the other, and each Party shall refrain from making any false, negative, critical or disparaging statements, implied or expressed, concerning the other, including management style, methods of doing business, the quality of products and services, or role in the community. Executive acknowledges that the only persons whose statements may be attributed to Employer for purposes of this covenant not to make disparaging statements shall be each member of the Board of Directors of Employer, the CEO and executive officers that report directly to the CEO. The Parties shall do nothing that would damage the other's business reputation or good will.

Section 6. **Representations by Executive.** Executive warrants that Executive is legally competent to execute this Release and that Executive has not relied on any statements or explanations made by Employer or its attorneys. Moreover, Executive acknowledges that Executive has been afforded the opportunity to be advised by legal counsel regarding the terms of this Release, including the release of all claims and waiver of rights set forth in Section 3 of this Release. Executive acknowledges that Executive has been offered **[twenty-one (21)]** days to consider this Release. After being so advised, and without coercion of any kind, Executive freely, knowingly and voluntarily enters into this Release. **[Executive further acknowledges that Executive may revoke this Release within seven (7) days after Executive has signed this Release and further understands that this Release shall not become effective or enforceable until seven (7) days after Executive has signed this Release, as evidenced by the date set forth below Executive's signature on this Release. Any revocation of this Release by Executive must be in writing and addressed to the principal headquarters of First Busey, attention: President and Chief Executive Officer. If sent by mail, any revocation must be postmarked within the seven (7)-day period and sent by certified mail, return receipt requested.]** In addition, Executive represents that Executive has returned all property of Employer that is in Executive's possession, custody or control, including all documents, records and tangible property that are not publicly available and reflect, refer or relate to Employer or Employer's business affairs, operations or customers, and all copies of the foregoing.

Section 7. **No Admissions.** Employer denies that it or any of its employees or agents have taken any improper action against Executive. This Release shall not be admissible in any proceeding as evidence of improper action by Employer or any of its employees or agents.

Section 8. **Confidentiality.** Executive and Employer shall keep the existence and the terms of this Release confidential, except for Executive's immediate family members or their legal or tax advisors in connection with services related hereto and except as may be required by law or in connection with the preparation of tax returns.

Section 9. **Non-Waiver.** Employer's waiver of a breach of this Release by Executive shall not be construed or operate as a waiver of any subsequent breach by Executive of the same or of any other provision of this Release.

Section 10. **Restrictive Covenants.** Executive shall abide by the terms set forth in Sections 5 and 6 of the Employment Agreement.

Section 11. **Construction.** The terms set forth in Section 9 of the Employment Agreement shall apply to this Release, *provided* that the word "Release" shall take the place of the word "Agreement" in such Section 9, where applicable.

IN WITNESS WHEREOF, the Parties have executed this Release as of dates set forth below their respective signatures below.

FIRST BUSEY CORPORATION and BUSEY BANK	**EXECUTIVE**
By: ______________________	______________________
[Name] President and Chief Executive Officer of First Busey Corporation	[Name]
Date: ______________________	Date: ______________________

FIRST BUSEY CORPORATION

EXECUTIVE DEFERRED COMPENSATION PLAN

(Effective December 16, 2008)

The purpose of this executive deferred compensation plan (the "Plan") is to provide specified benefits to a select group of management or highly compensated employees who contribute materially to the continued growth, development and future business success of First Busey Corporation (the "Company") and its Subsidiaries. The Plan is intended to be an unfunded arrangement maintained by the Company and its Subsidiaries that employ the participants primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees of the Company or its Subsidiaries and is intended to be exempt from Sections 201, 301 and 401 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). This amendment and restatement of the Plan is effective as of December 16, 2008 and is intended to comply in its entirety with Section 409A, including pre-2005 deferrals.

Article 1
Definitions

For purposes of this Plan, the following words and phrases shall have the following meanings:

1.1 "*Administrator*" means the Employee Benefits Committee of the Company or such other entity as determined by the Board.

1.2 "*Board*" means the Board of Directors of the Company.

1.3 "*Change in Control*" shall mean the earliest of the following dates:

1.3.1 *Accretive Change in Ownership of Company's Stock.* The date that any one person, or more than one person acting as a group (as defined below), acquires ownership of stock of the Company that, together with stock of the Company held by such person or group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company. This subsection 1.3.1 applies only when there is a transfer of stock of the Company (or issuance of stock of the Company) and stock in the Company remains outstanding after such transaction. Notwithstanding the foregoing, no Change in Control shall be deemed to have occurred pursuant to this subsection 1.3.1 solely because:

(a) any one person, or more than one person acting as a group, who is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company, acquires additional stock of the Company;

(b) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained for employees of the Company acquires more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company; or

(c) any corporation which, immediately prior to such acquisition, is owned directly or indirectly by the shareholders of the Company, acquires more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company, provided such shares are held by such shareholders in substantially the same proportion as the stock of the Company immediately prior to such acquisition.

1.3.2 *Single Transaction Change in Effective Control.* The date that any one person, or more than one person acting as a group (as defined below), acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or group) ownership of stock of the Company possessing thirty-three percent (33%) or more of the total voting power of the stock of the Company. Notwithstanding the foregoing, no Change in Control shall be deemed to have occurred pursuant to this subsection 1.3.2 solely because:

(a) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained for employees of the Company acquires thirty-three percent (33%) or more of the total voting power of the stock of the Company; or

(b) any corporation which, immediately prior to such acquisition, is owned directly or indirectly by the shareholders of the Company, acquires thirty-three percent (33%) or more of the total voting power of the stock of the Company, provided such shares are held by such shareholders in substantially the same proportion as the stock of the Company immediately prior to such acquisition.

1.3.3 *Change in Board Membership.* The date a majority of members of the Board is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election.

1.3.4 *Change in Ownership of the Company's Assets.* The date that any one person, or more than one person acting as a group (as defined below), acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or group) assets from the Company that have a total gross fair market value equal to or more than forty percent (40%) of the total gross fair market value of all of the assets of the Company immediately before such acquisition or acquisitions. For purposes of this subsection 1.3.4, "gross fair market value" means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

(a) A transfer of assets by the Company is not treated as a Change in Control for purposes of this Section 1.3 if the assets are transferred to: (A) a shareholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock; (B) an entity, fifty percent (50 %)or more of the total value or voting power of

which is owned, directly or indirectly, by the Company; (C) a person, or more than one person acting as a group, that owns, directly or indirectly, fifty percent (50 %) or more of the total value or voting power of all the outstanding stock of the Company; or (D) an entity, at least fifty (50 %) percent of the total value or voting power of which is owned, directly or indirectly, by a person described in (C).

(b) For purposes of subsection 1.3.4(a) and except as otherwise provided herein, a person's status is determined immediately after the transfer of the assets.

1.3.5 *Persons Acting as a Group.* For purposes of this Section 1.3, persons will be considered to be "acting as a group" if they are owners of a corporation (the "Transacting Corporation") that enters into merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company. If a person, including an entity, owns stock in both the Transacting Corporation and the Company, such person is considered to be acting as a group with other shareholders only with respect to the ownership in the Transacting Corporation before the transaction giving rise to the Change in Control and not with respect to the ownership interest in the Company.

(a) For purposes of subsections 1.3.1 above, persons will not be considered to be acting as a group solely because they purchase or own stock of the Company at the same time, or as a result of the same public offering.

(b) For purposes of subsection 1.3.4 above, persons will not be considered to be acting as a group solely because they purchase assets of the Company at the same time.

The provisions of this Section 1.3 shall at all times be interpreted in accordance with and subject to the provisions of Treasury Regulations §1.409A-3(i)(5).

1.4 "*Code*" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder from time to time.

1.5 "*Company*" means First Busey Corporation or its successors.

1.6 "*Compensation*" means the Participant's salary and bonus paid during the Plan Year before reduction for amounts deferred under this Plan or salary reduction contributions under Code Section 401(k). Compensation does not include expense reimbursement, any form of non-cash compensation or benefits, Employer contributions to a tax-qualified plan, group life insurance premiums or any other payments or benefits other than normal compensation. The Administrator shall have the continuing authority to determine in advance of any Plan Year, which elements (and any limits on such elements) of Compensation shall be eligible for deferral in that Plan Year.

1.7 "*Deferral Account*" means the bookkeeping account established by an Employer for each Participant as provided in Section 4.1 hereof. The Deferral Account shall be utilized solely as a device for the determination and measurement of the amounts to be paid to the Participant pursuant to the Plan. A Participant's Deferral Account shall not constitute or be treated as a trust fund of any kind.

1.8 "*Deferrals*" means that portion of a Participant's Compensation that a Participant elects to defer in accordance with Section 3.1 hereof.

1.9 *"Distribution Election Form"* means the separate written agreement, submitted to the Administrator, by which a Participant elects his or her form of payment.

1.10 *"Early Benefit Date"* means the later of (i) the first day of the month following a Participant's 55th birthday or (ii) twelve (12) months after the Participant's initial deferral into the Plan.

1.11 "*Effective Date*" means December 16, 2008; *provided, however*, that if any changes pursuant to the amendment and restatement of this Plan constitute a change in the form or timing of distributions under Section 409A, such changes shall be effective as of January 1, 2009, in accordance with the transition relief provided under Notice 2007-89.

1.12 "*Election Form*" means the separate written agreement, submitted to the Administrator, by which a Participant elects to participate in the Plan and to make Deferrals.

1.13 "*Employer*" means with respect to a Participant, the Company or a subsidiary, for whom the Participant provides services.

1.14 "*ERISA*" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated thereunder from time to time.

1.15 *"Interest Yield"* means, with respect to any calendar month, 125% of the declared interest rate on Security Life Corp. III policies for the current calendar month as determined by Security Life of Denver (or any successor thereto), or, if such monthly rate is no longer published or no longer deemed appropriate by the Administrator, a substantially similar rate selected by the Administrator. Reference to Security Life of Denver or any other life insurance company does not in any way alter the provisions of Section 4.3.

1.16 "*Normal Benefit Date*" means the later of (i) the first day of the month following the month in which a Participant reaches Normal Retirement Age, or (ii) twelve (12) months after the Participant's initial deferral into the Plan.

1.17 "*Normal Retirement Age*" means the Participant's sixty-fifth (65th) birthday.

1.18 "*Participant*" means any employee who is selected to participate in the Plan and: (i) who elects to participate in the Plan, (ii) who signs an Election Form which is accepted by the Administrator, (iii) who commences participation in the Plan, (iv) who signs a Distribution Election Form which is accepted by the Administrator and (v) whose Plan participation has not terminated by reason of Separation from Service followed by complete distribution of the Participant's Deferral Account.

1.19 "*Plan Year*" means January 1 to December 31.

1.20 "*Section 409A*" means Code Section 409A and any U.S. Treasury department regulations and guidance promulgated thereunder, including such regulations and guidance promulgated after the Effective Date of the Plan as deemed appropriate by the Administrator.

1.21 "*Separation from Service*" means a termination which constitutes a "separation from service" as defined under Section 409A where the Participant ceases to be employed by an Employer for any reason whatsoever, other than by reason of a leave of absence which is approved by an Employer. For purposes of the Plan, if there is a dispute over the employment status of the Participant or the date of the Participant's Separation from Service, the Employer shall have the sole and absolute right to decide the dispute.

1.22 "*Specified Employee*" means a Participant who holds a position within an Employer of senior vice president or higher and has Compensation greater than that stated in Code Section 416(i)(1)(A)(i). The determination of whether a Participant is a Specified Employee will be based upon the twelve (12)-month period ending on each December 31st (such twelve (12)-month period is referred to below as the "identification period"). If the Participant is determined to be a Specified Employee during the identification period he or she shall be treated as a Specified Employee for purposes of this Plan during the twelve (12)-month period that begins on the April 1st following the close of such identification period. For purposes of determining whether an Executive is a Specified Employee under Code Section 416(i), compensation shall mean the Executive's W-2 compensation as reported by the Employer for a particular calendar year.

1.23 "*Subsidiary*" means the term "subsidiary" as it is defined in Code Section 424(f).

1.24 "*Unforeseeable Emergency*" means an unanticipated emergency that is caused by an event beyond the control of the Participant that would result in severe financial hardship to the Participant resulting from (a) a sudden and unexpected illness or accident of the Participant or a dependent of the Participant, (b) a loss of the Participant's property due to casualty, or (c) such other extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, all as determined in the sole discretion of the Administrator.

1.25 "*Valuation Date*" means the last day of each month or such other dates as may be determined by the Administrator for valuing Participant's Deferral Accounts.

ARTICLE 2
Participation and Deferrals

2.1 *Commencement of Participation.* An eligible employee shall become a Participant in the Plan on the date the Participant's Election Form first becomes effective or became effective with respect to previously existing deferral elections. An eligible employee may elect to participate in the Plan with respect to any Plan Year by submitting an Election Form within the time period set forth in ARTICLE 3. At the time of his or her commencement of participation in the Plan, a Participant must complete, sign and submit a Distribution Election Form with the Administrator.

2.2 *Deferral Continuance Requirement.* A Participant's Election Form shall continue in effect until the Participant delivers to the Administrator a written revocation or modification of

such election (as may be permitted herein) with respect to Compensation that relates to services yet to be performed in the following Plan Year. Except as provided in Section 3.5, once an Election Form is in place for a calendar year it shall remain in effect for the entire calendar year.

ARTICLE 3
Deferral Elections

3.1 *Deferral Elections.*

3.1.1 *Forms.* Each Participant shall deliver an Election Form and a Distribution Election Form to the Administrator before any Deferrals may become effective. The Election Form shall set forth the percentage of Compensation to be deferred and shall be effective to defer only Compensation earned after the date the Election Form is received by the Administrator. Except as provided in Section 3.2, such Election Form shall be void with respect to any Deferrals, unless submitted and accepted by the Administrator before the beginning of the calendar year during which the amount to be deferred will be earned. Subject to the limitations set forth in Sections 2.2 and 3.2, the Election Form shall remain effective until modified or revoked and will contain the following:

(a) the Participant's designation as to the percentage of Compensation to be deferred with respect to a given Plan Year;

(b) the beneficiary or beneficiaries of the Participant; and

(c) such other information as the Administrator may require.

3.1.2 *Deferral Limitation.* A Participant may elect on an Election Form to defer a portion of his or her Compensation for the Plan Year following the calendar year in which the Election Form is submitted; or, pursuant to Section 3.2, in the case of a newly eligible employee, the portion of the calendar year remaining after submission of the Election Form to the Administrator. The amount to be deferred may be restricted at the discretion of the Employer.

3.2 *Initial Election.* The Participant shall make an initial deferral election under the Plan by filing with the Administrator a signed Election Form and a signed Distribution Election Form within thirty (30) days of the date on which the Participant is first eligible to participate in the Plan, taking into consideration the plan aggregation rules of Section 409A. The completed Election Form shall be effective only with regard to Compensation earned or payable following the submission of the Election Form by the Administrator.

3.3 *Performance-Based Compensation.* Notwithstanding the foregoing, with respect to any bonus eligible for deferral under the Plan that satisfies the requirements of "performance-based compensation" within the meaning of Section 409A, any election to defer such bonus must be made no later than six (6) months preceding the end of the performance period to which the bonus relates, or by such other date as the Company determines appropriate and consistent with the intent and purpose of Section 409A.

3.4 *Election Changes.* Upon the Administrator's approval, the Participant may modify the percentage of Compensation to be deferred annually by filing a new Election Form with the Administrator prior to the beginning of the Plan Year in which the Compensation is to be deferred. A modified Election Form shall not be effective until the Plan Year following the year in which the modified Election Form is received and approved by the Administrator.

3.5 *Unforeseeable Emergency.* In the case of an Unforeseeable Emergency, a Participant's deferrals as set forth on the Participant's Election Form shall be cancelled, as permitted by Section 409A, and such additional Compensation shall be taken into account for determining the amount of payment needed to satisfy the unforeseeable emergency.

ARTICLE 4
Deferral Accounts

4.1 *Establishing and Crediting.* The Employer shall establish a Deferral Account on its books for each Participant and shall credit each Participant's Deferral Account with the following amounts:

4.1.1 *Deferrals*. The Compensation deferred by the Participant no later than the last day of the month in which such Compensation would have otherwise been paid to the Participant.

4.1.2 *Discretionary Contribution.* For each Plan Year, the Employer, in its sole discretion, may, but is not required to, credit any amount it determines to Participants' Deferral Accounts under the Plan, which amount shall be the discretionary contribution for that Plan Year. The discretionary contribution, if any, shall be credited as of the last day of the Plan Year unless otherwise specified by the Company, as the case may be. The Company may, in its sole discretion, provide terms and conditions on the discretionary contributions regarding vesting and forfeiture.

4.1.3 *Interest*. On the last day of each month and continuing until all benefit payments under the Plan have been made, interest is to be credited based on the Interest Yield. Interest earned shall be calculated as of each Valuation Date based upon the average daily balance of the Deferral Account since the preceding Valuation Date and shall be credited to the Participant's Account at that time.

4.2 *Statement of Accounts.* The Employer shall provide each Participant, within one hundred twenty (120) days after the close of each Plan Year, a statement setting forth the Participant's Deferral Account balance.

4.3 *Accounting Device Only.* The Deferral Accounts are solely a device for measuring amounts to be paid under the Plan. The Deferral Accounts are not a trust fund of any kind. The Participants shall be general unsecured creditors of the Employer for the payment of benefits. The benefits represent the Employer's mere promise to pay such benefits. The Participant's rights are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by any of the Participant's creditors.

4.4 *Determination of Accounts.* Each Participant's Deferral Account as of each Valuation Date shall consist of the balance of the Participant's Deferral Account as of the immediately preceding Valuation Date, plus the Participant's elective deferred Compensation credited, any Employer matching contributions, any qualified plan make-up credits, any Employer discretionary contributions and any interest earned, minus the amount of any distributions made since the immediately preceding Valuation Date.

ARTICLE 5
Plan Benefits

5.1 *In General*. No withdrawals or payments shall be made from the Deferral Accounts except as provided in this ARTICLE 5.

5.2 *Plan Benefit.* Upon the Participant's Separation from Service, other than death, the Employer shall pay to the Participant the benefit described in this Section 5.2 in lieu of any other benefit under the Plan.

5.2.1 *Amount of Benefit*. The benefit under this Section 5.2.1 is a Participant's Deferral Account balance as of the Valuation Date coincident with or next following his or her Separation from Service. Notwithstanding the foregoing, if the Participant's Separation from Service date is (i) prior to the Participant's Early Benefit Date or Normal Benefit Date and (ii) prior to his or her attaining five (5) years of total service with the Company or Employer, the amount of the Participant's benefit under this Section 5.2.1 shall be redetermined on a retroactive basis from the date to the Participant's first deferral and the interest rate used in determining such amount shall be the "declared interest rate" or "similar rate" in Section 1.15, *provided, however*, that if a Participant is prevented from serving five (5) years or from reaching his or her Normal or Early Benefit Date because of his or her Separation from Service during the first twenty-four (24) months following a Change in Control of the Company or Employer, his or her entire account will be credited with the Interest Yield as if he or she had met the minimum requirement to so qualify.

5.2.2 *Payment of Benefit*. The Employer shall pay a Participant's benefit following his or her Separation from Service in either one hundred-twenty (120) or one-hundred-eighty (180) substantially equal monthly installments, as elected by the Participant on his or her Distribution Election Form, commencing on the first day of the month following such Participant's Separation from Service, unless the Participant is a Specified Employee. If the Participant does not have a valid election in place at the time of his or her Separation from Service, the Participant's benefit will be

paid in the form of one hundred-twenty (120) substantially equal monthly installments. The Employer shall credit interest pursuant to Section 4.1.3 on the remaining account balance during any applicable installment period.

5.3 *Unforeseeable Emergency.* Upon the Board's determination (following petition by a Participant) that the Participant has suffered an Unforeseeable Emergency, the Employer shall distribute to the Participant all or a portion of such Participant's Deferral Account balance, but in no event shall the distribution be greater than is necessary to relieve the financial hardship

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after taking into account additional Compensation that will be available to the Participant following the cancellation of his or her deferral election.

5.4 *De Minimus Payment.* Notwithstanding any provision of the Plan, Election Form or Distribution Election Form, to the contrary, if a Participant's Deferral Account has a balance, along with any other nonqualified deferred compensation that must be aggregated with this Plan pursuant to Section 409A, at the time of his or her Separation from Service that is not greater than the applicable dollar limit under Code Section 402(g)(1)(B), the Participant's balance in his or her Deferral Account (along with that of all other plans that must be aggregated pursuant to Section 409A) shall be distributed in a single lump sum. If the payment is to be made pursuant to this Section, the payment shall be made on or before the later of: (i) December 31st of the calendar year in which the Participant's Separation from Service occurs; or (ii) the 15th day of the third month following the Participant's Separation from Service. Upon the date of payment pursuant to this Section 5.4, Participant shall have no further interest under the Plan or any similar deferred compensation arrangements, aggregated with this Plan pursuant to Section 409A.

5.5 *Delayed Payment Date.* The Participants' Deferral Account balances constitute "deferred compensation" under Section 409A and may be subject to a delayed payment date as provided in this Section 5.5. If, as of the effective date of the Participant's Separation from Service, the Company is publicly traded and the Participant is a Specified Employee, then, to the extent required pursuant to Section 409A, payment of any portion of Plan benefits that would otherwise have been paid to the Participant during the six-month period following the Participant's Separation from Service and which would constitute deferred compensation under Section 409A (the "Delayed Payments") shall be delayed until the date that is six (6) months and one day following Participant's Separation from Service or, if earlier, the date of the Participant's death (the "Delayed Payment Date"). As of the Delayed Payment Date, the Delayed Payments plus interest (as provided in Section 4.1.3) for the period of delay, shall be paid to the Participant in a single lump sum. Any portion of the Plan benefit that was not otherwise due to be paid during the six-month period following the Participant's Separation from Service shall be paid to the Participant in accordance with the payment schedule set forth under the applicable distribution provision of the Plan.

5.6 *Transition Rule*. In a manner that is consistent with Section 409A, the Administrator may solicit new distribution elections from Participants in order for Participants to change the method or timing of distributions of all amounts subject to Section 409A under the Plan, provided such elections are solicited and properly made prior to December 31, 2008. In the event the Administrator elects to solicit new distribution elections under this Section, the failure by a Participant to submit a complete and timely distribution election will result in the application of the most recently submitted distribution election.

ARTICLE 6
Death Benefits

6.1 *Death Prior to Commencement of Payments.* If a Participant dies prior to the commencement of payments under the Plan, the Employer shall pay to such Participant's beneficiary the benefit described in this Section 6.1 in lieu of any other benefit under the Plan.

6.1.1 *Amount of Benefit*. The benefit under Section 6.1 is the greater of (i) the minimum pre-retirement benefit stated on the Participant's Election Form and payable as provided therein, or (ii) the Participant's Deferral Account balance as of the Valuation Date coincident with or next following the Participant's death.

6.1.2 *Payment of Benefit*. The Employer shall pay a Participant's benefit following his or her death in one hundred-twenty (120) substantially equal monthly installments commencing on the first day of the month following the Participant's death.

6.2 *Death During Installment Payout.* If a Participant dies after the installment payments have commenced under the Plan but before receiving all such payments, the Employer shall continue to pay the remaining benefits to the Participant's beneficiary at the same time and in the same amounts they would have been paid to the Participant, had the Participant survived.

ARTICLE 7
Beneficiaries

7.1 *Beneficiaries.* Each Participant shall designate one or more persons (who may be any one or more members of such person's family or other persons, administrators, trusts, foundations or other entities) as the Participant's beneficiary under the Plan. Such designation shall be made on a form prescribed by the Administrator. Each Participant may at any time and from time to time, change any previous beneficiary designation, without notice to or consent of any previously designated beneficiary, by amending the Participant's previous designation on a form prescribed by the Administrator. Designations will only be effective if signed by the Participant and accepted by the Administrator during the Participant's lifetime. If (i) the beneficiary does not survive the Participant (or is otherwise unavailable to receive payment); (ii) the Participant names a spouse as a beneficiary and the marriage is subsequently dissolved; or (iii) if no beneficiary is validly designated, then the amounts payable under this Plan shall be paid to the Participant's estate. If more than one person is the beneficiary of a deceased Participant, each such person shall receive a pro rata share of any death benefit payable unless otherwise designated on the applicable form. If a beneficiary who is receiving benefits dies, all benefits that were payable to such beneficiary shall then be payable to the estate of that beneficiary.

7.2 *Lost Beneficiary.*

7.2.1 All Participants and beneficiaries shall have the obligation to keep the Administrator informed of their current address until such time as all benefits due have been paid.

7.2.2 If a Participant or beneficiary cannot be located by the Administrator exercising due diligence, then, in its sole discretion, the Administrator may presume that the Participant or beneficiary is deceased for purposes of the Plan and all unpaid amounts (net of due diligence expenses) owed to the Participant or beneficiary shall be paid accordingly or, if a beneficiary cannot be so located, then such amounts shall be paid to the Participants' or the beneficiary's estate, as applicable. Any such presumption of death shall be final, conclusive and binding on all parties. Notwithstanding the

foregoing, if any such beneficiary is located within five (5) years from the date of any such forfeiture, such beneficiaries shall be entitled to receive the amount previously forfeited.

7.3 *Facility of Payment.* If a benefit is payable to a minor, to a person declared incompetent, or to a person incapable of handling the disposition of his or her property, the Employer may pay such benefit to the guardian, legal representative or person having the care or custody of such minor, incompetent person or incapable person. The Employer may require proof of incompetence, minority or guardianship as it may deem appropriate prior to distribution of the benefit. Such distribution shall completely discharge the Employer from all liability with respect to such benefit.

ARTICLE 8
Claims and Review Procedures

8.1 *Presentation of Claim*. Any Participant or beneficiary of a deceased Participant (such Participant or beneficiary being referred to below as a "**Claimant**") may deliver to the Administrator a written claim for a determination with respect to the amounts distributable to such Claimant from the Plan. If such a claim relates to the contents of a notice received by the Claimant, the claim must be made within sixty (60) days after such notice was received by the Claimant. All other claims must be made within one hundred-eighty (180) days of the date on which the event that caused the claim to arise occurred. The claim must state with particularity the determination desired by the Claimant.

8.2 *Notification of Decision*. The Administrator shall consider a Claimant's claim within a reasonable time, but no later than ninety (90) days, unless, within such time, the Administrator notifies the Claimant in writing that an extension is required pursuant to Labor Regulation 2560.503-1 (up to ninety (90) days). Once a decision is made, the Administrator shall notify the Claimant in writing:

8.2.1 That the Claimant's requested determination has been made, and that the claim has been allowed in full; or

8.2.2 That the Administrator has reached a conclusion contrary, in whole or in part, to the Claimant's requested determination, and such notice must set forth in a manner calculated to the understood by the Claimant:

(a) the specific reason(s) for the denial of the claim, or any part of it;

(b) the specific reference(s) to pertinent provisions of the Plan upon which such denial was based;

(c) a description of any additional material or information necessary for the Claimant to perfect the claim, and an explanation of why such material or information is necessary; and

(d) an explanation of the claim review procedure set forth in Section 8.3 below, including Claimants right to bring a civil action under Section 502(a) of ERISA as described in Section 8.5.

8.3 *Review of a Denied Claim.* Within sixty (60) days after receiving a notice from the Administrator that a claim has been denied, in whole or in part, a Claimant (or the Claimant's' duly authorized representative) may file with the Administrator a written request for a review of the denial of the claim. Therefore, but not later than thirty (30) days after the review procedure began, the Claimant (or the Claimant's duly authorized representative):

8.3.1 may review pertinent documents;

8.3.2 may submit written comments or other documents; and/or

8.3.3 may request a hearing, which the Administrator, in its sole discretion, may grant.

8.4 *Decision on Review*. The Administrator shall render its decision on review promptly, and not later than sixty (60) days after the filing of a written request for review of the denial, unless a hearing is held or other special circumstances require additional time, in which case the Administrator's decision must be rendered within one hundred-twenty (120) days after such date. Such decision must be written in a manner calculated to be understood by the Claimant, and it must contain:

8.4.1 specific reasons for the decision;

8.4.2 specific reference(s) to the pertinent Plan provisions upon which the decision was based; and

8.4.3 such other matters as the Administrator deems relevant.

8.5 *Legal Action*. A Claimant's compliance with the foregoing provisions of this ARTICLE 8 is a mandatory prerequisite to a Claimant's right to commence any legal action brought pursuant to Section 502(a) of ERISA with respect to any claim for benefits under this Plan.

ARTICLE 9
Funding

9.1 *Prohibition Against Funding.* Should any investment be acquired in connection with the liabilities assumed under this Plan, it is expressly understood and agreed that the Participants and beneficiaries shall not have any rights with respect to, or claim against, such assets nor shall any such purchase be construed to create a trust of any kind or a fiduciary relationship between the Employer and the Participants, their beneficiaries or any other person. Any such assets shall be and remain a part of the general, unpledged, unrestricted assets of the Employer, subject to the claims of its general creditors. It is the express intention of the parties hereto that this arrangement shall be unfunded for tax purposes. Each Participant and beneficiary shall be required to look to the provisions of this Plan and to the Employer itself for

enforcement of any and all benefits due under this Plan, and to the extent any such person acquires a right to receive payment under this Plan, such right shall be no greater than the right of any unsecured general creditor of the Employer. The Employer shall be designated the owner and beneficiary of any investment acquired in connection with its obligation under this Plan.

9.2 *Deposits.* Notwithstanding Section 9.1, or any other provision of this Plan to the contrary, the Employer may deposit any amounts it deems appropriate to pay any or all of the benefits under this Plan to a ‘Rabbi Trust’ as established pursuant to Treasury Department Revenue Procedures 92-64 and 92-65.

ARTICLE 10
Amendment and Termination

10.1 *Authority to Amend or Terminate.* Except as otherwise provided in this ARTICLE 10, the Board shall have the sole authority to modify, amend or terminate this Plan; *provided*, *however*, that any modification or termination of this Plan shall not reduce, without the consent of a Participant, a Participant’s right to any amounts already credited to the Participant’s Deferral Account, or lengthen the time period for a distribution from an established Deferral Account, on the day before the effective date of such modification or termination. Following such termination, payment of such credited amounts may be made in a single sum payment if the Company so designates, only to the extent permitted under Section 409A, or as may be required under Section 409A. Any such decision to pay in a single sum shall apply to all Participants.

10.2 *Required Action.* Notwithstanding the preceding paragraph, to the extent permitted by Section 409A, the Company may amend or terminate this Plan at any time if, pursuant to legislative, judicial or regulatory action, continuation of the Plan would (i) cause benefits to be taxable to the Participant prior to actual receipt, or (ii) result in significant financial penalties or other significantly detrimental ramifications to the Company or Employer (other than the financial impact of paying the benefits).

10.3 *Residual Assets.* Any funds remaining after the termination of the Plan, and satisfaction of all liabilities to Participants and others, shall be returned to the Employer.

ARTICLE 11
Section 409A

11.1 *Section 409A.* The Participant’s Deferral Account balances constitute “deferred compensation” under Section 409A and are subject to the following:

11.1.1 All documents and agreements, or rules and regulations created by the Company or Employer pertaining to the Participant’s Deferral Accounts, shall provide for the required procedures under Section 409A, including the timing of deferral elections and the timing and method of payment distributions.

11.1.2 With respect to the Participant’s Deferral Account balances, it is the intention of the Company and Employer to operate the Plan at all times in conformity with the known rules, regulations and guidance promulgated under Section 409A, and the Company and Employer shall reserve the right (including the right to delegate such right)

to unilaterally amend the Plan with respect to the Deferral Account balances, without the consent of the Participant, to maintain compliance with Section 409A. A Participant’s acceptance of any benefits under the Plan constitutes acknowledgement and consent to such rights of the Company and Employer.

11.1.3 To the extent that any of the terms and conditions contained herein which were modified as part of this amendment and restatement constitute an amendment or modification of the time or manner of payment under a non-qualified deferred compensation plan (as defined under Section 409A), then to the extent necessary under the transitional guidance under Internal Revenue Service Notice 2007-86, this amendment and restatement constitutes an amendment to, and a new election under, such deferred compensation plan, in order to properly modify the time or manner of payment consistent with such guidance.

11.2 *Distribution in the Event of Income Inclusion under Section 409A.* If any portion of a Participant’s Deferral Account under this Plan is required to be included in income by the Participant prior to receipt due to a failure of this Plan to meet the requirements of Section 409A, the Participant may petition the Employer for a distribution of that portion of his or her Deferral Account balance that is required to be included in his or her income. Upon the grant of such a petition, which grant shall not be unreasonably withheld, the Employer shall distribute to the Participant immediately available funds in an amount equal to the portion of his or her Deferral Account balance required to be included in income as a result of the failure of the Plan to meet the requirements of Section 409A, which amount shall not exceed the Participant’s unpaid vested Deferral Account balance under the Plan. If the petition is

granted, such distribution shall be made within ninety (90) days of the date when the Participant's petition is granted. Such a distribution shall affect and reduce the Participant's benefits to be paid under this Plan.

ARTICLE 12
Miscellaneous

12.1 *Administration.* The Administrator shall have powers which are necessary to administer the Plan, including but not limited to:

12.1.1 interpreting the provisions of the Plan;

12.1.2 establishing and revising the method of accounting for the Plan;

12.1.3 maintaining a record of benefit payments; and

12.1.4 establishing rules and prescribing any forms necessary or desirable to administer the Plan.

The Administrator may delegate to others certain ministerial aspects of the management and operation of the Plan, including the employment of advisors and the delegation of ministerial duties to qualified individuals and may, from time to time, consult with legal counsel who may be counsel to the Company.

The decision or action of the Administrator with respect to any question arising out of or in connection with the administration, interpretation, and application of the Plan and the rules and regulations promulgated hereunder shall be final and conclusive and binding upon all persons having any interest in this Plan.

12.2 *Status of Plan*. The Plan is intended to be a plan that is: (a) not qualified within the meaning of Code Section 401(a); (b) "unfunded and is maintained by the Company or Employer primarily for the purpose of providing deferred compensation for a select group of management and highly compensated employees" within the meaning of ERISA Sections 201(2), 301(a)(3) and 401(a)(1); and compliant in all respects with Section 409A. The Plan shall be administered and interpreted to the extent possible in a manner consistent with that intent.

12.3 *No Assignment.* Benefits or payments under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of the Participant or the Participant's beneficiary, whether voluntary or involuntary, and any attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber, attach or garnish the same shall not be valid, nor shall any such benefit or payment be in any way liable for or subject to the debts, contracts, liabilities, engagement or torts of any Participant or beneficiary, or any other person entitled to such benefit or payment pursuant to the terms of this Plan, except to such extent as may be required by law. If any Participant or beneficiary or any other person entitled to a benefit or payment pursuant to the terms of this Plan becomes bankrupt or attempts to alienate, sell, transfer, assign, pledge, encumber, attach or garnish any benefit or payment under this Plan, in whole or in part, or if any attempt is made to subject any such benefit or payment, in whole or in part, to the debts, contracts, liabilities, engagements or torts of the Participant or beneficiary or any other person entitled to any such benefit or payment pursuant to the terms of this Plan, then such benefit or payment, in the discretion of the Administrator, shall cease and terminate with respect to such Participant or beneficiary, or any other such person.

12.4 *No Rights to Remain a Participant.* Participation in this Plan shall not be construed to confer upon any Participant the legal right to be retained as a Participant, or give a Participant or beneficiary, or any other person, any right to any payment whatsoever, except to the extent of the benefits provided for hereunder. Each Participant shall remain subject to removal as a Participant to the same extent as if this Plan had never been adopted or the Participant was not selected to participate.

12.5 *No Effect on Employment Rights*. Participation in this Plan is not a contract for employment. It does not give the Participant the right to remain an employee of the Company or Employer, nor does it interfere with the shareholders' rights to replace the Participant. It also does not require the Participant to remain an employee nor interfere with the Participant's right to terminate employment at any time.

12.6 *Inurement*. The Plan shall be binding upon and shall inure to the benefit of the Company, the Employer, its successors and assigns, and the Participant, the Participant's successors, heirs, executors, administrators, and beneficiaries, and the Company shall require any acquirer in a Change in Control to expressly assume this Plan.

12.7 *Tax Withholding*. When payments are made under the Plan, the Employer shall have the right to deduct from each payment made under the Plan, to the maximum extent permissible under Section 409A, or any other compensation payable to a Participant or beneficiary, any required withholding taxes respecting such payments. Prior to the date a Participant's Deferral Account becomes payable, the Employer may deduct from the Participant's Deferral Account, or from other compensation payable to the Participant, any required federal employment taxes imposes under Code Sections 3101, 3121(a) and 3121(v)(2) and any taxes required under any state, local and foreign laws, to the maximum extent permissible under Section 409A, in each case only to the extent such taxes are attributable to the Participant's participation in the Plan.

12.8 *Entire Agreement.* This Plan, along with the Participant's Election Form and Distribution Election Form, constitute the entire agreement between the Company, the Employer and the Participant as to the subject matter hereof. No rights are granted to the employee by virtue of this Plan other than those specifically set forth herein or in his or her Election Form or Distribution Election Form.

12.9 *No Liability.* No liability shall attach to or be incurred by any officer or director of the Company or any Employer, or any Administrator under or by reason of the terms, conditions and provisions contained in this Plan, or for the acts or decisions taken or made thereunder or in connection therewith; and as a condition precedent to the establishment of this Plan or the receipt of benefits thereunder, or both, such liability, if any, is expressly waived

and released by each Participant and by any and all persons claiming under or through any Participant or any other person. Such waiver and release shall be conclusively evidenced by any act or participation in or the acceptance of benefits or the making of any election under this Plan.

12.10 *Reorganization.* The Employer shall not merge or consolidate into or with another company, or reorganize, or sell substantially all of its assets to another company, firm, or person unless such succeeding or continuing company, firm, or person agrees to assume and discharge the obligations of the Employer under the Plan.

12.11 *Named Fiduciary.* For purposes of ERISA, if applicable, the Company shall be the named fiduciary and plan administrator under the Plan. The named fiduciary may delegate to others certain aspects of the management and operation responsibilities of the plan including the employment of advisors and the delegation of ministerial duties to qualified individuals.

12.12 *Expenses.* All expenses incurred in the administration of the Plan, whether incurred by the Employer or the Plan, shall be paid by the Employer or the Company.

12.13 *Insolvency.* Should the Company be considered insolvent, the Company, through its Board and chief executive officer, shall give immediate written notice of such to the Administrator of the Plan, if the Company is not the Administrator. Upon receipt of such notice, the Employer shall cease to make any payments to Participants who were Participants or their beneficiaries and shall hold any and all assets attributable to the Employer for the benefit of the general creditors of the Employer.

12.14 *Company Determinations.* Any determinations, actions or decisions of the Company (including but not limited to, Plan amendments and Plan termination) shall be made by the Board or a properly delegated committee thereof in accordance with its established procedures.

12.15 *Interpretation.* The provisions of this Plan shall be interpreted consistently with Section 409A, and to the extent inconsistent with such authority, shall be deemed to be modified to the extent necessary to make such provisions consistent with such authority. In addition, all questions of interpretation, construction or application arising under or concerning the terms of this Plan shall be decided by the Administrator, in its sole and final discretion, whose decision shall be final, binding and conclusive upon all persons.

12.16 *Severability and Interpretation of Provisions*. In the event that any of the provisions of this Plan or portion hereof, are held to be inoperative or invalid by any court of competent jurisdiction, or in the event that any legislation adopted by any governmental body having jurisdiction over the Company or Employer would be retroactively applied to invalidate this Plan or any provision hereof or cause the benefits hereunder to be taxable, then: (1) insofar as is reasonable, effect will be given to the intent manifested in the provisions held invalid or inoperative, and (2) the validity and enforceability of the remaining provisions will not be affected thereby. In the event that the intent of any provision shall need to be construed in a manner to avoid taxability, such construction shall be made by the plan administrator in a manner that would manifest to the maximum extent possible the original meaning of such provisions.

12.17 *Governing Law.* This Plan shall be governed by, construed and administered in accordance with the laws of the State of Illinois without regard to the conflict of laws provisions of any jurisdiction, except to the extent preempted by the laws of the United States of America.

12.18 *Headings.* The Article headings contained herein are inserted only as a matter of convenience and for reference and in no way define, limit, enlarge or describe the scope or intent of this Plan, nor in any way shall they affect this Plan or the construction of any provision thereof.

12.19 *Terms.* Capitalized terms shall have meanings as defined herein. Singular nouns shall be read as plural, masculine pronouns shall be read as feminine, and vice versa, as appropriate.

[Signature Page to Follow]

IN WITNESS WHEREOF, First Busey Corporation, by its appropriate officer duly authorized, has caused the Plan to be executed and adopted as of the 16 day of December, 2008.

FIRST BUSEY CORPORATION

By /s/ VAN A. DUKEMAN
Chief Executive Officer

Exhibit To
First Busey Corporation
Executive Deferred Compensation Plan
Election Form
(For plan years beginning on or after January 1, 20)

EMPLOYER: ______________________________

GENERAL INFORMATION

EMPLOYEE'S NAME ______________________________ ______________ ___
(Last) (First) (M.I.)

HOME ADDRESS ____

CITY ____________________ STATE ____________________ ZIP______

SOCIAL SECURITY NUMBER - - BIRTH DATE / /19

COMPENSATION DEFERRAL AGREEMENT

I agree that my Compensation earned during a plan year beginning on or after January 1, 20 , will be reduced by the amount or percentage I have indicated below, and that these dollars will be contributed to my Deferral Account. This agreement will continue to be effective for subsequent plan years while I am employed unless I change or terminate it. I will be only an unsecured creditor of the Employer as to amounts deferred, and may lose part or all of the deferred amount if the Company becomes insolvent. I acknowledge that I have read this entire agreement, understand it and agree to its terms.

Select one of the following:

o I elect to defer % of my salary paid during the plan year.

o I elect to defer % of my bonus for the plan year.

o I decline participation.

NOTE: The total amount of deferrals to this Plan cannot exceed % of compensation in a Plan Year.

Check if applicable:

o The above is a change from my prior elections.

I may change or revoke this election by filing a new election with the Administrator in this format, but only for compensation earned in the tax year following the year in which my election is received by the Administrator.

DESIGNATION OF BENEFICIARIES

I designate the following as the beneficiary of any and all benefits under the terms of the First Busey Corporation Executive Deferred Compensation Plan which may be payable at the time my death:

[Add additional sheets as necessary]

Primary

Name ______________ ______________ ______ Percentage % Relation
(Last) (First) (M.I.)

Name ______________ ______________ ______ Percentage % Relation
(Last) (First) (M.I.)

Contingent

Name ______________ ______________ ______ Percentage % Relation
(Last) (First) (M.I.)

Name ______________ ______________ ______ Percentage % Relation
(Last) (First) (M.I.)

Note: To name a trust as beneficiary, please provide the name of the trustee(s) and the <u>exact</u> name and date of the trust agreement.

I understand: (i) that I may change these beneficiary designations by filing a new written designation with the Administrator; and (ii) that the designations will be automatically revoked if the beneficiary predeceases me, or, if I have named my spouse as beneficiary and our marriage is subsequently dissolved.

Minimum Preretirement Death Benefit

The minimum pre-retirement death benefit payable to my designated beneficiary shall be $ payable in 120 substantially equal monthly installments.

SIGNATURES

Participant

Date

Employer

By: ______________________ Date

Its: ______________________

Exhibit To
First Busey Corporation
Executive Deferred Compensation Plan
Distribution Election Form

EMPLOYER:

GENERAL INFORMATION

EMPLOYEE'S NAME

(Last) (First) (M.I.)

HOME ADDRESS

CITY STATE ZIP

SOCIAL SECURITY NUMBER - - BIRTH DATE / /19

FORM OF PAYMENT

I hereby elect to receive my payments as follows:

o 120 monthly installments.

o 180 monthly installments.

SIGNATURES

Participant

Date

Employer

By: ______________________ Date

Its: ______________________

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Van A. Dukeman, President and Chief Executive Officer of First Busey Corporation, certify that:

1) I have reviewed this Quarterly Report on Form 10-Q of First Busey Corporation;

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

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

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

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

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

    d) disclosed in this Quarterly Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

/s/ VAN A. DUKEMAN

Van A. Dukeman
President and Chief Executive Officer

Date: May 8, 2015

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Robin N. Elliott, Chief Financial Officer of First Busey Corporation, certify that:

1) I have reviewed this Quarterly Report on Form 10-Q of First Busey Corporation;

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

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

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

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

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

   d) disclosed in this Quarterly Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

/s/ ROBIN N. ELLIOTT

Robin N. Elliott
Chief Financial Officer

Date: May 8, 2015

EXHIBIT 32.1

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

CERTIFICATION

I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the accompanying Quarterly Report of First Busey Corporation on Form 10-Q for the quarter ended March 31, 2015, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of First Busey Corporation as of and for the periods covered by the Quarterly Report.

/s/ VAN A. DUKEMAN

Van A. Dukeman
President and Chief Executive Officer

Date: May 8, 2015

EXHIBIT 32.2

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

CERTIFICATION

I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the accompanying Quarterly Report of First Busey Corporation on Form 10-Q for the quarter ended March 31, 2015, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of First Busey Corporation as of and for the periods covered by the Quarterly Report.

/s/ ROBIN N. ELLIOTT

Robin N. Elliott
Chief Financial Officer

Date: May 8, 2015