

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name First Busey Corporation		2 Issuer's employer identification number (EIN) 37-1078406	
3 Name of contact for additional information Robin Elliott		4 Telephone No. of contact 217-365-4120	5 Email address of contact Robin.Elliott@busey.com
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 100 W. University Avenue		7 City, town, or post office, state, and ZIP code of contact Champaign, Illinois 61820	
8 Date of action January 31, 2019		9 Classification and description See attachment.	
10 CUSIP number 319383204	11 Serial number(s)	12 Ticker symbol BUSE	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

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

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

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

Part II Organizational Action (continued)

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

Multiple horizontal lines for providing details for question 17.

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

Multiple horizontal lines for providing details for question 18.

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

Multiple horizontal lines for providing details for question 19.

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

Sign Here

Signature ▶ 

Date ▶ 2/13/19

Print your name ▶ **Robin Elliott**

Title ▶ **CFO**

Paid Preparer Use Only

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

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

Part I. Reporting Issuer

Item 9.

The securities subject to reporting include all shares of First Busey Corporation ("First Busey") common stock issued in exchange for the outstanding common stock of The Banc Ed Corp. ("Banc Ed") as a result of the merger of Banc Ed with and into First Busey on January 31, 2019 (the "Merger").

Part II. Organizational Action

Item 14.

The organizational action involves the Merger of Banc Ed with and into First Busey on January 31, 2019. As a result of the Merger, each share of Banc Ed common stock issued and outstanding as of the effective time was converted into and constituted the right to receive 8.2067 shares of First Busey common stock and \$111.53 in cash. To the extent that the exchange of stock pursuant to the Merger would have resulted in the issuance of a fractional share of First Busey common stock to a Banc Ed shareholder, a cash payment equal to the market value equivalent of the fractional share was paid to such shareholder in lieu of issuing a fractional share of First Busey common stock.

Item 15.

First Busey believes that its acquisition of Banc Ed pursuant to the Merger qualifies as a reorganization within the meaning of Section 368(a)(1) of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 358 of the Code, each shareholder will need to allocate its tax basis in the Banc Ed common stock immediately before the Merger to the shares of First Busey common stock received in the Merger (including any fractional shares deemed received and exchanged for cash). The shareholder's aggregate tax basis in First Busey common stock received pursuant to the transaction (including any fractional shares deemed received and exchanged for cash) will equal the aggregate tax basis in the original Banc Ed common stock surrendered in the transactions, minus any cash received by such shareholder in the Merger (other than cash received in lieu of a fractional share of First Busey common stock), and plus any gain (regardless of whether such gain is classified as capital gain or dividend income) recognized by the shareholder in the Merger (excluding gain recognized as a result of cash received in lieu of a fractional share of First Busey common stock).

The tax treatment to each shareholder of the cash received in lieu of fractional shares is determined pursuant to Code Section 302(a). Consequently, those shareholders generally will recognize capital gain or loss with respect to the cash payments they receive in lieu of fractional shares measured by the difference between the amount of cash received and the shareholder's adjusted tax basis in the fractional shares, and such gain or loss will be long-term capital gain or loss if, as of the effective date of the Merger, the holding period of such shares was greater than one year. Since a shareholder

receiving cash in lieu of fractional shares did not receive First Busey common stock in exchange for the fractional share interest, there is no new basis to compute.

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

Item 16.

Refer to the description of the basis calculation in Part II, Item 15 above. There are several possible methods for determining the fair market value of First Busey common stock. One possible approach is to utilize the NASDAQ Global Select Market closing price on January 31, 2019. The January 31, 2019 closing price of a single share of First Busey common stock on the NASDAQ Global Select Market was \$24.76. Other approaches to determine the fair market value may also be possible. We urge you to consult your tax advisor regarding the calculation of the change in basis in the Merger.

Item 17.

First Busey believes that its acquisition of Banc Ed to the Merger effected on January 31, 2019, qualifies as a reorganization within the meaning of Code Section 368(a)(1). Consequently, the federal income tax consequences to the Banc Ed shareholders are determined under Code Sections 302, 354, 356, 358, 1221, 1223, and Treasury regulations promulgated thereunder.

Item 18.

Except to the extent of cash received in lieu of fractional shares, shareholders generally will not recognize loss with respect to the exchange of Banc Ed common stock for shares of First Busey common stock and cash consideration in the Merger. In general, if capital gain rather than dividend treatment applies to a shareholder who receives cash in lieu of a fractional share, the shareholder will recognize capital loss or gain based on the difference between the amount of cash received and the shareholder's adjusted tax basis in the fractional share. The deductibility of capital losses may be subject to limitations. Shareholders should consult their tax advisors with respect to potential tax consequences to them.

A shareholder of the Banc Ed common stock who receives cash in lieu of a fractional share of First Busey common stock in the Merger generally will be treated as having received such fractional share in the Merger and then as having received cash in redemption of such fractional share, and may recognize loss as a result of such redemption.

Item 19.

This transaction was consummated on January 31, 2019. Consequently, the reportable tax year of the Banc Ed shareholders for reporting the tax effect of the Merger is the tax year that includes the January 31, 2019 date. The reportable year is the 2019 calendar year for those shareholders who report taxable income on the basis of a calendar year.

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

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