SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended 6/30/98
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.)
201 W. Main St., Urbana, Illinois	61801
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (217) 365-4556

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

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

Class	Outstanding at June 30, 1998
Class A Common Stock, without par value	6,883,237

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	June 30, 1998	December 31, 1997
	(Dollars in thousands)	
ASSETS		
Cash and due from banks	$45,190	$43,299
Federal funds sold	21,450	18,800
Securities available for sale (amort. cost 1998 $214,315; 1997 $206,589)	224,294	215,514
Loans (net of unearned interest)	624,886	602,937
Allowance for loan losses	(7,312)	(6,860)
Net loans	$ 617,574	$ 596,077
Premises and equipment	24,459	22,834
Other assets	19,569	19,016
Total assets	$ 952,536	$ 915,540
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits:		
Non-interest bearing	$ 98,742	$ 92,090
Interest bearing	725,900	719,363
Total deposits	$ 824,642	$ 811,453
Short-term borrowings	15,550	6,550
Long-term debt	20,000	10,000
Other liabilities	6,947	6,258
Total liabilities	$ 867,139	$ 834,261
STOCKHOLDERS' EQUITY		
Preferred stock	$ -	$ -
Common stock	6,291	6,291
Surplus	21,219	20,729
Retained earnings	56,098	53,011
Unrealized gain (loss) on securities available for sale, net	6,486	5,801
Total stockholders' equity before treasury stock, unearned ESOP shares and deferred compensation for stock grants	$ 90,094	$ 85,832
Treasury stock, at cost	(4,089)	(3,922)
Unearned ESOP shares and deferred compensation for stock grants	(608)	(631)
Total stockholders' equity	$ 85,397	$ 81,279
Total liabilities and stockholders' equity	$ 952,536	$ 915,540
Class A Common Shares outstanding at period end	6,883,237	6,865,393

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	June 30, 1998	June 30, 1997
	(Dollars in thousands)	
ASSETS		
Cash and due from banks	$ 45,190	$ 40,049
Federal funds sold	21,450	10,500
Securities held to maturity (fair value 1997 $51,396)	-	50,738
Securities available for sale (amort. cost 1998 $214,315; 1997 $158,970)	224,294	165,663
Loans (net of unearned interest)	624,886	591,103
Allowance for loan losses	(7,312)	(6,517)
Net loans	$ 617,574	$ 584,586
Premises and equipment	24,459	22,639
Other assets	19,569	18,649
Total assets	$ 952,536	$ 892,824
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits:		
Non-interest bearing	$ 98,742	$ 78,590
Interest bearing	725,900	714,829
Total deposits	$ 824,642	$ 793,419
Short-term borrowings	15,550	6,000
Long-term debt	20,000	10,000
Other liabilities	6,947	5,291
Total liabilities	$ 867,139	$ 814,710
STOCKHOLDERS' EQUITY		
Preferred stock	$ -	$ -
Common stock	6,291	6,291
Surplus	21,219	20,709
Retained earnings	56,098	50,141
Unrealized gain (loss) on securities available for sale, net	6,486	4,350
Total stockholders' equity before treasury stock, unearned ESOP shares and deferred compensation for stock grants	$ 90,094	$ 81,491
Treasury stock, at cost	(4,089)	(2,753)
Unearned ESOP shares and deferred compensation for stock grants	(608)	(624)
Total stockholders' equity	$ 85,397	$ 78,114
Total liabilities and stockholders' equity	$ 952,536	$ 892,824
Class A Common Shares outstanding at period end	6,883,237	5,790,814
Class B Common Shares outstanding at period end	0	1,125,000

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 1998 AND 1997
(UNAUDITED)

	1998	1997
	(Dollars in thousands, except per share amounts)	
INTEREST INCOME:		
Interest and fees on loans	$26,550	$24,589
Interest and dividends on investment securities:		
Taxable interest income	5,275	5,188
Non-taxable interest income	847	1,002
Dividends	69	53
Interest on federal funds sold	596	148
Total interest income	$33,337	$30,980
INTEREST EXPENSE:		
Deposits	$15,081	$14,419
Short-term borrowings	574	320
Long-term debt	596	247
Total interest expense	$16,251	$14,986
Net interest income	17,086	$15,994
Provision for loan losses	650	400
Net interest income after provision for loan losses	$16,436	$15,594
OTHER INCOME:		
Trust	$ 1,783	$ 1,625
Commissions and brokers fees, net	593	507
Service charges on deposit accounts	1,441	1,464
Other service charges and fees	953	603
Security gains (losses), net	533	265
Trading security gains (losses), net	0	2
Gain on sales of pooled loans	384	117
Other operating income	965	410
Total other income	$ 6,652	$ 4,993
OTHER EXPENSES:		
Salaries and wages	$ 6,758	$ 6,011
Employee benefits	1,309	1,300
Net occupancy expense of bank premises	1,223	1,066
Furniture and equipment expenses	1,013	855
Data processing	961	822
Stationery, supplies and printing	350	345
Foreclosed property write-downs and expenses	0	0
Amortization expense	686	660
Other operating expenses	2,522	2,342
Total other expenses	$14,822	$13,401
Income before income taxes	$ 8,266	$ 7,186
Income taxes	2,554	2,131
NET INCOME	$ 5,712	$ 5,055
Other comprehensive income, before tax:		
Unrealized gains on securities:		
Unrealized holding gains(losses) arising during period	$ 1,587	$ 1,904
Less reclassification adjustment for gains included in net income	(533)	(265)
Other comprehensive income, before tax	1,054	1,639
Income tax expense related to items of other comprehensive income	(369)	(574)
Other comprehensive income, net of tax	$ 685	$ 1,065
COMPREHENSIVE INCOME	$ 6,397	$ 6,120
BASIC EARNINGS PER SHARE	$ 0.83	$ 0.73
DILUTED EARNINGS PER SHARE	$ 0.81	$ 0.72
DIVIDENDS DECLARED PER SHARE:		
Class A Common Stock	$0.3800	$0.3400
Class B Common Stock	-	$0.3091

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE QUARTERS ENDED JUNE 30, 1998 AND 1997
(UNAUDITED)

	1998	1997
	(Dollars in thousands, except per share amounts)	
INTEREST INCOME:		
Interest and fees on loans	$13,231	$12,581
Interest and dividends on investment securities:		
Taxable interest income	2,629	2,547
Non-taxable interest income	430	502
Dividends	34	25
Interest on federal funds sold	316	48
Total interest income	$16,640	$15,703
INTEREST EXPENSE:		
Deposits	$ 7,489	$ 7,269
Short-term borrowings	290	188
Long-term debt	330	146
Total interest expense	$ 8,109	$ 7,603
Net interest income	$ 8,531	$ 8,100
Provision for loan losses	0	200
Net interest income after provision for loan losses	$ 8,531	$ 7,900
OTHER INCOME:		
Trust	$ 899	$ 850
Commissions and brokers fees, net	310	220
Service charges on deposit accounts	738	744
Other service charges and fees	504	333
Security gains (losses), net	233	166
Trading security gains (losses), net	1	1
Gain on sales of pooled loans	198	82
Other operating income	467	141
Total other income	$ 3,350	$ 2,537
OTHER EXPENSES:		
Salaries and wages	$ 3,372	$ 3,006
Employee benefits	644	627
Net occupancy expense of bank premises	602	501
Furniture and equipment expenses	526	425
Data processing	475	463
Stationery, supplies and printing	201	161
Amortization expense	343	330
Other operating expenses	1,351	1,146
Total other expenses	$ 7,514	$ 6,659
Income before income taxes	$ 4,367	$ 3,778
Income taxes	1,366	1,131
NET INCOME	$ 3,001	$ 2,647
Other comprehensive income, before tax:		
Unrealized gains on securities:		
Unrealized holding gains(losses) arising during period	$ 422	$ 2,966
Less reclassification adjustment for gains included in net income	(233)	(166)
Other comprehensive income, before tax	$ 189	$ 2,800
Income tax expense related to items of other comprehensive income	(66)	(980)
Other comprehensive income, net of tax	$ 123	$ 1,820
COMPREHENSIVE INCOME	$ 3,124	$ 4,467
BASIC EARNINGS PER SHARE	$ 0.44	$ 0.38
DILUTED EARNINGS PER SHARE	$ 0.42	$ 0.38
DIVIDENDS DECLARED PER SHARE:		
Class A Common Stock	$0.1900	$0.1700
Class B Common Stock	-	$0.1545

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 1998 AND 1997
(UNAUDITED)

	1998	1997
	(Dollars in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 5,712	$ 5,055
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,876	1,686
Provision for loan losses	650	400
(Decrease) in deferred income taxes	(743)	(625)
Amortization of investment security discounts	(76)	(195)
Gain on sales of investment securities, net	(533)	(265)
Proceeds from sales of pooled loans	38,360	13,734
Loans originated for sale	(40,571)	(14,139)
Gain on sale of pooled loans	(384)	(117)
(Gain) on sales and dispositions of premises and equipment	(12)	0
Change in assets and liabilities:		
Increase in other assets	199	642
Increase (decrease) in accrued expenses	224	(179)
(Decrease) in interest payable	(275)	(96)
Increase in income taxes payable	507	397
Net cash provided by operating activities	$ 4,934	$ 6,298
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of securities classified available for sale	$ 19,365	$ 3,274
Proceeds from maturities of securities classified available for sale	60,025	57,490
Proceeds from maturities of securities classified held to maturity	-	5,450
Purchase of securities classified available for sale	(86,507)	(53,116)
Purchase of securities classified held to maturity	-	(1,050)
(Increase) in federal funds sold	(2,650)	(10,500)
Increase in loans	(19,783)	(21,122)
Purchases of premises and equipment	(2,782)	(2,036)
Proceeds from sales of premises and equipment	23	1
Cash acquired in acquisition of Busey Carter Travel, Inc.	204	-
Net cash (used in) investing activities	($32,105)	($21,609)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase (decrease) in certificates of deposit	($23,743)	$ 23,503
Net increase in demand, money market and saving deposits	36,932	2,989
Cash dividends paid	(2,625)	(2,316)
Purchase of treasury stock	(893)	(402)
Proceeds from sale of treasury stock	391	1,253
Proceeds from short-term borrowings	10,000	-
Principal payments on short-term borrowings	(1,000)	(2,000)
Proceeds from long-term borrowings	15,000	5,000
Principal payments on long-term borrowings	(5,000)	-
Net increase (decrease) in federal funds purchased, repurchase agreements and Federal Reserve discount borrowings	-	(6,405)
Net cash provided by (used in) financing activities	$ 29,062	$ 21,622
Net increase (decrease) in cash and cash equivalents	$ 1,891	$ 6,311
Cash and due from banks, beginning	$ 43,299	$ 33,738
Cash and due from banks, ending	$ 45,190	$ 40,049

NOTE 1: INTERIM FINANCIAL STATEMENTS

The consolidated interim financial statements of First Busey Corporation and Subsidiaries are unaudited, but in the opinion of management reflect all necessary adjustments, consisting only of normal recurring accruals, for a fair presentation of results as of the dates and for the periods covered by the financial statements. The results for the interim periods are not necessarily indicative of the results of operations that may be expected for the fiscal year.

NOTE 2: LOANS

The major classifications of loans at June 30, 1998 and December 31, 1997 were as follows:

	June 30, 1998	December 31, 1997
	(Dollars in thousands)	
Commercial	$75,892	$63,861
Real estate construction	37,381	31,306
Real estate - farmland	12,862	11,782
Real estate - 1-4 family residential mortgage	232,413	225,622
Real estate - multifamily mortgage	64,486	74,385
Real estate - non-farm nonresidential mortgage	148,548	139,653
Installment	36,912	38,925
Agricultural	16,392	17,403
	$624,886	$602,937
Less:		
Allowance for loan losses	7,312	6,860
Net loans	$617,574	$596,077

The real estate-mortgage category includes loans held for sale with carrying values of $7,558,000 at June 30, 1998 and $4,963,000 at December 31, 1997; these loans had fair market values of $7,634,000 and $5,016,000, respectively.

NOTE 3: INCOME PER SHARE

Net income per common share has been computed as follows:

	Three Months Ended June 30, 1998	Three Months Ended June 30, 1997	Six Months Ended June 30, 1998	Six Months Ended June 30, 1997
Net income	$3,001,000	$2,647,000	$5,712,000	$5,055,000
Shares:				
Weighted average common shares outstanding	6,883,289	6,914,134	6,886,907	6,912,760
Dilutive effect of outstanding options, as determined by the application of the treasury stock method	139,860	100,475	128,819	100,163
Weighted average common shares outstanding, as adjusted	7,023,149	7,014,609	7,015,726	7,012,923
Basic earnings per share	$ 0.44	$ 0.38	$ 0.83	$ 0.73
Diluted earnings per share	$ 0.42	$ 0.38	$ 0.81	$ 0.72

	1998	1997
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash payments for:		
Interest	$16,526	$15,082
Income taxes	$ 2,047	$ 1,966
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Other real estate acquired in settlement of loans	$ 231	$ 27
Change in unrealized gain (loss) on securities available for sale	$ 1,054	$ 1,639
(Decrease) increase in deferred income taxes attributable to the unrealized (gain) loss on investment securities available for sale	($369)	($574)
Acquisition of Busey Carter Travel, Inc.:		
Working capital including cash	$ 561	$ -
Premises and equipment	23	-
Intangibles and other assets	241	-
Common stock issued from treasury to acquire Busey Carter Travel, Inc.	$ 825	$ 0

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 Subsidiaries ("Corporation") at June 30, 1998 (unaudited) when compared with December 31, 1997 and the results of operations for the six months ended June 30, 1998 and 1997 (unaudited) and the results of operations for the three months ended June 30, 1998 and 1997 (unaudited). This discussion and analysis should be read in conjunction with the Corporation's consolidated financial statements and notes thereto appearing elsewhere in this quarterly report.

FINANCIAL CONDITION AT JUNE 30, 1998 AS COMPARED TO DECEMBER 31, 1997

Total assets increased $36,996,000, or 4.0%, to $952,536,000 at June 30, 1998 from $915,540,000 at December 31, 1997.

Securities available for sale increased $8,780,000, or 4.1%, to $224,294,000 at June 30, 1998 from $215,514,000 at December 31, 1997.

Loans increased $21,949,000, or 3.6%, to $624,886,000 at June 30, 1998 from $602,937,000 at December 31, 1997, primarily due to increases in commercial and mortgage loans.

Total deposits increased $13,189,000, or 1.6%, to $824,642,000 at June 30, 1998 from $811,453,000 at December 31, 1997. Non-interest bearing deposits increased 7.2% to $98,742,000 at June 30, 1998 from $92,090,000 at December 31, 1997. Interest-bearing deposits increased 0.9% to $725,900,000 at June 30, 1998 from $719,363,000 at December 31, 1997.

Short-term borrowings increased $9,000,000 to $15,550,000 at June 30, 1998, as compared to $6,550,000 at December 31, 1997. Proceeds from the increase in short-term borrowings were used to capitalize Busey Business Bank, the holding company's new bank subsidiary located in Indianapolis, Indiana.

In the first six months of 1998, the Corporation repurchased 31,656 shares of its Class A common stock at an aggregate cost of $893,000. The Corporation is purchasing shares for the treasury as they become available in order to meet future issuance requirements of previously granted non-qualified stock options. As of June 30, 1998, 41,403 of the 133,441 options which became exercisable on January 1, 1997 (and expire December 31, 1999), have not yet been exercised, and 14,700 of the 31,950 options which became exercisable on January 1, 1998 (and expire December 31, 1999), have not yet been exercised.

The following table sets forth the components of non-performing assets and past due loans.

	June 30, 1998	December 31, 1997
	(Dollars in thousands)	
Non-accrual loans	$165	$628
Loans 90 days past due, still accruing	1,778	1,033
Restructured loans	-	-
Other real estate owned	381	516
Non-performing other assets	2	5
Total non-performing assets	$2,326	$2,182
Total non-performing assets as a percentage of total assets	0.24%	0.24%
Total non-performing assets as a percentage of loans plus non-performing assets	0.37%	0.36%

The ratio of non-performing assets to loans plus non-performing assets increased to 0.37% at June 30, 1998 from 0.36% at December 31, 1997. This was due to an increase in the balance of loans 90 days past due and still accruing, offset partially by a decrease in the balances of non-accrual loans and other real estate owned

RESULTS OF OPERATIONS
SIX MONTHS ENDED JUNE 30, 1998 AS COMPARED TO JUNE 30, 1997

SUMMARY
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Net income for the six months ended June 30, 1998 increased 13.0% to $5,712,000 as compared to $5,055,000 for the comparable period in 1997. Diluted earnings per share increased 12.5% to $.81 at June 30, 1998 as compared to $.72 for the same period in 1997.

Operating earnings, which exclude security gains and the related tax expense, were $5,365,000, or $.76 per share for the six months ended June 30, 1998, as compared to $4,883,000, or $.70 per share for the same period in 1997.

The Corporation's return on average assets was 1.25% for the six months ended June 30, 1998, as compared to 1.18% for the comparable period in 1997. The return on average assets from operations of 1.18% for the six months ended June 30, 1998 was 4 basis points higher than the 1.14% level achieved in the comparable period of 1997.

Net interest margin, the Corporation's net interest income expressed as a percentage of average earning assets stated on a fully taxable equivalent basis, was 4.18% for the six months ended June 30, 1998, as compared to 4.24% for the same period in 1997. The net interest margin expressed as a percentage of average total assets, also on a fully taxable equivalent basis, was 3.87% for the six months ended June 30, 1998, compared to 3.88% for the same period in 1997. The decrease in the net interest margin is due primarily to the 13 basis point increase in the average rate paid on interest-bearing liabilities.

During the six months ended June 30, 1998, the Corporation recognized security gains of approximately $347,000, after income taxes, representing 6.1% of net income. During the same period in 1997, security gains of $172,000, after income taxes, were recognized, representing 3.4% of net income.

INTEREST INCOME
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Interest income, on a tax equivalent basis, for the six months ended June 30, 1998 increased 7.1% to $33,933,000 from $31,676,000 for the comparable period in 1997. The increase in interest income resulted from an increase in average earning assets of $59,162,000 for the period ended June 30, 1998, as compared to the same period of 1997. The average yield on interest-earning assets decreased from 8.04% for the six months ended June 30, 1997 to 8.02% for the same period in 1998. This is due primarily to declines in the yields on investment securities partially offset by increases in the yields on loans and federal funds sold.

INTEREST EXPENSE
- ----------------

Total interest expense increased 8.4% for the six months ended June 30, 1998 as compared to the prior year period. This increase resulted primarily from the growth of $36,508,000 in average interest-bearing liabilities to $749,840,000 for the six months ending June 30, 1998, compared to $713,332,000 for the same period in 1997.

PROVISION FOR LOAN LOSSES
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The provision for loan losses of $650,000 for the six months ended June 30, 1998 is $250,000 more than the provision for the comparable period in 1997. The provision and the net charge-offs for the period resulted in the reserve representing 1.17% of total loans and 376% of non-performing loans at June 30, 1998, as compared to the reserve representing 1.14% of total loans and 413% of non-performing loans at December 31, 1997. The adequacy of the reserve for loan losses is consistent with management's consideration of the composition of the portfolio, recent credit quality experience, and prevailing economic conditions.

OTHER INCOME, OTHER EXPENSE AND INCOME TAXES

Total other income, excluding security gains, increased 29.4% for the six months ended June 30, 1998 as compared to the same period in 1997. This was a combination of increases in trust revenue, commissions and brokers fees, and gains on the sales of pooled loans for the six months ended June 30, 1998 as compared to the same period in 1997. As of June 30, 1998, the asset management divisions of the Corporation had $1,077,000,000 in assets under care, an increase of 21.4% from $887,293,000 at June 30, 1998. Gains of $384,000 were recognized on the sale of $37,976,000 of pooled loans for the six months ended June 30, 1998 as compared to gains of $117,000 on the sale of $13,617,000 of pooled loans in the prior year period.

Management anticipates continued sales from the current mortgage loan production of the Corporation if mortgage loan originations allow and the sales of the loans are necessary to maintain the asset/liability structure that the Corporation is trying to effect. The Corporation may realize gains and/or losses on these sales dependent upon interest rate movements and upon how receptive the debt markets are to mortgage backed securities.

Total other expense increased 10.6% or $1,421,000 for the six months ended June 30, 1998 as compared to the same period in 1997.

Salaries and wages expense increased $747,000 or 12.4% and employee benefits expense increased $9,000 for the six months ended June 30, 1998, as compared to the same period last year. The Corporation had 425 full time equivalent employees as of June 30, 1998 as compared to 393 as of June 30, 1997. Occupancy and furniture and equipment expenses increased 16.4% to $2,236,000 for the six months ended June 30, 1998 from $1,921,000 in the prior year period. Data processing expense increased $139,000 or 16.9% to $961,000 for the six months ended June 30, 1998 from the prior year period.

The Corporation's net overhead expense, total non-interest expense less non-interest income divided by average assets, decreased to 1.91% for the six months ended June 30, 1998 from 2.02% in the prior year period as a result of the income and expense items described above.

The Corporation's efficiency ratio is defined as operating expenses divided by net revenue. (More specifically it is defined as non interest expense expressed as a percentage of the sum of tax equivalent net interest income and non interest income, excluding security gains). The consolidated efficiency ratio for the six months ended June 30, 1998 was 62.3%, an improvement from 62.6% for the same period in 1997. When the gains on the sales of pooled loans are excluded these ratios are 63.3% and 62.9% for the six month periods ending June 30, 1998 and June 30, 1997 respectively.

Income taxes for the six months ended June 30, 1998 increased to $2,554,000 as compared to $2,131,000 for the comparable period in 1997. As a percent of income before taxes, the provision for income taxes increased to 30.9% for the six months ended June 30, 1998 from 29.7% for the same period in 1997.

RESULTS OF OPERATIONS
THREE MONTHS ENDED JUNE 30, 1998 AS COMPARED TO JUNE 30, 1997

SUMMARY
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Net income for the three months ended June 30, 1998 increased 13.4% to $3,001,000 as compared to $2,647,000 for the comparable period in 1997. Diluted earnings per share increased 10.5% to $.42 at June 30, 1998 as compared to $.38 for the same period in 1997.

Operating earnings, which exclude security gains and the related tax expense, were $2,849,000, or $.40 per share for the three months ended June 30, 1998, as compared to $2,540,000, or $.37 per share for the same period in 1997.

The Corporation's return on average assets was 1.31% for the three months ended June 30, 1998, as compared to 1.22% achieved for the comparable period in 1997. The return on average assets from operations for the three months ended June 30, 1998 of 1.24% was seven basis points more than the 1.17% level achieved in the comparable period of 1997.

The net interest margin expressed as a percentage of average earning assets was 4.14% for the three months ended June 30, 1998, a decrease of 12 basis points from the level achieved for the like period in 1997. The net interest margin expressed as a percentage of average total assets was 3.84% for the three months ended June 30, 1998, compared to 3.90% for the same period in 1997.

During the three months ended June 30, 1998, the Corporation recognized security gains of approximately $152,000, after income taxes, representing 5.0% of net income. During the same period in 1997, security gains of approximately $107,000, after income taxes, were recognized, representing 4.1% of net income.

INTEREST INCOME
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Interest income on a fully taxable equivalent basis increased $888,000, or 5.5% for the three months ended June 30, 1998 from the same period in 1997. The increase resulted from a higher level of interest income on greater average volumes of loans, offset in part by lower levels of interest income on lower yields and average balances of obligations of states and political subdivisions outstanding, for the three months ended June 30, 1998 as compared to the same period of 1997. The yield on interest earning assets decreased 15 basis points for the three months ended June 30, 1998 as compared to the same period in 1997.

INTEREST EXPENSE
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Total interest expense increased 6.7% for the three months ended June 30, 1998 as compared to the prior year period. This increase resulted in large part from an increase in average other short-term borrowings and average long-term debt balances for the three months ended June 30, 1998, as compared to the same period in 1997.

OTHER INCOME, OTHER EXPENSE AND INCOME TAXES
- ---

Total other income, excluding security transactions, increased 31.5% for the three months ended June 30, 1998 as compared to the same period in 1997. This was a combination of increased trust revenue, commissions and brokers fees, other service charges and fees, gains on sales of pooled loans, and other operating income. Gains of $198,000 were recognized on the sale of $22,331,000 of pooled loans for the three months ended June 30, 1998 as compared to gains of $82,000 on the sale of $8,472,000 of pooled loans in the prior year period.

Total other expense increased 12.8% or $855,000 for the three months ended June 30, 1998 as compared to the same period in 1997.

Salaries and wages expense increased $366,000 or 12.2% and employee benefits expense increased $17,000 or 2.7% for the three months ended June 30, 1998, as compared to the same period last year. Occupancy and furniture and equipment expenses increased 21.8% to $1,128,000 for the three months ended June 30, 1998 from $926,000 in the prior year period. Data processing expense increased $12,000 or 2.6% to $475,000 for the three months ended June 30, 1998 from the prior year period.

The consolidated efficiency ratio for the three months ended June 30, 1998 was 62.9% as compared to 61.5% for the prior year period. When the gains on the sales of pooled loans are excluded, this ratio is 64.0% for the three months ended June 30, 1998 compared to 62.0% for the same period in 1997. The change in the current year efficiency ratio is due to the income and expense items noted above.

Income taxes for the three months ended June 30, 1998 increased to $1,366,000 as compared to $1,131,000 for the comparable period in 1997. As a percent of income before taxes, the provision for income taxes increased to 31.3% for the three months ended June 30, 1998 from 29.9% for the same period in 1997.

LIQUIDITY

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

The sources of short-term liquidity utilized by the Corporation consist of non-reinvested asset maturities, deposits and capital funds. Long-term liquidity needs will be satisfied primarily through retention of capital funds. The Corporation does not deal in or use brokered deposits as a source of liquidity. The Corporation purchases federal funds as a service to its respondent banks, but generally does not rely upon these purchases for liquidity needs. Additional liquidity is provided by bank lines of credit, repurchase agreements and the ability to borrow from the Federal Reserve Bank and the Federal Home Loan Bank of Chicago. The Corporation has an operating line with American National Bank and Trust Company of Chicago in the amount of $10,000,000 with $5,000,000 available as of June 30, 1998.

The Corporation's dependence on large liabilities (defined as time deposits over $100,000 and short-term borrowings) decreased to 11.0% at June 30, 1998 from 12.4% at December 31, 1997. This is the ratio of total large liabilities to total liabilities, and is low in comparison to the Corporation's peers. This change was due largely to a $17,059,000 decrease in time deposits over $100,000 and a $9,000,000 increase in short-term debt which resulted in a lower ratio of large liabilities to total liabilities.

CAPITAL RESOURCES

Other than from the issuance of common stock, the Corporation's primary source of capital is retained net income. During the six months ended June 30, 1998, the Corporation earned $5,712,000 and paid dividends of $2,625,000 to stockholders, resulting in a retention of current earnings of $3,087,000. The Corporation's dividend payout for the six months ended June 30, 1998 was 46.0%. The Corporation's risk-based capital ratio was 13.49% and the leverage ratio was 7.86% as of June 30, 1998, as compared to 13.01% and 7.61% respectively as of December 31, 1997. The Corporation and its bank subsidiaries were well above all minimum required capital ratios as of June 30, 1998.

MARKET RISK

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

The Corporation's banking subsidiary, Busey Bank, has an asset-liability committee which meets monthly 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.

The asset-liability committee uses gap analysis to identify mismatches in the dollar value of assets and liabilities subject to repricing within specific time periods. The Funds Management Policy established by the asset-liability committee and approved by the Corporation's board of directors establishes guidelines for maintaining the ratio of cumulative rate-sensitive assets to rate-sensitive liabilities within prescribed ranges at certain intervals. A summary of the Corporation's gap analysis is summarized on page 25.

The committee does not rely solely on gap analysis to manage interest-rate risk as interest rate changes do not impact all categories of assets and liabilities equally or simultaneously. The asset-liability committee supplements gap analysis with balance sheet and income simulation analysis to determine the potential impact on net interest income of changes in market interest rates. In these simulation models the balance sheet is projected out over a one-year period and net interest income is calculated under current market rates, and then assuming permanent instantaneous shifts in the yield curve of +/- 100 basis point and +/- 200 basis points. These interest-rate scenarios indicate the interest rate risk of the Corporation over a one-year time horizon due to changes in interest rates, as of June 30, 1998, is as follows:

	Basis Point Changes			
	-200	-100	+100	+200
Percentage change in net interest income due to an immediate change in interest over a one-year period	(6.10%)	(2.98%)	(.14%)	(.36%)

YEAR 2000 COMPLIANCE

The Corporation has developed an all encompassing plan to address Year 2000 related issues. A major aspect of the plan is the migration from an outsourced data processing solution to an in-house solution. This migration is underway with a planned completion date for all major applications of the middle of October, 1998. There will be a cost of approximately $3,800,000 for equipment and software which will be partially offset by the elimination of many of the outsourcing costs. Some of these costs will be capitalized as they relate to equipment purchased for the in-house data processing solution.

Testing of desktop hardware and software systems has begun. Those systems that are not compliant are being upgraded or eliminated. To date 100% of the desktop hardware has been reviewed and certified compliant. Approximately 50% of the desktop software has been reviewed and certified compliant.

The Corporation held a customer education seminar discussing the Year 2000 on June 15, 1998. In conjunction with the seminar, an educational brochure was developed and is being made available to customers. The Corporation is planning to conduct at least one additional seminar later in 1998.

Contingency plans continue to be developed for critical business applications in order to mitigate potential problems and/or delays associated with implementation of new solutions or delivery of products and services from vendors.

RATE-SENSITIVE ASSETS AND LIABILITIES

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

The following table sets forth the static rate-sensitivity analysis of the Corporation as of June 30, 1998.

	Rate Sensitive Within					
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
	(Dollars in thousands)					
Federal funds sold	$ 21,450	$ 0	$ 0	$ 0	$ 0	$ 21,450
Investment securities						
U.S. Governments	8,169	8,903	17,262	65,325	69,202	168,861
Obligations of states and political subdivisions	0	0	4,531	361	27,999	32,891
Other securities	3,494	100	150	1,481	17,317	22,542
Loans (net of unearned int.)	194,992	37,064	39,747	89,353	263,720	624,886
Total rate-sensitive assets	$ 228,105	$ 46,067	$ 61,690	$ 156,520	$378,248	$870,630
Interest bearing transaction deposits	$ 161,493	$ 0	$ 0	$ 0	$ 0	$161,493
Savings deposits	80,595	0	0	0	0	80,595
Money market deposits	134,493	0	0	0	0	134,493
Time deposits	38,361	57,444	59,354	98,540	95,620	349,319
Short-term borrowings:						
Federal funds purchased & repurchase agreements	0	0	0	0	0	0
Other	0	0	10,000	5,550	0	15,550
Long-term debt	0	0	0	0	20,000	20,000
Total rate-sensitive liabilities	$ 414,942	$ 57,444	$ 69,354	$ 104,090	$115,620	$761,450
Rate-sensitive assets less rate-sensitive liabilities	($186,837)	($11,377)	($7,664)	$ 52,430	$262,628	$109,180
Cumulative gap	($186,837)	($195,214)	($205,878)	($153,448)	$109,180	$ -
Cumulative gap as a percentage of total rate-sensitive assets	-21.46%	-22.77%	-23.65%	-17.62%	12.54%	
Cumulative ratio (cumulative RSA/RSL)	0.55X	0.58X	0.62X	0.76X	1.14X	1.14X

The foregoing table shows a negative (liability sensitive) rate-sensitivity gap of $186.8 million in the 1-30 day repricing category. The gap beyond 30 days, through 180 days, becomes slightly more liability sensitive as rate-sensitive assets that reprice in those time periods are slightly less in volume than rate-sensitive liabilities that are subject to repricing in the same respective time periods. The gap beyond 180 days becomes less liability sensitive as rate-sensitive assets that reprice after 180 days become greater in volume than rate-sensitive liabilities that are subject to repricing in the same respective time periods. The composition of the gap structure at June 30, 1998, will benefit the Corporation more if interest rates fall during the next 180 days by allowing the net interest margin to grow as liability rates would reprice more quickly than rates on interest rate-sensitive assets. After 180 days, a rate increase would benefit the Corporation because the volume of rate-sensitive assets repricing would exceed the volume of rate-sensitive liabilities that would be repricing.

FIRST BUSEY CORPORATION AND SUBSIDIARIES
AVERAGE BALANCE SHEETS AND INTEREST RATES
SIX MONTHS ENDED JUNE 30, 1998 AND 1997

	1998			1997		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
	(Dollars in thousands)					
ASSETS						
Federal funds sold	$21,815	$ 596	5.51%	$ 5,561	$ 148	5.36%
Investment securities						
U.S. Government obligations	168,886	4,850	5.79%	163,457	4,734	5.84%
Obligations of states and political subdivisions (1)	32,474	1,303	8.09%	36,989	1,543	8.41%
Other securities	22,311	493	4.46%	20,605	507	4.96%
Loans (net of unearned interest) (1) (2)	608,270	26,691	8.85%	567,982	24,744	8.79%
Total interest earning assets	$853,756	$33,933	8.02%	$794,594	$31,676	8.04%
Cash and due from banks	31,977			38,241		
Premises and equipment	24,004			22,236		
Reserve for possible loan losses	(7,224)			(6,337)		
Other assets	17,854			18,072		
Total Assets	$920,367			$866,806		
LIABILITIES AND STOCKHOLDERS' EQUITY						
Interest-bearing transaction deposits	$ 11,323	$ 111	1.97%	$145,648	$ 1,373	1.90%
Savings deposits	80,484	1,318	3.30%	82,113	1,327	3.26%
Money market deposits	267,784	3,937	2.96%	119,682	2,219	3.74%
Time deposits	353,387	9,715	5.54%	347,663	9,500	5.51%
Short-term borrowings:						
Federal funds purchased and repurchase agreements	275	8	5.60%	2,921	85	5.87%
Other	14,764	566	7.74%	6,714	235	7.05%
Long-term debt	21,823	596	5.50%	8,591	247	5.80%
Total interest bearing liabilities	$749,840	$16,251	4.37%	$713,332	$14,986	4.24%
Net interest spread			3.65%			3.80%
Demand deposits	79,534			72,466		
Other liabilities	7,838			5,689		
Stockholders' equity	83,155			75,319		
Total Liabilities and Stockholders' Equity	$920,367			$866,806		
Interest income / earning assets (1)	$853,756	$33,933	8.02%	$794,594	$31,676	8.04%
Interest expense / earning assets	$853,756	16,251	3.84%	794,594	14,986	3.80%
Net interest margin (1)		$17,682	4.18%		$16,690	4.24%

(1) On a tax-equivalent basis, assuming a federal income tax rate of 35% for 1998 and 1997.
(2) Non-accrual loans have been included in average loans, net of unearned interest.

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CHANGES IN NET INTEREST INCOME
SIX MONTHS ENDED JUNE 30, 1998 AND 1997

	Change due to (1)		
	Average Volume	Average Yield/Rate	Total Change
	(Dollars in thousands)		
Increase (decrease) in interest income:			
Federal funds sold	$ 444	$ 4	$ 448
Investment securities:			
U.S. Government obligations	156	(40)	116
Obligations of states and political subdivisions (2)	(183)	(57)	(240)
Other securities	61	(75)	(14)
Loans (2)	1,767	180	1,947
Change in interest income (2)	$ 2,245	$ 12	$ 2,257
Increase (decrease) in interest expense:			
Interest bearing transaction deposits	($1,316)	$ 54	($1,262)
Savings deposits	(27)	18	(9)
Money market deposits	2,063	(345)	1,718
Time deposits	157	58	215
Short-term borrowings:			
Federal funds purchased and repurchase agreements	(74)	(3)	(77)
Other	307	24	331
Long-term debt	361	(12)	349
Change in interest expense	$ 1,471	($206)	$ 1,265
Increase in net interest income (2)	$ 774	$ 218	$ 992

(1) Changes due to both rate and volume have been allocated proportionally.
(2) On a tax-equivalent basis, assuming a federal income tax rate of 35% for 1998 and 1997.

FIRST BUSEY CORPORATION AND SUBSIDIARIES
AVERAGE BALANCE SHEETS AND INTEREST RATES
QUARTERS ENDED JUNE 30, 1998 AND 1997

	1998			1997		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
	(Dollars in thousands)					
ASSETS						
Federal funds sold	$23,012	$ 316	5.51%	$ 3,466	$ 48	5.49%
Investment securities						
U.S. Government obligations	166,919	2,414	5.80%	159,621	2,318	5.83%
Obligations of states and political subdivisions (1)	33,052	662	8.03%	37,081	774	8.36%
Other securities	22,720	247	4.36%	20,811	254	4.90%
Loans (net of unearned interest) (1) (2)	609,555	13,300	8.75%	575,126	12,657	8.83%
Total interest earning assets	$855,258	$16,939	7.94%	$796,105	$16,051	8.09%
Cash and due from banks	30,912			37,988		
Premises and equipment	24,698			22,529		
Reserve for possible loan losses	(7,434)			(6,425)		
Other assets	18,801			18,340		
Total Assets	$922,235			$868,537		
LIABILITIES AND STOCKHOLDERS' EQUITY						
Interest bearing transaction deposits	$ 11,677	$ 59	2.01%	$148,418	$ 757	2.05%
Savings deposits	80,471	657	3.27%	79,947	650	3.26%
Money market deposits	273,605	2,039	2.99%	117,928	1,104	3.75%
Time deposits	343,750	4,734	5.52%	346,409	4,759	5.51%
Short-term borrowings:						
Federal funds purchased and repurchase agreements	143	2	5.22%	5,502	79	5.75%
Other	15,925	289	7.27%	6,125	108	7.08%
Long-term debt	24,670	329	5.35%	10,000	146	5.85%
Total interest bearing liabilities	$750,241	$ 8,109	4.34%	$714,329	$ 7,603	4.27%
Net interest spread			3.60%			3.82%
Demand deposits	80,144			72,374		
Other liabilities	7,871			5,667		
Stockholders' equity	83,979			76,167		
Total Liabilities and Stockholders' Equity	$922,235			$868,537		
Interest income / earning assets (1)	$855,258	$16,939	7.94%	$796,105	$16,051	8.09%
Interest expense / earning assets	$855,258	8,109	3.80%	796,105	7,603	3.83%
Net interest margin (1)		$ 8,830	4.14%		$ 8,448	4.26%

(1) On a tax-equivalent basis, assuming a federal income tax rate of 35% for 1998 and 1997.
(2) Non-accrual loans have been included in average loans, net of unearned interest.

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CHANGES IN NET INTEREST INCOME
QUARTERS ENDED JUNE 30, 1998 AND 1997

	Change due to (1)		
	Average Volume	Average Yield/Rate	Total Change
	(Dollars in thousands)		
Increase (decrease) in interest income:			
Federal funds sold	$ 268	$ 0	$ 268
Investment securities:			
U.S. Government obligations	105	(9)	96
Obligations of states and political subdivisions (2)	(81)	(31)	(112)
Other securities	36	(43)	(7)
Loans (2)	750	(107)	643
Change in interest income (2)	$1,078	(190)	$ 888
Increase (decrease) in interest expense:			
Interest bearing transaction deposits	($686)	($12)	($698)
Savings deposits	4	3	7
Money market deposits	1,106	(171)	935
Time deposits	(37)	12	(25)
Short-term borrowings:			
Federal funds purchased and repurchase agreements	(70)	(7)	(77)
Other	178	3	181
Long-term debt	194	(11)	183
Change in interest expense	$ 689	($183)	$ 506
Increase in net interest income (2)	$ 389	($7)	$ 382

(1) Changes due to both rate and volume have been allocated proportionally.
(2) On a tax-equivalent basis, assuming a federal income tax rate of 35% for 1998 and 1997.

PART II - OTHER INFORMATION

ITEM 6: Exhibits and Reports on Form 8-K

(a) There were no reports on Form 8-K filed during the three months ending June 30, 1998.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused the report to be signed on its behalf by the undersigned thereunto duly authorized.

FIRST BUSEY CORPORATION
(REGISTRANT)

By: //Scott L. Hendrie//

Scott L. Hendrie
Senior Vice President and
Chief Financial Officer
(Principal financial and accounting officer)

Date: August 14, 1998

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