



FOUNDATION FOR GROWTH

2012 Annual Report

Busey[®]
First Busey Corporation

Our Vision

Our vision is to be the premier provider of financial solutions through a customer-centric, low-risk growth strategy and consistent execution of the *Busey Promise*.

Letter to Shareholders.

Our organization successfully established a foundation for growth and future profitability in 2012, and we are proud of the transformational improvements executed by our associates.

We delivered \$22.4 million in net income for the year ended December 31, 2012, and net income available for common shareholders of \$18.7 million, or \$0.22 per fully diluted common share. We maintained a stable quarterly dividend of \$0.04 per share, consistent with recent years, providing an average annual yield of over 3%. In addition, we responded to tax uncertainty at the end of 2012 on behalf of our shareholders by accelerating payment of our first quarter 2013 dividend to December 2012 and paying an additional \$0.04 per share for a combined payment of \$0.08 per share.



We continued our highly positive momentum in credit quality, and our capital levels were among the best in banks of similar size. As of December 31, 2012, we remained well-capitalized, exceeding regulatory standards with a Tier I Capital ratio of 17.34%. Additionally, our loan portfolio expanded for three consecutive quarters to finish 2012, growing more than \$38 million in the fourth quarter alone. While we were adding to our volume of quality loans, our non-performing loans declined approximately 34% to \$25.4 million at December 31, 2012 from \$38.5 million at December 31, 2011—demonstrating again our commitment to balance sheet strength as a priority.

That decline resulted in an improvement in non-performing assets, which were down to 1.39% of loans and other non-performing assets. This shows a marked improvement in that ratio—down from 2.28% at December 31, 2011 and 3.26% at December 31, 2010. Thanks to the focus and dedicated efforts of our special assets and commercial teams in the past five years, these numbers have normalized to what we believe is a sustainable level.


We also made gains in other areas—improving fee income, exclusive of securities and private equity investment fund gains and losses, by 5% year-over-year—in large part due to strong results from our wealth management and residential mortgage teams. In addition, we completed a core system conversion to support the developing product needs of our customers and the metrics needed to dynamically manage a growing business.

We believe we are positioned for growth, with favorable loan trends and our past credit issues largely managed. At December 31, 2012, we did not hold any brokered

certificates of deposit, and we expect to support continued asset growth through our solid and efficient platform of core deposits. However, the financial services industry continues to experience challenging times; we face headwinds in a slow-growth economy, compression in net interest margins and an uncertain regulatory environment. These are all reasons it is more important than ever to provide our customers and shareholders with the greatest value possible. This year, and into the future, we intend to do this by consistently focusing on three major priorities: (1) continuously working toward low-risk, profitable growth—both organic and, potentially, through strategic acquisitions; (2) providing premier customer service; and (3) minimizing expenses where possible.

As we continue growing through 2013 and beyond, we will rely on our integrated teams of Commercial Banking professionals to provide superior, timely customer service—both in support of our existing relationships and while building new partnerships. We expect to increase our emphasis on lending that qualifies under the Small Business Lending Fund (SBLF), which offers our customers a low-cost funding opportunity while helping Busey decrease preferred dividend expense. Finally, we will strive to expand our middle market loan offerings—capitalizing on our size and ability to thrive where small banks lack capability and big banks lack commitment.

In our retail bank, we have progressed in our relationship sales initiative, B⁵. That initiative defines a target of five services per household, which we exceeded in late 2012. In 2013, we will focus on continuing to grow relationships while expanding referrals to other lines of business and maximizing our loan growth efforts. Our mortgage gains



grew by 14.5% in 2012 and, while future growth will be influenced by macro factors in the housing market, our opportunities to grow will be aided by referrals from other lines of business and our competitive mortgage offerings.

Busey Wealth Management is focusing on increasing penetration in our downstate Illinois markets while monitoring expenses. In addition, in late 2012 Busey welcomed Trevett Capital Partners—a strong team of wealth management professionals focused on helping high net worth clients in southwest Florida enhance and preserve their financial future. Going forward, Trevett will provide an additional source of revenue, building value for shareholders while helping to counter the cyclical nature of our core banking business and further diversifying our income. We encourage you to visit www.trevettcapitalpartners.com for more information.

As we commit to these new initiatives, it is important that we continue differentiating Busey. We do this by remembering our product is service and demanding more of ourselves than our competitors can deliver.

In August 2012, we joined over 700 companies worldwide by launching the Net Promoter® System (NPS) to garner specific, tangible and immediate input on our customers' experiences with Busey. Sent to all customers via email, our survey is designed to gather feedback that will aid Busey in improving customer relationships. We elicited a strong response rate—which yielded several positive recommendations for Busey posted by customers to their individual social media pages. Information shared by customers with friends and family enhances Busey's reputation for premier customer service in the most relevant and authentic way possible.

As of March 1, 2013, Busey had an NPS score of 31.9—representing the percentage of responding Busey customers who would recommend the organization to their friends and family minus the percentage who would not—nearly double

the average for the financial services industry according to the Satmetrix 2012 U.S. Banking Benchmarks study. Receiving detailed, actionable feedback through NPS helps us remedy service issues, refine our systems to address any recurrent customer pain points and quantify customer service improvement over time. We will continue to use this responsive and personal engagement to further differentiate Busey—strengthening our ability to serve and build solid, lasting relationships with our customers. NPS gives us insight into our customers' wants and needs—allowing us to deliver on our **promise** of a premier customer experience.

As we continue to focus on low-risk, profitable growth, and improving our customer service, it is important that we contain expenses. In late 2012 and early 2013, we streamlined our branch footprint by closing four full service and three limited service locations to account for reduced “brick and mortar” transaction volume and increased demand for online and mobile servicing options. The closed locations had experienced declining foot traffic in recent years, and most had multiple other branches and ATMs within three miles. Additionally, nearly all customers impacted by the closures had used another Busey location previously. Between our branch optimization and other efficiency initiatives, we anticipate savings of more than \$2 million annually.

Looking to 2013 and beyond, I am optimistic about the future. Through accelerating loan growth, enhanced customer service and expense control, we strive to increase profitability. With the support of our shareholders, we remain a proud part of our communities and, as we have done for more than 145 years, continue to build strong partnerships with our customers, associates, communities and shareholders. As always, thank you for your support and guidance.



VAN A. DUKEMAN, CFA
President & Chief Executive Officer
First Busey Corporation

Our history of successfully serving our communities provides a unique opportunity to “Out-Big the Smalls and Out-Small the Bigs” by offering customers outstanding service through the **Busey Promise**.

Service Leaders.

Executive Management

Van A. Dukeman

President & Chief Executive Officer
First Busey Corporation

Barbara J. Harrington

Executive Vice President & Chief Risk Officer
First Busey Corporation

Leanne C. Kopschke

Executive Vice President & Chief Information Officer
First Busey Corporation

Howard F. Mooney II

President & Chief Executive Officer
FirsTech, Inc.

Robert F. Plecki

Executive Vice President
Chief Operating Officer & Chief Credit Officer
First Busey Corporation

John J. Powers

Executive Vice President & General Counsel
First Busey Corporation

Christopher M. Shroyer

President & Chief Executive Officer
Busey Bank

David B. White

Executive Vice President & Chief Financial Officer
First Busey Corporation

First Busey Corporation Board of Directors

Joseph M. Ambrose

President & Chief Executive Officer
Horizon Hobby, Inc.

David J. Downey

President
The Downey Group, Inc.

Van A. Dukeman

President & Chief Executive Officer
First Busey Corporation

Stephen V. King

Founding Partner
Prairie Capital, L.P.

E. Phillips Knox

Attorney
Tummelson, Bryan & Knox, LLP

V.B. Leister, Jr.

Chairman
Carter's Furniture, Inc.

Gregory B. Lykins

Chairman
First Busey Corporation

August C. Meyer, Jr.

Chairman
Midwest Television, Inc.

George T. Shapland

President
Shapland Management Company

Thomas G. Sloan

Chief Executive Officer
Sloan Implement Company



Corporate Profile

First Busey Corporation is a \$3.6 billion financial holding company headquartered in Champaign, Illinois. Busey Bank, First Busey Corporation's wholly-owned bank subsidiary, is headquartered in Champaign, Illinois and has thirty full service and two limited service banking centers serving Illinois, a full service banking center in Indianapolis, Indiana, and seven full service banking centers serving southwest Florida. Busey Bank had total assets of \$3.6 billion as of December 31, 2012.

Busey Wealth Management is a wholly-owned subsidiary of First Busey Corporation. Through Busey Trust Company, Busey Wealth Management provides asset management, investment and fiduciary services to individuals, businesses and foundations. As of December 31, 2012, Busey Wealth Management managed approximately \$4.2 billion in assets.

Through Busey Bank, First Busey Corporation owns a retail payment processing subsidiary, FirsTech, Inc., which processes over 22 million transactions per year including online bill payments, lockbox processing and walk-in payments at its 3,100 agent locations in 38 states.

In addition, Trevett Capital Partners, a wealth management division of Busey Bank, provides asset management, investment and fiduciary services to high net worth clients in southwest Florida.

Busey Bank also provides electronic delivery of financial services through its website, www.busey.com.

Shareholder Information

Corporate Headquarters

First Busey Corporation, 100 W. University Ave., Champaign, Illinois 61820, 217.365.4500. Visit Busey's website at www.busey.com.

Annual Meeting

The Annual Meeting of Shareholders of First Busey Corporation will be held on Wednesday, May 22, 2013, at 6:30 p.m. at Busey Bank 100 W. University Ave., Champaign, Illinois, 61820.

First Busey Corporation Common Stock

First Busey Corporation Common Stock is listed on the NASDAQ Global Select Market under the symbol BUSE.

Annual Report on Form 10-K

A copy of the Annual Report on Form 10-K filed with the Securities and Exchange Commission can be found at www.busey.com.

Stock Transfer Agent

Computershare, P.O. Box 43006; Providence, RI 02940-3006, 866.392.9220. The transfer agent can be accessed at www.computershare.com/investor.

Forward-Looking Statements

This document may contain 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 the Company. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of the Company'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 the Company undertakes no obligation to update any statement in light of new information or future events. A number of factors, many of which are beyond the ability of the Company to control or predict, could cause actual results to differ materially from those in its forward-looking statements. These factors include, among others, the following: (i) the strength of the local and national economy; (ii) changes in state and federal laws, regulations and governmental policies concerning the Company's general business (including the impact of Basel III and the Dodd-Frank Wall Street Reform and Consumer Protection Act and the extensive regulations to be promulgated thereunder); (iii) changes in interest rates and prepayment rates of the Company's assets; (iv) increased competition in the financial services sector and the inability to attract new customers; (v) changes in technology and the ability to develop and maintain secure and reliable electronic systems; (vi) the loss of key executives or employees; (vii) changes in consumer spending; (viii) unexpected results of acquisitions; (ix) unexpected outcomes of existing or new litigation involving the Company; (x) the economic impact of any future terrorist threats or attacks; and (xi) changes in accounting policies and practices. 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 the Company and its business, including additional factors that could materially affect the Company's financial results, is included in the Company's filings with the Securities and Exchange Commission.

Member FDIC





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