



2013

RELATIONSHIPS FOR
GENERATIONS
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*.

RELATIONSHIPS FOR GENERATIONS

Building on our established foundation for growth and future profitability, in 2013 we expanded successes in commercial loan growth and wealth management, reaffirmed our commitment to premier customer service and solidified long-lasting relationships with customers.

For the year ended December 31, 2013, we delivered \$28.7 million in net income, and net income available to common shareholders of \$25.1 million, or \$0.29 per fully-diluted common share. Consistent with our *promise* to provide value to shareholders, the yield on our common stock in 2013 was approximately 3% through our quarterly dividend of \$0.04 per share.

Our balance sheet has never been stronger with our credit metrics back to sustainable levels. Provision for loan loss decreased to \$7.5 million for the year ended December 31, 2013, down from \$16.5 million for 2012.



Our strong core funding, 2013 year-ending Tier I Capital ratio of 16.92% and improvements in credit demonstrate the effectiveness of our ongoing commitment to balance sheet strength.

In addition to strong asset quality, funding and capital, during 2013 we grew commercial loan balances by 16.7% from December 31, 2012, despite intense market competition in the communities we serve. As a result of this loan growth, our commercial team exceeded certain Small Business Lending Fund (SBLF) thresholds, lowering the preferred dividend rate from 5% to 1%—representing a yearly savings for 2014 and 2015 of nearly \$2.9 million—all while growing loans in the best credit risk grades and decreasing volumes in the lowest credit risk grades.

As we grow, we continue to exercise expense discipline—as evidenced by our \$7.3 million year-over-year improvement in non-interest expense at December 31, 2013. Additionally, in 2013 our efficiency ratio improved to 66.39% from 68.54% in 2012 because we consistently sought prudent methods to reduce cost and enhance efficiency. Opportunities remain, however, and we expect to continue examining appropriate avenues to positively impact income.

Revenues from Busey Wealth Management and FirsTech represented almost 47% of non-interest income from the year, illustrating the continued value of diversified income streams—particularly in the current highly competitive banking environment. Total non-interest income for our company represented approximately 38% of total revenue—net of interest

expense and security gains. In 2013, Busey Wealth Management aggressively expanded multi-generational relationships, growing assets under care from \$4.2 billion to \$5.0 billion. The broad base provided by FirsTech, Busey Wealth Management and Trevett Capital Partners allows us to further expand our business by comprehensively meeting the needs of our relationship customers across generations.

As a testament to the strong relationships we build with our Pillars—*customers, associates, communities and shareholders*—and the transparency and trust those relationships require, Busey was named one of **America's 100 Most Trustworthy Companies for 2013 by *Forbes***. Remaining true to our values is the most consistent and reliable way to execute on the principles defined by the ***Busey Promise***. Our focus on long-term sustainability and commitment to enhancing shareholder value through diversified revenue streams, core deposit funding and low-risk financial practice enables us to provide the highest level of stewardship to you—our valued shareholders. Being recognized by *Forbes* as a model of openness and integrity, earning the Illinois Bankers Association's 2013 Community Service Award, and receiving honorable mention in both the Illinois Governor's Sustainability Award and the Green Leaf Award from *BankNews* in 2013 signifies the strength of our commitment to our ***promises***.

These successes, and our continued achievements, would not be possible without the dedication and efforts of our talented associates—Busey's most valuable asset. Some of those associates retired this

past year and I would like to recognize the enormous contributions and years of dedication Dave White, Jim Shuppara, Alan Penwell and Don Montieth gave our organization. With more than 130 combined years of service to Busey, they were mentors and valued partners. They helped lead our organization through some of our most transformative and productive decades. On behalf of our board of directors and associate base—thank you, again, for your steadfast loyalty and service to Busey.

The strength of Busey's committed leadership teams, and the direction they provide our associates, is vital to our future success. We remain committed to providing opportunities for further development, while recognizing and rewarding our leaders for keeping our organization growing and prosperous. Continuing to build relationships for generations involves empowering leaders to partner with our customers and communities in strengthening Busey—now and in the future.

Consistent with our *promise* to build solid leadership and support teams, we have also expanded your First Busey Corporation board, welcoming Stephen V. King, Founding Partner of Prairie Capital, L.P., who joined in January 2013, and Phyllis M. Wise, Chancellor of the University of Illinois at Urbana-Champaign, who joined in January 2014. These exceptional leaders bring extensive knowledge on a wide range of focuses, as well as years of experience and pinnacle achievement in their fields. We look forward to the invaluable perspectives both will bring to our organization in 2014 and beyond.

Over the past several years, our commitment to balance sheet strength, profitability and growth—in that order—has helped us realize meaningful benchmarks. As we grow forward into 2014, we can meet expanded goals by continuing to execute the proven behaviors that have brought us success. B⁵—our relationship sales model—systematizes those behaviors, along with our goals and customer-centric focus. Using B⁵ as our actionable and scalable guide to consistent organic growth, we expect to continue growing revenue for our shareholders by delivering superior service to existing customers, building strong new relationships and capitalizing on our size and scope by providing personal service across the widest range of capabilities. In short, we plan to “out-big the smalls and out-small the bigs.”

To further support organic growth, and seek the efficiencies that technological advancements provide, we continue pursuing secure, innovative channels to reach prospective and current customers. Building on our history as an innovator—we were among the first banks in our market areas to offer online banking—in 2013 we enhanced our ebank experience, launched Busey Mobile Deposit and redesigned our mobile app. In 2014, we will seek additional ways to meet customer needs, as we continue serving our customers through the channels they choose—from Facebook and Twitter to LinkedIn—while targeting prospective customers through digital advertising channels such as Google Ads. By exploring areas that offer meaningful improvements, we are better able to build beneficial relationships, enhance integrated communication channels and increase customer loyalty.

Finally, we remain as committed to providing premier customer service as when we were founded in 1868—solidifying deep, lasting relationships with our customers. We continue measuring these successes with the Net Promoter System™, which helps us identify areas for improvement and quantifies our successes. We understand that in order to grow and sustain those relationships, we must always live the *Busey Promise* and offer a better service experience than our competitors can deliver.

Our organization has built a strong foundation for success, and I am optimistic that our continued dedication and focused efforts will benefit us in 2014 and beyond. By growing multi-generational relationships, maintaining expense discipline and providing the excellence in service our customers expect and deserve, we hope to experience sustained success and continue benefiting our Pillars—*customers, associates, communities and shareholders*—for the next 146 years.



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





AS WE GROW FORWARD,
WE CONTINUE TO BUILD
ON OUR TRADITION
OF **INNOVATION AND
OUTSTANDING SERVICE**
THROUGH CLOSE
RELATIONSHIPS AND BROAD
FINANCIAL CAPABILITIES,
**OFFERING US THE
OPPORTUNITY TO PROVIDE
PEACE OF MIND AND A
LASTING IMPACT FOR
GENERATIONS TO COME.**

SERVICE LEADERS

■ EXECUTIVE MANAGEMENT

Van A. Dukeman

President & Chief Executive Officer
First Busey Corporation

Robin N. Elliott

Chief Financial Officer
First Busey Corporation

Barbara J. Harrington

Chief Risk Officer
First Busey Corporation

Howard F. Mooney II

Chief Information Officer
First Busey Corporation

Robert F. Plecki

Chief Operating Officer & Chief Credit Officer
First Busey Corporation

John J. Powers

General Counsel
First Busey Corporation

Christopher M. Shroyer

President & Chief Executive Officer
Busey Bank

■ 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

Phyllis M. Wise

Chancellor
University of Illinois at Urbana-Champaign

■ CORPORATE PROFILE

First Busey Corporation is a \$3.5 billion financial holding company headquartered in Champaign, Illinois. Busey Bank, First Busey Corporation's wholly-owned bank subsidiary, is also headquartered in Champaign, Illinois and has twenty-eight banking centers serving Illinois, a banking center in Indianapolis, Indiana, and seven banking centers serving southwest Florida. 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. The wealth management professionals of Trevett Capital Partners can be reached through trevettcapitalpartners.com. Busey Bank had total assets of \$3.5 billion as of December 31, 2013.

In addition, First Busey Corporation owns a retail payment processing subsidiary, FirsTech, Inc., through Busey Bank, which processes over 22 million transactions per year including online bill payment, lockbox processing and walk-in payments at its approximately 3,100 agent locations in 38 states. More information about FirsTech, Inc. can be found at firstechinc.com.

Busey Wealth Management, Inc. is a wholly-owned subsidiary of First Busey Corporation. Through its subsidiary, Busey Trust Company, Busey Wealth Management provides asset management, investment and fiduciary services to individuals, businesses and foundations. As of December 31, 2013, Busey Wealth Management's assets under care were approximately \$5.0 billion.

Busey Bank and Busey Wealth Management deliver financial services through 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 21, 2014, at 3:00 p.m. at the Urbana Country Club, 100 W. Country Club Rd., Urbana, Illinois, 61801.

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 2013 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 30170; College Station, TX 77842-3170, 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 the Dodd-Frank Wall Street Reform and Consumer Protection Act and the extensive regulations to be promulgated thereunder, as well as the rules recently adopted by the federal bank regulatory agencies to implement Basel III); (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; (xi) the economic impact of exceptional weather occurrences such as tornados, hurricanes, floods, and blizzards; and (xii) 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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 TREVETT

CAPITAL PARTNERS[®]

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