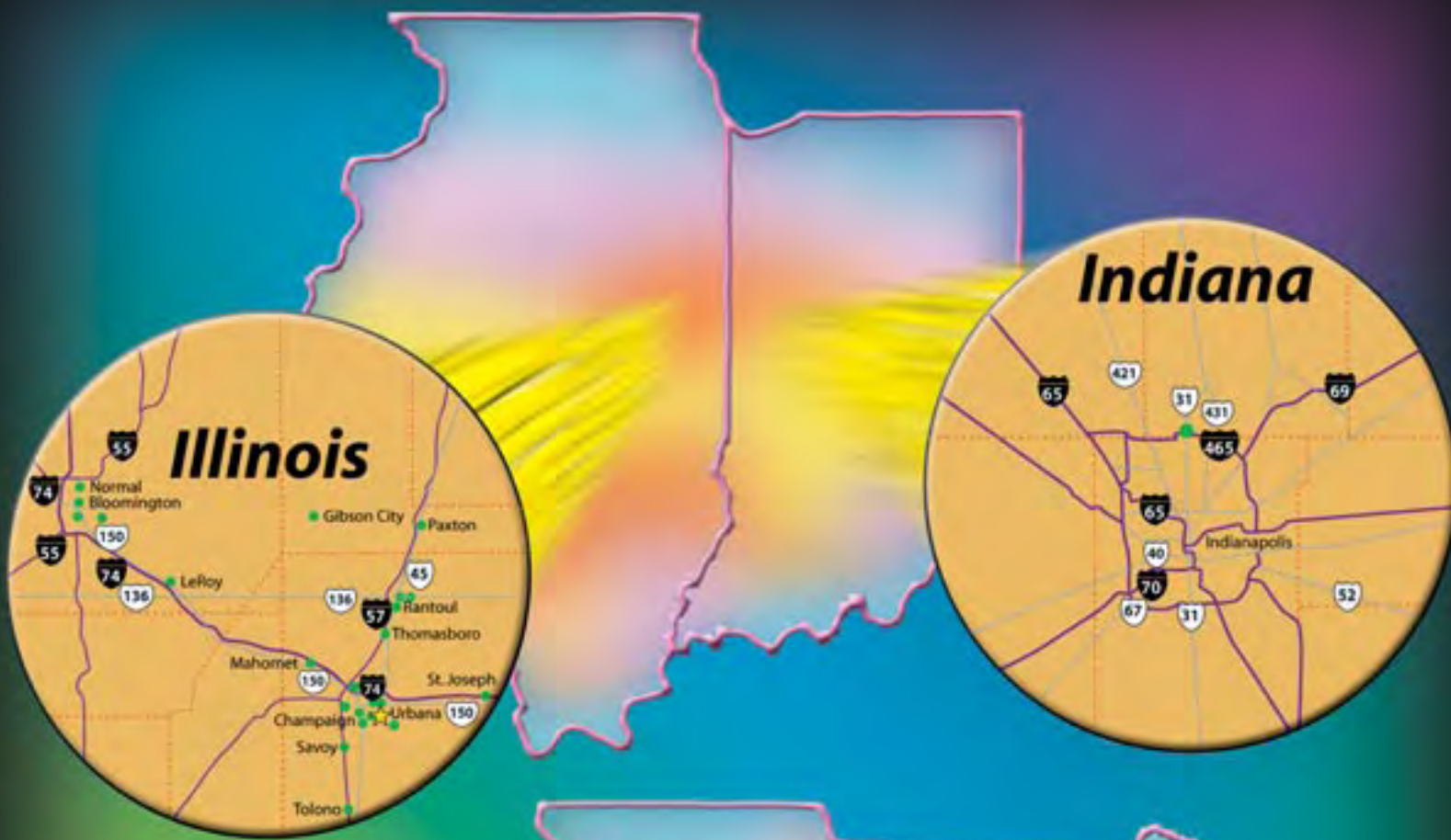




**FIRST BUSEY CORPORATION**  
ANNUAL REPORT 2001



## Table of Contents

Financial Charts.....	2
Letter to Shareholders.....	3
What is "WOW!" .....	4
Consolidated Financial Statements...	8
Boards of Directors .....	12





## Corporate Profile

First Busey Corporation is a Financial Holding Company headquartered in Urbana, Illinois. Busey Bank has two wholly-owned banking subsidiaries with locations in three states. Busey Bank has eighteen banking centers serving Champaign, McLean, and Ford Counties in Illinois. Busey Bank also has a banking center in Indianapolis and a loan production office in Fort Myers, Florida. Total assets of Busey Bank were \$1.2 billion on December 31, 2001. Busey Bank Florida is a federal thrift charter with total assets of \$51.0 million as of December 31, 2001. Busey also provides electronic delivery of financial services through Busey e-bank ([www.busey.com](http://www.busey.com)).

Busey Investment Group (BIG) is a wholly owned subsidiary of First Busey Corporation and owns three corporations:

- First Busey Trust & Investment Co., specializing in asset management and trust services with over \$1.1 billion in assets under care;
- First Busey Securities, Inc., a full service broker/dealer subsidiary which has more than \$525 million in assets under care, member NASD/SIPC;
- Busey Insurance Services, Inc., providing long-term healthcare insurance and other insurance products.

First Busey Corporation and its subsidiaries had a total of 498 equivalent full-time employees as of December 31, 2001.

## Shareholder Information

### Corporate Headquarters

First Busey Corporation, 201 W. Main Street, Urbana, Illinois 61801, (217) 365-4556. Visit Busey's world wide web site at [www.busey.com](http://www.busey.com).

### Annual Meeting

The Annual Meeting of Shareholders of First Busey Corporation will be held on Monday, April 15, 2002, at 7:00 p.m. in the Festival Hall at The Krannert Center on the campus of the University of Illinois.

### First Busey Corporation Common Stock

First Busey Corporation Common Stock is traded on Nasdaq National Market under the symbol "BUSE." First Busey Corporation's market makers are Stephens Inc., Little Rock, Howe Barnes Investments, Inc., Chicago, and Stifel, Nicolaus & Company, Inc., St. Louis.

### Annual Report on Form 10-K

A copy of the Annual Report on Form 10-K filed with the Securities and Exchange Commission may be obtained without charge by written request to First Busey Corporation, 201 W. Main Street, Urbana, IL 61801.

### Stock Transfer Agent

First Busey Corporation acts as its own transfer agent.

## Forward Looking Statements

This presentation includes forward looking statements that are intended to be covered by the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward looking statements include but are not limited to comments with respect to the objectives and strategies, financial condition, results of operations and business of First Busey.

These forward looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions and other forward looking statements will not be achieved. First Busey cautions you not to place undue reliance on these forward looking statements as a number of important factors could cause actual future results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements.

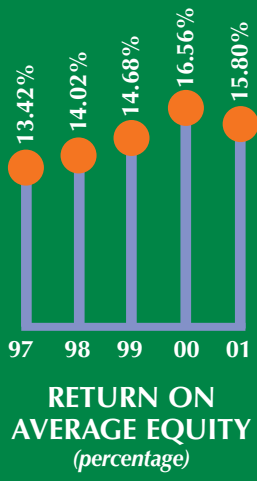
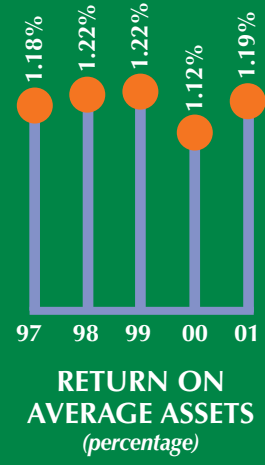
These risks, uncertainties and other factors include:

- The general state of the economy, both on a local and national level;
- The ability of First Busey to successfully complete acquisitions;
- The continued growth in the geographic area in which the banking subsidiaries operate; and
- The retention of individuals who currently are very important in the management structure of First Busey.

**Edwin A. Scharlau II**

**TOTAL ASSETS**  
(dollars in millions)

Year	Total Assets (dollars in millions)
97	916
98	952
99	1,247
00	1,355
01	1,301



**Barbara J. Kuhl**

**DILUTED EARNINGS PER SHARE**  
(dollars)

Year	Diluted Earnings Per Share (dollars)
97	\$ .74
98	\$ .81
99	\$ .90
00	\$ 1.03
01	\$ 1.15

**P. David Kuhl**

**DIVIDEND**  
(dollars)

Year	Dividend (dollars)
97	\$ .35
98	\$ .39
99	\$ .44
00	\$ .48
01	\$ .52



## Dear Shareholders,

### WOW!

Within the Busey Organization, "WOW" has special meaning. It is an acronym for **Wisdom** plus **Opportunity** equals **Winning**. As you read our Annual Report, it will explain how "WOW" plays an important role in our pursuit of Vision 2010 as well as what "WOW" means to our associates.

As Chairman of the Board, I am committed to enhancing shareholder value. In an effort to accomplish this, we have set a goal in Vision 2010 to attain Return on Shareholders' Equity of 20% and a Return on Assets of 1.40%. Our Return on Shareholders' Equity for 2001 was 15.80% and our Return on Assets was 1.19%. Another element of shareholder value is the price of BUSE. Our stock ended the year at \$21.48, an increase of 7.7% for the year. During the year, over 1.3 million shares of BUSE were traded. First Busey has approximately 2,000 shareholders who own the 13,677,680 shares outstanding.

To increase shareholder value, First Busey Corporation will aggressively seek opportunities to expand its operations and enhance its profitability. We continue to be focused on providing the finest in financial services in the communities we serve.

The year 2001 has now secured its place in the history book. What a year it has been! Let us now look to the future and remember,

*The Future is Bright and Strong in pursuit  
of Vision 2010!*



*Chairman of the Board and Chief Executive Officer*





**Wisdom:**  
*“Life is a succession of lessons which must  
be lived to be understood.”*

*Ralph Waldo Emerson*

## What is WOW?

"WOW"—an expression used in the English language—a phrase that brings a smile to your face or a "high five" from those around you—a word used to compliment someone for accomplishing something outstanding—and an enthusiastic exclamation utilized in pursuit of Vision 2010: **Wisdom plus Opportunity equals Winning!**

Vision 2010 was presented at the April 2001 Annual Shareholders' Meeting. Vision 2010 is Busey's long-range strategic plan to enhance shareholder value through strong financial performance while keeping Busey...Busey! Busey's strategic plan draws on its past—over 130 years of providing financial services to individuals, businesses and institutions. "WOW" is the foundation of Vision 2010; with the **Wisdom** derived from our strong team of associates will come **Opportunities**, resulting in **Winning** for Busey's shareholders, associates and their communities today and in the future.

### **WISDOM**

Busey is committed to attracting and retaining talented and well-educated

associates to better serve its clients. Busey's senior officers have each dedicated an average of 15 years to the Busey organization. Corporate-wide internal education courses are provided to Busey associates to ensure professional development. In addition, Busey encourages and supports associates in obtaining financial designations such as Certified Public Accountant, Certified Financial Planner, and Chartered Financial Analyst. Busey recognizes that ongoing training and knowledge is critical to its reputation and success.

Superior credit quality and solid loan growth are primary components of Busey's financial performance. Credit quality remains exceptional in comparison to Busey's peer group and national averages, with the ratio of total non-performing loans to loans being .23% and the ratio of net loans charged off to average loans of .06%. A balanced loan portfolio, coupled with consistent loan growth and managed risk, has contributed to 11 consecutive years of earnings per share growth and positive quarterly earnings per share comparisons since 1996.

## **Opportunity:** *“Great minds must be ready, not only to take opportunities, but to make them.”*

*Charles Caleb Colton*

### **OPPORTUNITY**

In 2001, Busey implemented corporate-wide strategic plans that complemented Vision 2010, focusing on aggressively expanding business segments with a goal of maximizing efficiencies and enhancing profitability.

Busey has determined that geographic expansion is a critical element of its platform for future growth. Potential markets have been carefully studied for expansion to enhance continued earnings growth. Busey is positioned to expand through its federally chartered thrift, Busey Bank Florida, located in Fort Myers, Florida. Lee County, one of the fastest growing areas in the United States, has averaged approximately 11,000 new permanent residents per year since 1990. Busey's Indianapolis branch, located in Hamilton County, has seen similar growth over the past few years with it and two adjoining counties, Marion and Johnson, accounting for 30% of the state's 9.7% population growth in 2000. Busey's more mature markets have also experienced solid growth, with Champaign and McLean Counties having grown 10.6% and 8.6%, respectively, in the past five years, compared to the State of Illinois'

growth of 5.3% for the same period. Busey's business model continues to serve the company well as it moves forward into new geographic markets.

During the year, Busey divested itself of two subsidiaries, Busey Travel and BAT, Inc., allowing management to focus more closely on the company's core business operations. In addition, Busey merged the assets and liabilities from Busey Bank fsb in McLean County into Busey Bank. Consolidating the Illinois operations under one charter will create tremendous synergies, which adds strength to each region and will result in financial savings.

In June 2001, Busey successfully raised \$25 million in capital through the issuance of Trust Preferred Securities. The proceeds from this issuance were used to repay short-term borrowings. Additional borrowing capability is now available for corporate use, including possible acquisitions.

Busey Investment Group has aligned itself with the banking side of the organization. Its subsidiary, First Busey Trust offers asset management and trust services in Champaign and Bloomington, Illinois

## Winning:

“The talent of success is nothing more than doing what you can do well and doing well whatever you do.”

Henry Wadsworth Longfellow

and Fort Myers, Florida, while First Busey Securities, also a subsidiary of Busey Investment Group, offers brokerage services in Champaign and Bloomington, Illinois. Busey is committed to expanding these services in existing and new markets to enhance the company's fee income.

### WINNING

Vision 2010 calls for double-digit earnings growth year-in and year-out. Busey's financial performance continues to be strong despite a soft economy. The Corporation has posted eleven consecutive years of increased earnings while its stock has outperformed the S&P 500 Index in total return seven of the last ten years. Shareholders who invested \$1,000 with Busey in June 1988 would have in excess of \$26,000 today, not including earnings from dividends which have increased 11.1% annually, on average.

Busey Bank continues to have a strong market presence in Champaign County with approximately 30% of all deposits. Busey ranks first in total deposits in the combined markets of Champaign, McLean and Ford Counties. *Who's Who in*

*Business* in Champaign County named Busey the "leader" in banking for 2001. In a separate survey, *Top of the Mind Awareness*, Busey was the first name to come to mind in banking for residents of Champaign County. While the stock markets were volatile in 2001, First Busey Trust and First Busey Securities persevered throughout the year. First Busey Trust added more than \$100 million in assets under care through new and existing relationships. According to the *Trust Performance Report*, First Busey Trust is the tenth largest trust company in the State of Illinois and one of only two in the top ten outside the Chicago market. First Busey Securities had a record year, opening more than 1,000 new accounts. Gross revenue rose 14% in 2001, despite commission revenue dropping 20-50% industry-wide. In addition, assets grew over 6% in 2001, while the market experienced a double-digit drop.

"WOW," what a year it has been! Knowledge, strong financial performance, and success will continue to be the foundation that Busey builds upon in pursuit of Vision 2010. Busey is committed to utilizing Wisdom, seizing Opportunities and being a Winning company!



## What "WOW" Means To Me



Betty Owen, First Busey Trust & Investment Co.

*Winning is being proud to work for an organization that is more like a family than a business, an organization that serves its clients well, and an organization that is committed to the local communities it serves.*



Todd McHenry, First Busey Securities, Inc.

*I understand WOW to mean that success comes when talented people are given the opportunity to develop their individual strengths while focusing on common goals.*



Rob Meyer, First Busey Securities, Inc.

*WOW serves to remind me of the importance of continually furthering my level of expertise and looking for opportunities to apply it. Our clients expect and deserve nothing less. If they win, we win!*

*WOW is a statement that exudes confidence that Busey will be here in the long run, will grow and prosper, appreciate my efforts and provide opportunities to me.*



Lonna Buhr, Busey Marketing Dept.

*Wisdom means the experience I have gained with time in the banking field. Opportunity is something I think of in having good leaders and trusting these good leaders. Winning is being able to provide for my family and enjoying what I do and who I work with.*



Jan Buerkett, Busey Mortgage Lending



## First Busey Corporation

*(dollars in thousands)*

Years Ended December 31	2001	2000	1999
<b>ASSETS</b>			
Cash and federal funds sold	\$ 61,580	\$ 93,285	\$ 83,222
Investment securities	210,869	228,597	225,046
Loans	978,106	984,369	886,684
Allowance for loan losses	(13,688)	(12,268)	(10,403)
Net loans	\$ 964,418	\$ 972,101	\$ 876,281
Premises and equipment	29,081	31,253	28,647
Goodwill and other intangible assets	10,504	12,255	14,241
Other assets	24,237	17,553	19,686
Total assets	\$1,300,689	\$ 1,355,044	\$1,247,123
<b>LIABILITIES</b>			
Deposits:			
Non-interest bearing	\$ 138,685	\$ 134,669	\$ 103,001
Interest bearing	967,314	1,014,118	924,980
Total deposits	\$1,105,999	\$ 1,148,787	\$1,027,981
Short-term borrowings	11,767	48,890	71,907
Long-term debt	47,021	55,259	55,849
Company obligated mandatorily redeemable preferred securities	25,000	—	—
Other liabilities	5,112	9,783	9,102
Total liabilities	\$1,194,899	\$ 1,262,719	\$1,164,839
<b>STOCKHOLDERS' EQUITY</b>			
Common stock	\$ 6,291	\$ 6,291	\$ 6,291
Surplus	21,170	22,044	21,750
Retained earnings	81,861	73,215	65,572
Accumulated other comprehensive income	8,128	5,917	2,074
Total stockholders' equity before treasury stock, unearned ESOP shares and deferred compensation for stock grants	\$ 117,450	\$ 107,467	\$ 95,687
Treasury stock, at cost	(9,639)	(12,858)	(10,773)
Unearned ESOP shares and deferred compensation for stock grants	(2,021)	(2,284)	(2,630)
Total stockholders' equity	\$ 105,790	\$ 92,325	\$ 82,284
Total liabilities and stockholders' equity	\$1,300,689	\$ 1,355,044	\$1,247,123

# CONDENSED CONSOLIDATED STATEMENTS OF INCOME

## First Busey Corporation

(dollars in thousands, except per share data)

Years Ended December 31	2001	2000	1999
<b>INTEREST INCOME</b>			
Loans	\$ 76,618	\$ 79,924	\$ 60,058
Investment securities:			
Taxable	10,128	10,657	9,824
Non-taxable	2,060	2,034	1,950
Other	1,179	627	479
Total interest income	\$ 89,985	\$ 93,242	\$ 72,311
<b>INTEREST EXPENSE</b>			
Deposits	\$ 40,614	\$ 42,286	\$ 31,085
Short-term borrowings	2,089	5,243	1,812
Long-term debt	2,532	2,947	2,023
Company obligated mandatorily redeemable preferred securities	1,200	—	—
Total interest expense	\$ 46,435	\$ 50,476	\$ 34,920
Net interest income	\$ 43,550	\$ 42,766	\$ 37,391
Provision for loan losses	2,020	2,515	2,570
Net interest income after provision for loan losses	\$ 41,530	\$ 40,251	\$ 34,821
<b>NON-INTEREST INCOME</b>			
Trust	\$ 4,607	\$ 4,364	\$ 4,013
Service charges on deposit accounts	6,121	5,341	3,798
Commissions and brokers' fees, net	2,162	1,901	1,472
Security gains, net	1,285	737	1,035
Other income	7,285	5,945	5,874
Total non-interest income	\$ 21,460	\$ 18,288	\$ 16,192
<b>NON-INTEREST EXPENSES</b>			
Salaries and employee benefits	\$ 21,066	\$ 19,080	\$ 17,565
Net occupancy expense of premises	3,110	3,115	2,690
Furniture and equipment expenses	3,847	3,614	3,320
Amortization of intangible assets	1,751	2,288	1,166
Other expenses	9,200	9,152	8,322
Total non-interest expenses	\$ 38,974	\$ 37,249	\$ 33,063
Income before income taxes	\$ 24,016	\$ 21,290	\$ 17,950
Income tax expense	8,363	7,237	5,402
Net income	\$ 15,653	\$ 14,053	\$ 12,548
<b>BASIC EARNINGS PER SHARE</b>	\$ 1.16	\$ 1.05	\$ .92
<b>DILUTED EARNINGS PER SHARE</b>	\$ 1.15	\$ 1.03	\$ .90





## First Busey Corporation

(dollars in thousands)

Years Ended December 31	2001	2000	1999
<b>CHANGES IN STOCKHOLDERS' EQUITY</b>			
Balance at beginning of year	\$ 92,325	\$ 82,284	\$ 87,103
Net income	15,653	14,053	12,548
Cash dividends declared	(7,007)	(6,410)	(6,004)
Common stock issued	5,595	581	1,411
Treasury stock purchased	(3,237)	(2,385)	(5,850)
Proceeds from ESOP debt	—	—	(2,370)
Principal payments on ESOP debt	244	337	150
Change in accumulated other comprehensive income <sup>(1)</sup>	2,211	3,843	(4,725)
Amortization of restricted stock issued under restricted stock award plan	6	22	21
Balance at end of year	\$ 105,790	\$ 92,325	\$ 82,284
<b>RESERVE FOR POSSIBLE LOAN LOSSES</b>			
Balance at beginning of year	\$ 12,268	\$ 10,403	\$ 7,101
Addition due to acquisition	—	—	1,101
Provision charged to expense	2,020	2,515	2,570
Recoveries on loans previously charged off	176	124	182
Loans charged off	(776)	(774)	(551)
Balance at end of year	\$ 13,688	\$ 12,268	\$ 10,403
As a percent of loans	1.40%	1.25%	1.17%
<b>NON-PERFORMING LOANS</b>			
Loans:			
Non-accrual	\$ 1,265	\$ 767	\$ 1,220
Loans 90 days past due and still accruing	959	4,667	897
Total non-performing loans	\$ 2,224	\$ 5,434	\$ 2,117
As a percent of loans	0.23%	0.55%	0.24%

<sup>(1)</sup> Change in unrealized gain on investment securities available for sale, net

## FIVE YEAR SUMMARY OF SELECTED CONSOLIDATED FINANCIAL DATA



### First Busey Corporation

*(dollars in thousands, except per share data)*

Years Ended December 31	2001	2000	1999	1998	1997
<b>BALANCE SHEET ITEMS</b>					
Total assets	<b>\$1,300,689</b>	\$ 1,355,044	\$1,247,123	\$951,531	\$915,540
Investment securities	<b>210,869</b>	228,597	225,046	217,991	215,514
Loans, net of unearned interest	<b>978,106</b>	984,369	886,684	662,281	602,937
Total deposits	<b>1,105,999</b>	1,148,787	1,027,981	826,704	811,453
Long-term debt	<b>47,021</b>	55,259	55,849	25,000	10,000
Stockholders' equity	<b>105,790</b>	92,325	82,284	87,103	81,279
<b>Results of Operations</b>					
Interest income	<b>\$ 89,985</b>	\$ 93,242	\$ 72,311	\$ 67,048	\$ 63,831
Interest expense	<b>46,435</b>	50,476	34,920	32,975	31,119
Net interest income	<b>43,550</b>	42,766	37,391	34,073	32,712
Net income	<b>15,653</b>	14,053	12,548	11,398	10,371
<b>Per Share Data <sup>(1)</sup></b>					
Diluted earnings	<b>\$ 1.15</b>	\$ 1.03	\$ .90	\$ .81	\$ .74
Cash dividends declared	<b>.52</b>	.48	.44	.39	.35
Book value	<b>7.73</b>	6.86	6.08	6.36	5.92
Closing price	<b>21.48</b>	19.938	22.625	18.25	13.75
<b>OTHER INFORMATION</b>					
Return on average assets	<b>1.19%</b>	1.12%	1.22%	1.22%	1.18%
Return on average equity	<b>15.80</b>	16.56	14.68	14.02	13.42
Net interest margin <sup>(2)</sup>	<b>3.64</b>	3.75	4.03	4.10	4.20
Stockholders' equity to assets	<b>8.13</b>	6.81	6.60	9.15	8.88

(1) Per share amounts have been restated to give retroactive effect to the two-for-one stock split which occurred August 3, 1998.

(2) Calculated as a percent of average earning assets.



## First Busey Corporation and Busey Bank

### Boards of Directors

Joseph M. Ambrose	P. David Kuhl
Samuel P. Banks	V.B. Leister, Jr.
T.O. Dawson	Douglas C. Mills
Victor F. Feldman, MD	Linda M. Mills
Kenneth M. Hendren	Edwin A. Scharlau II
E. Phillips Knox	David C. Thies
Barbara J. Kuhl	Arthur R. Wyatt

## Busey Bank Florida

### Board of Directors

Todd A. Caruso	Douglas C. Mills
Michael P. Geml	Thomas W. Scharlau
Barbara J. Kuhl	

## Management Teams

### First Busey Corporation

Douglas C. Mills, Chairman & CEO	Barbara J. Kuhl, President
Thomas M. Good	Barbara J. Jones

### Busey Bank

P. David Kuhl, President & CEO	Lee H. O'Neill
Susan E. Abbott	Donald J. Schlorff
Don A. Monteith	David R. Wampler

### Busey Bank Florida

Barbara J. Kuhl, Chairman & CEO	Michael P. Geml, President
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### Busey Investment Group

Edwin A. Scharlau II, Chairman & CEO	R. Scott MacAdam
Curt A. Anderson, President	Glen C. Paine



WOW

 **First Busey Corporation**®

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