

FIRST BUSEY CORP /NV/  
Form S-4/A  
October 17, 2018

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As filed with the Securities and Exchange Commission on October 17, 2018.

Registration No. 333-227705

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

AMENDMENT NO. 1  
TO

**FORM S-4**

REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

**FIRST BUSEY CORPORATION**

(Exact Name of Registrant as Specified in its Charter)

**Nevada**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**6022**  
(Primary Standard Industrial  
Classification Code Number)  
**100 W. University Ave.**  
**Champaign, Illinois 61820**  
**(217) 365-4500**

**37-1078406**  
(I.R.S. Employer  
Identification Number)

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

**Van A. Dukeman**  
**President and Chief Executive Officer**  
**First Busey Corporation**  
**100 W. University Ave.**  
**Champaign, Illinois 61820**  
**(217) 365-4500**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

**Robert M. Fleetwood**  
**Abdul R. Mitha**  
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**Chicago, Illinois 60604**  
**(312) 456-3406**

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### APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE OF THE SECURITIES TO THE PUBLIC:

As soon as reasonably practicable after the Registration Statement becomes effective and after the conditions to the completion of the proposed transaction described in the proxy statement/prospectus have been satisfied or waived.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

### CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Unit(2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(3)(4)
Common Stock, \$0.001 par value per share	6,704,184	N/A	\$105,259,626.60	\$12,757.47

- (1) The estimated maximum number of shares of First Busey Corporation ("First Busey") common stock to be issuable upon completion of the merger of First Busey and The Banc Ed Corp. ("Banc Ed"), as described herein and pursuant to the terms of the Agreement and Plan of Merger between First Busey and Banc Ed, dated as of August 21, 2018, and attached to the proxy statement/prospectus as *Appendix A*. Pursuant to Rule 416, this Registration Statement also covers an indeterminate number of shares of common stock as may become issuable as a result of stock splits, stock dividends or similar transactions.
- (2) The proposed maximum aggregate offering price of First Busey's common stock was calculated based upon the market value of shares of Banc Ed common stock (the securities to be cancelled in the merger) in accordance with Rule 457(f) under the Securities Act as follows: (i) the product of (A) \$240.38, the book value of the shares of Banc Ed common stock computed as of August 31, 2018, and (B) 816,916, the estimated maximum number of shares of Banc Ed common stock that may be exchanged in the merger, (ii) minus \$91,110,641.48, the estimated aggregate amount of cash that is to be payable in respect of such shares in connection with the merger.
- (3) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act and computed pursuant to Rules 457(f) and 457(c) under the Securities Act, based on a rate of \$121.20 per \$1,000,000 of the proposed maximum aggregate offering price.
- (4) \$12,756.47 of such filing fee was previously paid.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a)**

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of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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**The information in this proxy statement/prospectus is not complete and may be changed. We may not offer or sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**PRELIMINARY COPY SUBJECT TO COMPLETION, DATED OCTOBER 17, 2018**

**THE BANC ED CORP.**

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**PROSPECTUS OF FIRST BUSEY CORPORATION**

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**PROXY STATEMENT OF THE BANC ED CORP.**

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**Merger Proposal Your Vote Is Important**

**DEAR BANC ED STOCKHOLDERS:**

The board of directors of The Banc Ed Corp. (which we refer to as "Banc Ed") and First Busey Corporation (which we refer to as "First Busey") have each unanimously approved a transaction that will result in the merger of Banc Ed with and into First Busey (which we refer to as the "merger"). First Busey will be the surviving bank holding company in the merger. If the merger is completed, each issued and outstanding share of Banc Ed common stock will be converted into the right to receive \$111.53 in cash and 8.2067 shares of First Busey common stock, with cash paid in lieu of fractional shares. After the merger is completed, we expect that current First Busey stockholders will own approximately 87.9% of the outstanding shares of common stock of the combined company, and current Banc Ed stockholders will own approximately 12.1% of the outstanding shares of common stock of the combined company.

First Busey's common stock currently trades on the Nasdaq Global Select Market under the symbol "BUSE." Banc Ed common stock is privately held and not traded in any public market. Based on the closing price of First Busey common stock as reported on the Nasdaq Global Select Market of \$31.89 as of August 21, 2018, the trading day immediately preceding the public announcement of the merger, the implied merger consideration that a Banc Ed stockholder would be entitled to receive for each share of Banc Ed common stock owned would be \$373.24 with an aggregate transaction value of approximately \$304.9 million. Based on the closing price of First Busey common stock as reported on the Nasdaq Global Select Market of \$29.40 as of October 15, 2018, the latest practicable date before the date of this proxy statement/prospectus, the implied merger consideration that a Banc Ed stockholder would be entitled to receive for each share of Banc Ed common stock owned would be \$352.81 with an aggregate transaction value of approximately \$288.2 million.

We cannot complete the merger unless we obtain the necessary governmental approvals and unless the stockholders of Banc Ed approve the merger agreement and the transactions contemplated therein. Your vote is important, regardless of the number of shares that you own. Whether or not you plan to attend the special meeting, please take the time to vote by following the voting instructions included in the enclosed proxy card. Submitting a proxy now will not prevent you from being able to vote in person at the special meeting. If you do not vote your shares as instructed in the enclosed proxy card, or if you do not instruct your broker how to vote any shares held for you in "street name," the effect will be a vote against the merger and the transactions contemplated therein.

The date, time and place of the stockholders' meeting follow:

**Date:** November 27, 2018  
**Time:** 3:00 pm, local time  
**Place:**

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Comfort Inn  
3080 S. State Route 157  
Edwardsville, IL 62025

This proxy statement/prospectus contains a more complete description of the special meeting of Banc Ed stockholders and the terms of the merger. We urge you to review this entire document carefully. You may also obtain information about Banc Ed and First Busey from documents that each has filed with the Securities and Exchange Commission (which we refer to as the "SEC").

**Banc Ed's board of directors recommends that Banc Ed's stockholders vote "FOR" approval of the merger agreement and the transactions contemplated therein and "FOR" the other matters to be considered at the special meeting.**

Sincerely,

*William Alexander*  
*President*  
The Banc Ed Corp.

You should read this entire proxy statement/prospectus carefully because it contains important information about the merger. **In particular, you should read carefully the information under the section entitled "Risk Factors" beginning on page 18.**

**Neither the SEC nor any state securities regulatory body has approved or disapproved of the securities to be issued under this proxy statement/prospectus or determined if this proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**The securities to be issued in connection with the merger are not savings or deposit accounts or other obligations of any bank or nonbank subsidiary of any of the parties, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

**This proxy statement/prospectus is dated October [ • ], 2018, and is first being mailed to Banc Ed's stockholders on or about October [ • ], 2018.**

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**THE BANC ED CORP.**

330 West Vandalia  
Edwardsville, Illinois 62025  
(618) 781-1922

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**Notice of Special Meeting of Stockholders**

**Date:** November 27, 2018  
**Time:** 3:00 pm, local time  
**Place:** Comfort Inn  
3080 S. State Route 157  
Edwardsville, IL 62025  
TO BANC ED STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that The Banc Ed Corp. (which we refer to as "Banc Ed") will hold a special meeting of stockholders on November 27, 2018 at 3:00 pm, local time, at Comfort Inn, 3080 S. State Route 157, Edwardsville, Illinois 62025. The purpose of the meeting is to consider and vote on the following matters:

a proposal to approve the Agreement and Plan of Merger, dated as of August 21, 2018, between First Busey Corporation (which we refer to as "First Busey") and Banc Ed, pursuant to which Banc Ed will merge with and into First Busey, and the transactions contemplated therein (which we refer to as the "merger proposal"); and

a proposal to approve the adjournment of the special meeting to permit further solicitation in the event that an insufficient number of votes are cast to approve the merger agreement and the transactions contemplated therein (which we refer to as the "adjournment proposal").

Holders of record of Banc Ed common stock at the close of business on October 23, 2018 are entitled to receive this notice and to vote at the special meeting and any adjournments or postponements thereof. The presence, in person or by proxy, of a majority of the shares of Banc Ed common stock entitled to vote on the merger agreement is necessary to constitute a quorum for the special meeting. Adoption of the merger proposal requires the affirmative vote of the holders of a majority of the outstanding shares of Banc Ed common stock entitled to vote, represented in person or by proxy. Approval of the adjournment proposal requires the affirmative vote of a majority of the votes cast at the special meeting, in person or by proxy.

**The board of directors of Banc Ed unanimously recommends that you vote "FOR" approval of the merger agreement and the transactions contemplated therein and "FOR" approval to adjourn the special meeting to permit further solicitation in the event that an insufficient number of votes are cast to approve the merger agreement and the transactions contemplated therein.**

Your vote is important. **Whether or not you plan to attend the meeting, please act promptly to vote your shares. You may vote your shares by completing, signing and dating a proxy card and returning it in the accompanying postage paid envelope.** Please review the instructions for each of your voting options described in this proxy statement/prospectus. If you attend the meeting, you may vote your shares in person, even if you have previously submitted a proxy in writing. Submitting a proxy will ensure that your shares are represented at the meeting.

We will send you a letter of transmittal separately on a later date with instructions informing you how to send in your stock certificates to the exchange agent to receive your portion of the merger consideration. Please do not send in your stock certificates at this time.

Under Delaware law, if the merger is completed, Banc Ed stockholders of record who do not vote to approve the merger agreement, and otherwise comply with the applicable provisions of Delaware law

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pertaining to objecting stockholders, will be entitled to exercise dissenters' rights and obtain payment in cash for the fair value of their shares of Banc Ed common stock by following the procedures set forth in detail in this proxy statement/prospectus. A copy of the section of the Delaware General Corporation Law, as amended, pertaining to dissenters' rights is included as Appendix B to this proxy statement/prospectus.

If you have any questions regarding the accompanying proxy statement/prospectus, you may contact R.L. Plummer, Chairman of the Board of The Bank of Edwardsville, at (618) 781-1922 or robertplummer@rplumber.com, or William Alexander, President of The Banc Ed Corp., at (618) 698-3526 or balexander@4thebank.com.

By Order of the Board of Directors

Michael D. Cassens  
*Corporate Secretary*

Edwardsville, Illinois  
October [ • ], 2018

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**REFERENCES TO ADDITIONAL INFORMATION**

This proxy statement/prospectus incorporates important business and financial information about First Busey from documents filed with the SEC that are not included in or delivered with this proxy statement/prospectus. For a listing of the documents incorporated by reference into this proxy statement/prospectus, please see the section entitled "Where You Can Find More Information." You can obtain any of the documents filed with or furnished to the SEC by First Busey at no cost from the SEC's website at <http://www.sec.gov>. You may also request copies of these documents, including documents incorporated by reference in this proxy statement/prospectus, at no cost by requesting them in writing or by telephone at the following address and telephone number:

**First Busey Corporation**  
100 W. University Avenue  
Champaign, Illinois 61820  
(217) 365-4544

The section of this proxy statement/prospectus entitled "Where You Can Find More Information" has additional information about obtaining copies of documents that First Busey has filed with the SEC.

**You will not be charged for any of these documents that you request. To obtain timely delivery of these documents, you must request them no later than five business days before the date of the special meeting. This means that stockholders requesting documents must do so by November 16, 2018, to receive them before the Banc Ed special meeting.**

**ABOUT THIS PROXY STATEMENT/PROSPECTUS**

This document, which forms part of a registration statement on Form S-4 filed with the SEC by First Busey (File No. 333-227705), constitutes a prospectus of First Busey under Section 5 of the Securities Act of 1933, as amended, with respect to the shares of common stock, par value \$0.001 per share, of First Busey, to be issued pursuant to the Agreement and Plan of Merger, dated as of August 21, 2018, by and between First Busey and Banc Ed, as it may be amended from time to time. This document also constitutes a proxy statement of Banc Ed under Section 14(a) of the Securities Exchange Act of 1934, as amended. It also constitutes a notice of meeting with respect to the special meeting at which Banc Ed stockholders will be asked to consider and vote upon the approval of the merger agreement.

First Busey has supplied all information contained in or incorporated by reference into this proxy statement/prospectus relating to First Busey, and Banc Ed has supplied all information contained in this proxy statement/prospectus relating to Banc Ed.

You should rely only on the information contained in, or incorporated by reference into, this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated October [ • ], 2018, and you should assume that the information in this document is accurate only as of such date. You should assume that the information incorporated by reference into this document is accurate as of the date of such document. Neither the mailing of this document to Banc Ed stockholders nor the issuance by First Busey of shares of First Busey common stock in connection with the merger will create any implication to the contrary.

**This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction.**

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**QUESTIONS AND ANSWERS ABOUT THE MERGER**

The following questions and answers are intended to briefly address some commonly asked questions regarding the merger, the merger agreement and the special meeting. We urge you to read carefully the remainder of this proxy statement/prospectus because the information in this section may not provide all the information that might be important to you in determining how to vote. Additional important information is also contained in the Appendices to, and the documents incorporated by reference in, this document. See "Where You Can Find More Information."

**Q:**  
**What is the proposed transaction?**

**A:**  
You are being asked to vote on the approval of a merger agreement that provides for the merger of The Banc Ed Corp. (which we refer to as "Banc Ed") with and into First Busey Corporation (which we refer to as "First Busey"), with First Busey as the surviving company (which we refer to as the "merger proposal"). The merger is anticipated to be completed in the fourth quarter of 2018 or early in the first quarter of 2019. At a date following the completion of the merger, First Busey intends to merge The Bank of Edwardsville (which we refer to as "TheBANK"), Banc Ed's wholly-owned bank subsidiary, with and into Busey Bank, First Busey's wholly-owned bank subsidiary, with Busey Bank as the surviving bank (which we refer to as the "bank merger"). At such time, TheBANK's banking offices will become banking offices of Busey Bank. Until the banks are merged, First Busey will own and operate TheBANK and Busey Bank as separate bank subsidiaries.

**Q:**  
**What will Banc Ed stockholders be entitled to receive in the merger?**

**A:**  
If the merger is completed, each share of Banc Ed common stock issued and outstanding immediately prior to the effective time (other than any shares owned by First Busey or Banc Ed, and other than any dissenting shares) will be converted into the right to receive \$111.53 in cash and 8.2067 shares of First Busey common stock (which we refer to as the "exchange ratio"), with cash paid in lieu of fractional shares. Shares of Banc Ed common stock held by Banc Ed stockholders who elect to exercise their dissenters' rights (which we refer to as "dissenting shares") will not be converted into merger consideration.

**Q:**  
**Will the exchange ratio adjust based on the trading price of First Busey common stock prior to closing?**

**A:**  
No, the exchange ratio is fixed and will not increase or decrease due to changes in the trading price of First Busey common stock prior to the closing of the merger.

**Q:**  
**What is the value of the per share merger consideration?**

**A:**  
The value of the merger consideration to be received by Banc Ed stockholders will fluctuate as the market price of First Busey common stock fluctuates before the completion of the merger. This price will not be known at the time of Banc Ed's special meeting and may be more or less than the current price of First Busey common stock or the price of First Busey common stock at the time of the special meeting. Based on the closing stock price of First Busey common stock on the Nasdaq Global Select Market of \$31.89 as of August 21, 2018, the trading day immediately prior to the public announcement of the merger, the implied merger consideration that a Banc Ed stockholder would be entitled to receive for each share of Banc Ed common stock owned would be \$373.24 with an aggregate transaction value of approximately \$304.9 million. Based on the closing price of First Busey common stock as reported on the Nasdaq Global Select Market of \$29.40 as of October 15, 2018, the latest practicable date before the date of this proxy statement/prospectus, the implied merger consideration that a Banc Ed stockholder would be entitled to receive for each

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share of Banc Ed common stock owned would be \$352.81 with an aggregate transaction value of approximately \$288.2 million. After the merger is completed, we expect that current First Busey stockholders will own approximately 87.9% of the outstanding shares of common stock of the combined company, and current Banc Ed stockholders will own approximately 12.1% of the outstanding shares of common stock of the combined company. We urge you to obtain current market quotations for shares of First Busey common stock.

**Q:**  
**Why do Banc Ed and First Busey want to engage in the merger?**

**A:**  
Banc Ed believes that the merger will provide Banc Ed stockholders with substantial benefits, and First Busey believes that the merger will further its strategic growth plans. To review the reasons for the merger in more detail, see "The Merger Banc Ed's reasons for the merger and recommendation of the board of directors" and "The Merger First Busey's reasons for the merger."

**Q:**  
**In addition to approving the merger agreement, what else are Banc Ed stockholders being asked to vote on?**

**A:**  
In addition to the merger agreement and the transactions contemplated therein, Banc Ed is soliciting proxies from holders of its common stock with respect to a proposal to adjourn the Banc Ed special meeting to permit further solicitation in the event that an insufficient number of votes are cast to approve the merger agreement and the transactions contemplated therein (which we refer to as the "adjournment proposal"). Completion of the merger is not conditioned upon approval of the adjournment proposal.

**Q:**  
**What does the Banc Ed board of directors recommend?**

**A:**  
Banc Ed's board of directors has determined that the merger agreement and the transactions contemplated therein are in the best interests of Banc Ed and its stockholders. Banc Ed's board of directors unanimously recommends that you vote "**FOR**" the approval of the merger agreement and the transactions contemplated therein and "**FOR**" the approval to adjourn the special meeting to permit further solicitation in the event that an insufficient number of votes are cast to approve the merger agreement and the transactions contemplated therein. To review the reasons for the merger in more detail, see "The Merger Banc Ed's reasons for the merger and recommendation of the board of directors."

**Q:**  
**What vote is required to approve each proposal at the Banc Ed special meeting, and how will abstentions and broker non-votes affect the vote?**

**A:**  
Approval of the merger agreement and the transactions contemplated therein requires the affirmative vote of the holders of a majority of the outstanding shares of Banc Ed common stock entitled to vote, represented in person or by proxy. Abstentions, shares not voted and broker non-votes will have the same effect as a vote against the proposal to adopt the merger agreement. Approval of the adjournment proposal requires the affirmative vote of a majority of the votes cast at the special meeting, in person or by proxy. Abstentions, shares not voted and broker non-votes will have no effect on the adjournment proposal, although they may prevent Banc Ed from obtaining a quorum and require Banc Ed to adjourn the special meeting to solicit additional proxies.

**Q:**  
**Why is my vote important?**

**A:**  
The merger cannot be completed unless the merger agreement is approved by Banc Ed stockholders. If you fail to submit a proxy or vote in person at the special meeting, or vote to

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abstain, or you do not provide your bank, brokerage firm or other nominee with voting instructions, as applicable, this will have the same effect as a vote against the approval of the merger agreement. The Banc Ed board of directors unanimously recommends that Banc Ed's stockholders vote "**FOR**" the merger proposal. Completion of the merger is not conditional upon approval of the adjournment proposal.

**Q: What do I need to do now? How do I vote?**

**A:** You may vote at the special meeting if you own shares of Banc Ed common stock of record at the close of business on the record date for the special meeting, October 23, 2018. After you have carefully read and considered the information contained in this proxy statement/prospectus, please vote by a method described on your proxy card. This will enable your shares to be represented at the special meeting. You may also vote in person at the special meeting. If you do not vote by proxy and do not vote at the special meeting, this will make it more difficult to achieve a quorum for the meeting.

**Q: If my shares of common stock are held in "street name" by my bank, broker or other fiduciary, will my bank, broker or other fiduciary automatically vote my shares for me?**

**A:** No. Your bank, broker or other fiduciary cannot vote your shares without instructions from you. If your shares are held in "street name" through a bank, broker or other fiduciary, you must provide the record holder of your shares with instructions on how to vote the shares. Please follow the voting instructions provided by the bank, broker or other fiduciary. You may not vote shares held in street name by returning a proxy card directly to Banc Ed, or by voting in person at the Banc Ed special meeting, unless you provide a "legal proxy," which you must obtain from your broker, bank or other fiduciary. Further, banks, brokers or other fiduciaries that hold shares of Banc Ed common stock on behalf of their customers may not give a proxy to Banc Ed to vote those shares with respect to any of the proposals without specific instructions from their customers, as brokers, banks and other fiduciaries do not have discretionary voting power on these matters. Failure to instruct your bank, broker or other fiduciary how to vote will have the same effect as a vote against adoption of the merger agreement.

**Q: How will my proxy be voted?**

**A:** If you complete, sign, date and mail your proxy card, your proxy will be voted in accordance with your instructions. If you sign, date and send in your proxy card, but you do not indicate how you want to vote, your proxy will be voted "**FOR**" approval of the merger agreement and the other proposals in the notice.

**Q: Can I revoke my proxy and change my vote?**

**A:** You may change your vote or revoke your proxy prior to the special meeting by filing with the corporate secretary of Banc Ed, a duly executed revocation of proxy or submitting a new proxy with a later date. You may also revoke a prior proxy by voting in person at the applicable special meeting.

**Q: Are there risks I should consider in deciding to vote on the approval of the merger agreement?**

**A:** Yes, in evaluating the merger agreement and the transactions contemplated therein, you should read this proxy statement/prospectus carefully, including the factors discussed in the section titled "Risk Factors" beginning on page 18.

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**Q: What if I oppose the merger? Do I have dissenters' rights?**

**A:** Banc Ed stockholders who do not vote in favor of approval of the merger agreement and otherwise comply with all of the procedures of the Delaware General Corporation Law, as amended (which we refer to as the "DGCL"), will be entitled to receive payment in cash of the fair value of their shares of Banc Ed common stock as ultimately determined under the statutory process. A copy of the applicable section of the DGCL is attached as Appendix B to this document. This "fair value" could be more than the merger consideration but could also be less.

**Q: What are the tax consequences of the merger to me?**

The merger is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (which we refer as the "Internal Revenue Code"), and it is a condition to First Busey's and Banc Ed's obligations to complete the merger that each of them receives a legal opinion from its tax counsel to that effect. However, neither Banc Ed nor First Busey has requested or received a ruling from the Internal Revenue Service that the merger will qualify as a reorganization. U.S. holders of Banc Ed common stock will recognize gain, but not loss, upon the exchange of their Banc Ed shares for First Busey common stock and cash, but their taxable gain will not exceed the cash they receive in the merger.

The tax consequences of the merger to each Banc Ed stockholder will depend on such Banc Ed stockholder's own situation and many variables not within our control. You should consult with your tax advisor for the specific tax consequences of the merger to you. See "The Merger Material U.S. federal income tax consequences of the merger."

**Q: When and where is Banc Ed special meeting?**

**A:** The Banc Ed special meeting will take place on November 27, 2018, at 3:00 pm local time, at Comfort Inn, 3080 S. State Route 157, Edwardsville, Illinois 62025.

**Q: Who may attend the Banc Ed special meeting?**

**A:** Only Banc Ed stockholders on the record date may attend the special meeting. If you are a stockholder of record, you will need to present the proxy card that you received or another proof of identification in order to be admitted into the meeting.

**Q: Should I send in my Banc Ed stock certificates now?**

**A:** No. First Busey plans to mail letters of transmittal within two business days following the closing date of the merger. After you receive the letter of transmittal, you should complete the letter of transmittal and, if you hold Banc Ed stock certificates, return them with your completed form to submit them for exchange. Please send the letter of transmittal and your Banc Ed stock certificates, if any, to the exchange agent, in the envelope provided with the letter of transmittal. *Do not send your stock certificates with your proxy card.*

**Q: Whom may I contact if I cannot locate my Banc Ed stock certificate(s)?**

**A:** If you are unable to locate your original Banc Ed stock certificate(s), you should follow the instructions regarding lost or stolen stock certificates set forth in the letter of transmittal that will be mailed to you following the closing of the merger.

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**Q: What should I do if I hold my shares of Banc Ed common stock in book-entry form?**

**A:** If you hold shares of Banc Ed common stock in book-entry form, you should follow the instructions set forth in the letter of transmittal with respect to shares of Banc Ed common stock held in book-entry form.

**Q: What should I do if I receive more than one set of voting materials?**

**A:** Banc Ed stockholders may receive more than one set of voting materials, including multiple copies of this proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold shares of Banc Ed common stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold such shares. If you are a holder of record of Banc Ed common stock and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive or otherwise follow the voting instructions set forth in this proxy statement/prospectus to ensure that you vote every share of Banc Ed common stock that you own.

**Q: When is the merger expected to be completed?**

**A:** The merger agreement must be approved by stockholders of Banc Ed, and we must obtain the necessary regulatory approvals. Assuming Banc Ed stockholders vote to approve the merger and adopt the merger agreement and we obtain the other necessary approvals and satisfaction or waiver of the other conditions to the closing described in the merger agreement, we expect to complete the merger in the fourth quarter of 2018 or early in the first quarter of 2019. See "Description of the Merger Agreement Conditions to completion of the merger."

**Q: Is completion of the merger subject to any conditions besides stockholder approval?**

**A:** Yes. The transaction must receive the required regulatory approvals, and there are other standard closing conditions that must be satisfied. See "Description of the Merger Agreement Conditions to completion of the merger."

**Q: What happens if the merger is not completed?**

**A:** Banc Ed and First Busey expect to complete the merger in the fourth quarter of 2018 or early in the first quarter of 2019. However, neither Banc Ed nor First Busey can assure you of when or if the merger will be completed. Banc Ed and First Busey must first obtain the approval of Banc Ed stockholders for the merger, as well as obtain necessary regulatory approvals and satisfy certain other standard closing conditions. If the merger is not completed, Banc Ed stockholders will not receive any consideration for their shares and will continue to be Banc Ed stockholders. Each of First Busey and Banc Ed will remain independent companies. Under certain circumstances, Banc Ed may be required to pay First Busey a fee with respect to the termination of the merger agreement, as described under "Description of the Merger Agreement Termination fees."

**Q: Who can answer my other questions?**

**A:** If you have more questions about the merger or how to submit your proxy, or if you need additional copies of this proxy statement/prospectus or the enclosed proxy card, you should contact: The Banc Ed Corp., R.L. Plummer, Chairman of TheBANK, 330 W. Vandalia, Edwardsville, Illinois 62026, at (618) 698-3526 or robertplummer@rplumber.com, or William Alexander, President of The Banc Ed Corp., 330 W. Vandalia, Edwardsville, Illinois 62026, at (618) 698-3526 or balexander@4thebank.com.



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**SUMMARY**

*This summary highlights selected information in this proxy statement/prospectus and may not contain all of the information that is important to you. To understand the merger more fully, you should read this entire proxy statement/prospectus carefully, including the Appendices and the documents referred to or incorporated in this proxy statement/prospectus. A copy of the merger agreement is attached as Appendix A to this proxy statement/prospectus and is incorporated by reference herein.*

**Information about First Busey and Banc Ed**

***First Busey Corporation***  
100 W. University Ave.  
Champaign, Illinois 61820  
(217) 365-4500

First Busey Corporation is a Nevada corporation and registered financial holding company for Busey Bank, an Illinois-chartered commercial bank headquartered in Champaign, Illinois. Busey Bank has 44 banking centers serving Illinois, 13 banking centers in the St. Louis, Missouri metropolitan area, five banking centers serving southwest Florida and a banking center in Indianapolis, Indiana.

As of June 30, 2018, First Busey had total assets of approximately \$7.8 billion, total gross loans, including held for sale, of approximately \$5.6 billion, total deposits of approximately \$6.2 billion and total stockholders' equity of approximately \$957.2 million.

First Busey common stock is traded on the Nasdaq Global Select Market under the ticker symbol "BUSE."

***The Banc Ed Corp.***  
330 W. Vandalia  
Edwardsville, Illinois 62026  
(618) 698-3526

The Banc Ed Corp. is a Delaware corporation and registered financial holding company for TheBANK of Edwardsville, a privately held, locally owned and operated bank established January 1, 1868 with over 360 associates, 19 branch locations and one loan production office in the St. Louis metropolitan statistical area. TheBANK of Edwardsville is dedicated to building strong communities for generations by being actively involved in the communities it serves.

As of June 30, 2018, Banc Ed had consolidated total assets of approximately \$1.9 billion, total gross loans of approximately \$887.7 million, total deposits of approximately \$1.6 billion and total stockholders' equity of approximately \$191.7 million.

Banc Ed common stock is privately held and not traded in any public market.

**The merger and the merger agreement** (See page 30)

First Busey's acquisition of Banc Ed is governed by a merger agreement. The merger agreement provides that, if all of the conditions set forth in the merger agreement are satisfied or waived, Banc Ed will be merged with and into First Busey. The merger is anticipated to be completed in the fourth quarter of 2018 or early in the first quarter of 2019. After the consummation of the merger, TheBANK will be a wholly-owned subsidiary of First Busey. At a date following the completion of the merger, First Busey intends to merge TheBANK with and into Busey Bank, with Busey Bank as the surviving bank. At such time, TheBANK's banking offices will become banking offices of Busey Bank. Until the banks are merged, First Busey will own and operate TheBANK and Busey Bank as separate bank subsidiaries.

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The merger agreement is included as *Appendix A* to this proxy statement/prospectus and is incorporated by reference herein. We urge you to read the merger agreement carefully and fully, as it is the legal document that governs the merger.

**What Banc Ed stockholders will receive** (See page 62)

If the merger is completed, each share of Banc Ed common stock issued and outstanding immediately prior to the effective time (other than any shares owned by First Busey or Banc Ed, and other than any dissenting shares) will be converted into the right to receive \$111.53 in cash and 8.2067 shares of First Busey common stock, with cash paid in lieu of fractional shares. Shares of Banc Ed common stock held by Banc Ed stockholders who elect to exercise their dissenters' rights will not be converted into merger consideration.

**Material U.S. federal income tax consequences of the merger** (See page 50)

The merger is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code and it is a condition to First Busey's and Banc Ed's obligations to complete the merger that each of Barack Ferrazzano Kirschbaum & Nagelberg LLP (which we refer to as "Barack Ferrazzano") and Howard & Howard Attorneys PLLC (which we refer to as "Howard & Howard") have delivered opinions, dated as of the closing date, to the effect that the merger qualifies as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. The opinion will not bind the Internal Revenue Service, which could take a different view. Neither First Busey nor Banc Ed has requested or received a ruling from the Internal Revenue Service that the merger will qualify as a reorganization.

Provided the merger qualifies as a reorganization for United States federal income tax purposes, Banc Ed stockholders may recognize gain, but will not recognize loss, upon the exchange of their Banc Ed common stock for shares of First Busey common stock and cash. If the sum of the fair market value of the First Busey common stock and the cash you receive in exchange for your shares of Banc Ed common stock exceeds the adjusted basis of your shares of Banc Ed common stock, you will recognize taxable gain equal to the lesser of the amount of such excess or the amount of cash you receive in the exchange. Generally, any gain recognized upon the exchange will be capital gain, and any such capital gain will be long-term capital gain if you have established a holding period of more than one year for your shares of Banc Ed common stock. Depending on certain facts specific to you, any gain could instead be characterized as ordinary dividend income.

**Determining the actual tax consequences of the merger to you as an individual taxpayer can be complicated. The tax consequences of the merger to each Banc Ed stockholder will depend on such Banc Ed stockholder's own situation and many variables not within our control. For these reasons, we strongly urge Banc Ed stockholders to consult with their own tax advisors for a full understanding of the federal and any applicable state, local or other tax consequences of the merger to them.**

**Banc Ed's reasons for the merger; Board recommendation to Banc Ed's stockholders** (See page 33)

The Banc Ed board of directors believes that the merger agreement and the transactions contemplated therein are in the best interests of Banc Ed and its stockholders. Banc Ed's board of directors unanimously recommends that Banc Ed stockholders vote "**FOR**" the proposal to approve the merger agreement and "**FOR**" adjournment of the Banc Ed special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the merger agreement.

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**Interests of officers and directors of Banc Ed in the merger may be different from, or in addition to, yours** (See page 54)

When you consider the Banc Ed board of directors' recommendation to vote in favor of approval of the merger agreement, you should be aware that some of Banc Ed's directors and officers may have interests in the merger that are different from, or in addition to, your interests as stockholders. These interests include, among others, certain severance payments and benefits payable under the employment agreement between TheBANK and TheBANK's chief executive officer, certain payments due under salary continuation agreements between TheBANK and certain of its officers including its chief executive officer, and rights to ongoing indemnification and insurance coverage by the surviving corporation for acts or omissions occurring prior to the merger. These interests also include First Busey's agreement to appoint one individual of the Banc Ed board of directors mutually agreeable to the parties to serve as a member of the First Busey's board of directors following the completion of the merger and to appoint two individuals mutually agreeable to the parties to the board of directors of Busey Bank following the completion of the bank merger. The Banc Ed board of directors was aware of these interests and took them into account in reaching its decisions to approve and adopt the merger agreement and to recommend the approval of the merger agreement to Banc Ed stockholders.

**Banc Ed stockholders will have dissenters' rights in connection with the merger** (See page 56)

Banc Ed stockholders may assert dissenters' rights in connection with the merger and, upon complying with the requirements of the DGCL, receive cash in the amount of the fair value of their shares instead of the merger consideration.

A copy of the section of the DGCL pertaining to dissenters' rights is attached as Appendix B to this proxy statement/prospectus. You should read the statute carefully and consult with your legal counsel if you intend to exercise these rights.

**The merger and the performance of the combined company are subject to a number of risks** (See page 18)

There are a number of risks relating to the merger and to the businesses of First Busey, Banc Ed and the combined company following the merger. See the "Risk Factors" beginning on page 18 for a discussion of these and other risks relating to the merger. You should also consider the other information in this proxy statement/prospectus and the other documents incorporated by reference into this proxy statement/prospectus. See the section of this proxy statement/prospectus entitled "Where You Can Find More Information."

**Stockholder approval will be required to complete the merger and approve the other proposals set forth in the notice** (See page 26)

Approval by Banc Ed's stockholders at Banc Ed's special meeting of stockholders on November 27, 2018 is required to complete the merger. The presence, in person or by proxy, of a majority of the shares of Banc Ed common stock entitled to vote on the merger agreement is necessary to constitute a quorum for the meeting. Each share of Banc Ed common stock outstanding on the record date entitles its holder to one vote on the merger agreement and any other proposal listed in the notice. Approval of the merger proposal requires the affirmative vote of the holders of a majority of the outstanding shares of Banc Ed common stock entitled to vote, represented in person or by proxy. Abstentions, shares not voted and broker non-votes will have the same effect as a vote against the proposal to adopt the merger agreement. Approval of the adjournment proposal requires the affirmative vote of a majority of the votes cast at the special meeting, in person or by proxy. Abstentions, shares not voted and broker non-votes will have no effect on the adjournment proposal, although they may prevent Banc

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Ed from obtaining a quorum and require Banc Ed to adjourn the special meeting to solicit additional proxies.

**Completion of the merger is subject to regulatory approvals** (See page 53)

The merger cannot proceed without obtaining all requisite regulatory approvals. First Busey and Banc Ed have agreed to take all appropriate actions necessary to obtain the required approvals. The merger of First Busey and Banc Ed is subject to prior approval of the Board of Governors of the Federal Reserve System (which we refer to as the "Federal Reserve"). First Busey submitted an application with the Federal Reserve Bank of Chicago on September 6, 2018 seeking the necessary approval. The merger may not be completed until 15 days after receipt of Federal Reserve approval, during which time the United States Department of Justice may challenge the merger on antitrust grounds. The commencement of an antitrust action would stay the effectiveness of the Federal Reserve's approval, unless a court specifically orders otherwise.

At a date following the completion of the merger, First Busey intends to merge TheBANK with and into Busey Bank, with Busey Bank as the surviving bank. The bank merger will be subject to approval by the Illinois Department of Financial and Professional Regulation (which we refer to as the "IDFPR") and the Federal Deposit Insurance Corporation (which we refer to as the "FDIC"). Busey Bank submitted applications with the IDFPR and the FDIC on September 6, 2018 seeking these approvals.

While First Busey knows of no reason why the approval of any of the applications would be denied or unduly delayed, it cannot assure you that all regulatory approvals required to complete the merger and the bank merger will be obtained or obtained in a timely manner.

**Conditions to the merger** (See page 69)

*Closing Conditions for the Benefit of First Busey.* First Busey's obligations are subject to fulfillment of certain conditions, including:

accuracy of representations and warranties of Banc Ed in the merger agreement as of the closing date, except as otherwise set forth in the merger agreement;

performance by Banc Ed in all material respects of its obligations under the merger agreement;

approval of the merger agreement and the transactions contemplated therein at the meeting of Banc Ed stockholders;

no proceeding, other than stockholder litigation, involving any challenge to, or seeking damages or other relief in connection with, any transaction contemplated by the merger agreement, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with any of the contemplated transactions, in either case that would reasonably be expected to have a material adverse effect on First Busey, as the surviving entity;

no order, injunction, decree, statute, rule, regulation or other legal restraint or prohibition preventing or making illegal the consummation of the merger or any of the other transactions contemplated by the merger agreement;

receipt of all necessary regulatory approvals;

the registration statement, of which this proxy statement/prospectus is a part, concerning First Busey common stock issuable pursuant to the merger agreement, having been declared effective by the Securities and Exchange Commission (which we refer to as the "SEC");

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receipt of a certificate signed on behalf of Banc Ed certifying (i) the accuracy of the representations and warranties of Banc Ed in the merger agreement and (ii) performance by Banc Ed in all material respects of its obligations under the merger agreement;

receipt of a tax opinion from Barack Ferrazzano that (i) the merger constitutes a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code, (ii) each of First Busey and Banc Ed will be a party to such reorganization within the meaning of Section 368(b) of the Internal Revenue Code, and (iii) no gain or loss will be recognized by holders of Banc Ed common stock upon the receipt of shares of First Busey common stock in exchange for their shares of Banc Ed common stock, except to the extent of any cash consideration received in the merger and any cash received in lieu of fractional shares of First Busey common stock;

non-objection of the Nasdaq Stock Market, LLC of the listing of the shares of First Busey common stock issuable pursuant to the merger agreement on the Nasdaq Global Select Market; and

no material adverse change in the financial condition, assets or business of Banc Ed since the date of the merger agreement.

*Closing Conditions for the Benefit of Banc Ed.* Banc Ed's obligations are subject to fulfillment of certain conditions, including:

accuracy of representations and warranties of First Busey in the merger agreement as of the closing date, except as otherwise set forth in the merger agreement;

performance by First Busey in all material respects of its obligations under the merger agreement;

approval of the merger agreement and the transactions contemplated therein at the meeting of Banc Ed stockholders;

no proceeding, other than stockholder litigation, involving any challenge to, or seeking damages or other relief in connection with, any transaction contemplated by the merger agreement, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with any of the contemplated transactions, in either case that would reasonably be expected to have a material adverse effect on First Busey, as the surviving entity;

no order, injunction, decree, statute, rule, regulation or other legal restraint or prohibition preventing or making illegal the consummation of the merger or any of the other transactions contemplated by the merger agreement;

receipt of all necessary regulatory approvals;

the registration statement, of which this proxy statement/prospectus is a part, concerning First Busey common stock issuable pursuant to the merger agreement, having been declared effective by the SEC;

receipt of a certificate signed on behalf of First Busey certifying (i) the accuracy of representations and warranties of First Busey in the merger agreement and (ii) performance by First Busey in all material respects of its obligations under the merger agreement;

receipt of a tax opinion from Howard & Howard that (i) the merger constitutes a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code, (ii) each of First Busey and Banc Ed will be a party to such reorganization

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within the meaning of Section 368(b) of the Internal Revenue Code, and (iii) no gain or loss will be recognized by holders of Banc Ed common stock upon the receipt of shares of First Busey common stock in

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exchange for their shares of Banc Ed common stock, except to the extent of any cash consideration received in the merger and any cash received in lieu of fractional shares of First Busey common stock;

non-objection of the Nasdaq Stock Market, LLC of the listing of the shares of First Busey common stock issuable pursuant to the merger agreement on the Nasdaq Global Select Market; and

no material adverse change in the financial condition, assets or business of First Busey since the date of the merger agreement.

**How the merger agreement may be terminated by First Busey and Banc Ed (See page 70)**

First Busey and Banc Ed may mutually agree to terminate the merger agreement and abandon the merger at any time. Subject to conditions and circumstances described in the merger agreement, either First Busey or Banc Ed may also terminate the merger agreement as follows:

the other party has breached or failed to perform its obligations under the merger agreement, which breach or failure to perform would result in the failure of any of the closing conditions and such breach or failure has not or cannot be cured within 30 days, provided its inability to satisfy the condition was not caused by the non-breaching party's failure to comply in all material respects with any of its obligations under the merger agreement;

any regulatory authority has denied approval of any of the transactions contemplated by the merger agreement or any application for a necessary regulatory approval has been withdrawn at the request of a regulatory authority, provided that such right to terminate is not available to a party whose failure to fulfill any of its obligations under the merger agreement has been the cause of the denial or withdrawal of regulatory approval;

failure to receive approval by Banc Ed stockholders for the merger agreement and the transactions contemplated therein following the meeting held for such purpose, provided that such right to terminate is not available to a party whose failure to fulfill any of its obligations under the merger agreement has been the cause of such failure;

the merger is not completed by May 1, 2019, provided that such right to terminate is not available to a party whose failure to fulfill any of its obligations under the merger agreement has resulted in the failure of the merger to be completed before such date; or

a court or regulatory authority has enjoined or prohibited any of the transactions contemplated in the merger agreement.

In addition, a particular party may terminate the merger agreement as follows:

First Busey may terminate if Banc Ed materially breaches any of its obligations with respect to soliciting alternative acquisition proposals or holding a meeting of its stockholders to approve the merger agreement;

Banc Ed may terminate in order to enter into an agreement with respect to an unsolicited superior proposal from a third party; or

First Busey may terminate if Banc Ed's board of directors makes an adverse recommendation to Banc Ed's stockholders.

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**Termination fees and expenses may be payable under some circumstances** (See page 71)

*Termination Fees Payable by Banc Ed.* Banc Ed has agreed to pay First Busey a termination fee of \$11.52 million if the merger agreement is terminated under the following circumstances:

First Busey terminates the merger agreement because Banc Ed breaches its covenant not to solicit an acquisition proposal from a third party or its obligations related to holding a stockholder meeting to approve the merger agreement;

Banc Ed terminates the merger agreement in order to enter into an agreement with respect to an unsolicited superior proposal; or

If, prior to termination, another acquisition proposal is known to Banc Ed, has been made directly to Banc Ed's stockholders or is publicly announced, and (i) thereafter the merger agreement is terminated by First Busey upon Banc Ed's material breach of its obligations under the merger agreement and (ii) within six months after such termination Banc Ed enters into a definitive written agreement with respect to such acquisition proposal.

**Voting and support agreement** (See page 63)

On August 21, 2018, the directors and certain officers of Banc Ed agreed to vote all of their shares of Banc Ed common stock in favor of the merger agreement at the special meeting. The voting and support agreement covers approximately 52.34% of Banc Ed's outstanding shares of common stock as of October 15, 2018. This voting and support agreement terminates if the merger agreement is terminated in accordance with its terms. A copy of the form of voting and support agreement is attached to this proxy statement/prospectus as Appendix C.

**Accounting treatment of the merger** (See page 50)

For accounting and financial reporting purposes, the merger will be accounted for under the acquisition method of accounting for business combinations in accordance with accounting principles generally accepted in the United States (which we refer to as "GAAP").

**Certain differences in First Busey stockholder rights and Banc Ed stockholder rights** (See page 107)

Because they will receive First Busey common stock, Banc Ed stockholders will become First Busey stockholders as a result of the merger. Their rights as stockholders after the merger will be governed by First Busey's articles of incorporation and bylaws. The rights of First Busey stockholders are different in certain respects from the rights of Banc Ed's stockholders. The material differences are described later in this proxy statement/prospectus.

**First Busey shares will be listed on Nasdaq** (See page 72)

The shares of First Busey common stock to be issued pursuant to the merger will be listed on the Nasdaq Global Select Market under the symbol "BUSE."



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The following table summarizes selected historical consolidated financial data of First Busey for the periods and as of the dates indicated. This information has been derived from First Busey's consolidated financial statements filed with the SEC. Historical financial data as of and for the six months ended June 30, 2018 and June 30, 2017 are unaudited and include, in management's opinion, all normal recurring adjustments considered necessary to present fairly the results of operations and financial condition of First Busey. You should not assume the results of operations for past periods indicate results for any future period.

You should read this information in conjunction with First Busey's consolidated financial statements and related notes thereto included in First Busey's Annual Report on Form 10-K as of and for the year ended December 31, 2017, and in First Busey's Quarterly Report on Form 10-Q as of and for the quarter ended June 30, 2018, which are incorporated by reference into this proxy statement/prospectus. The per common share data provided below has been adjusted to reflect First Busey's one-for-three reverse stock split, which became effective on September 8, 2015. First Busey's periodic reports filed prior to the reverse stock split have not been revised to reflect the reverse stock split. See "Where You Can Find More Information."

	As of or for the six months ended June 30,		As of or for the years ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
	(dollars in thousands, except per share data)						
<b>Balance Sheet Items</b>							
Securities available for sale	\$ 871,338	\$ 646,349	\$ 878,060	\$ 759,811	\$ 834,838	\$ 759,065	\$ 841,310
Securities held to maturity	507,780	208,634	443,550	47,820	49,832	2,373	834
Loans held for sale	33,974	168,415	94,848	256,319	9,351	10,400	13,840
Portfolio loans	5,555,287	3,920,464	5,519,500	3,878,900	2,627,739	2,405,290	2,281,460
Allowance for loan losses	53,305	49,201	53,582	47,795	47,487	47,453	47,567
Total assets	7,775,544	5,531,367	7,860,640	5,425,170	3,998,976	3,665,607	3,539,575
Tangible assets(1)	7,472,137	5,412,480	7,552,567	5,303,894	3,966,034	3,638,234	3,509,318
Total deposits	6,163,912	4,394,212	6,125,965	4,374,298	3,289,106	2,900,848	2,869,138
Short-term debt(2)	390,109	228,597	524,566	264,157	172,972	198,893	172,348
Long-term debt	50,000	80,000	50,000	80,000	80,000	50,000	
Senior notes, net of unamortized issuance costs	39,472	39,351	39,404				
Subordinated notes, net of unamortized issuance costs	64,653	59,022	64,715				
Junior subordinated debt unconsolidated trusts	71,081	70,938	71,008	70,868	55,000	55,000	55,000
Stockholders' equity	957,182	613,115	935,003	594,314	373,186	433,639	415,364
Common stockholders' equity	957,182	613,115	935,003	594,314	373,186	360,975	342,700
Tangible common stockholders' equity(3)	663,063	500,663	637,969	480,415	343,211	336,271	316,351
<b>Results of Operations</b>							
Interest income	\$ 138,958	\$ 90,936	\$ 224,302	\$ 164,889	\$ 118,022	\$ 108,075	\$ 108,696
Interest expense	18,829	6,557	20,936	10,229	6,207	6,499	8,631
Net interest income	120,129	84,379	203,366	154,660	111,815	101,576	100,065
Provision for loan losses	3,266	1,000	5,303	5,550	1,600	2,000	7,500
Net income available for common stockholders	46,779	31,649	62,726	49,694	38,306	32,047	25,093

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	As of or for the six months ended June 30,			As of or for the years ended December 31,			
	2018	2017	2017	2016	2015	2014	2013
(dollars in thousands, except per share data)							
<b>Per Share Data</b>							
Diluted earnings	\$ 0.95	\$ 0.82	\$ 1.45	\$ 1.40	\$ 1.32	\$ 1.10	\$ 0.86
Cash dividends	0.40	0.36	0.72	0.68	0.62	0.57	0.36
Book value(4)	19.62	16.03	19.21	15.54	13.01	12.47	11.84
Tangible book value(5)	13.40	12.92	12.88	12.37	11.86	11.52	10.80
Closing stock price	31.72	29.32	29.94	30.78	20.63	19.53	17.40
<b>Other Information</b>							
Return on average assets	1.23%	1.20%	1.00%	1.00%	0.98%	0.91%	0.71%
Return on average common Equity	10.05%	10.63%	8.48%	9.59%	10.41%	9.11%	7.39%
Net interest margin(6)	3.51%	3.50%	3.58%	3.42%	3.10%	3.15%	3.15%
Equity to assets ratio(7)	12.26%	11.27%	11.75%	10.42%	9.39%	9.94%	9.61%
Dividend payout ratio(8)	42.11%	43.90%	49.66%	48.57%	46.97%	51.82%	41.86%

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- (1) Total assets less goodwill and intangible assets, non-GAAP.
- (2) Includes federal funds purchased, securities sold under agreements to repurchase, and short-term borrowings.
- (3) Common equity less tax effected goodwill and intangible assets, non-GAAP.
- (4) Total common equity divided by shares outstanding as of period end.
- (5) Total common equity less goodwill and intangible assets divided by shares outstanding as of period end.
- (6) Tax-equivalent net interest income divided by average earning assets.
- (7) Average common equity divided by average total assets.
- (8) Ratio calculated using only common stock.

Table of Contents**SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**

The following tables show unaudited pro forma financial information about the financial condition and results of operations of First Busey, including per share data, after giving effect to the merger with Banc Ed and other pro forma adjustments. The unaudited pro forma financial information assumes that the merger is accounted for under the acquisition method of accounting for business combinations in accordance with GAAP, and that the assets and liabilities of Banc Ed will be recorded by First Busey at their respective fair values as of the date the merger is completed. The unaudited pro forma condensed combined balance sheet gives effect to the merger as if the merger had occurred on June 30, 2018. The unaudited pro forma condensed combined income statement for the six months ended June 30, 2018 and the year ended December 31, 2017 gives effect to the merger as if the merger had become effective at January 1, 2017. The unaudited selected pro forma combined financial information has been derived from and should be read in conjunction with the consolidated financial statements and related notes of First Busey and Banc Ed, which are incorporated by reference into, or included, in this proxy statement/prospectus. See "Where You Can Find More Information" and "Banc Ed Financial Statements."

The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and does not indicate the financial results of the combined company had the companies actually been combined at the beginning of each period presented. The unaudited pro forma condensed combined financial information also does not consider any expense efficiencies, increased revenue or other potential financial benefits of the merger. In addition, the preliminary allocation of the pro forma purchase price reflected in the unaudited pro forma condensed combined financial information is subject to adjustment and may vary significantly from the actual purchase price allocation that will be recorded upon completion of the merger.

(dollars in thousands)	Six months ended June 30, 2018	Year ended December 31, 2017
<b>Pro forma condensed combined income statement data</b>		
Interest income	\$ 166,482	\$ 275,826
Interest expense	25,751	33,799
Net interest income	140,731	242,027
Provision for loan losses	3,266	3,423
Net interest income after provision for loan losses	137,465	238,604
Non-interest income	59,449	109,303
Non-interest expense	127,252	230,244
Income before income taxes	69,662	117,663
Income taxes	17,853	49,581
Net income	51,809	68,082

(dollars in thousands)	As of June 30, 2018
<b>Pro forma condensed combined balance sheet data</b>	
Loans	\$ 6,428,933
Allowance for loan losses	(53,305)
Investment securities	2,146,334
Total assets	9,721,909
Deposits	7,730,071
Total stockholders' equity	1,159,297

Table of Contents**UNAUDITED COMPARATIVE PER COMMON SHARE DATA**

We have summarized below the per share information for our companies on a historical, pro forma combined and equivalent basis. Except for the historical information for the year ended December 31, 2017, the data provided below is unaudited. The pro forma combined and pro forma equivalent data give effect to the merger as if the transaction had been effective on January 1, 2017, in the case of the per share earnings and dividend data, and on June 30, 2018, in the case of the per share book value and tangible book value data. This has been derived from and should be read in conjunction with the consolidated financial statements and related notes of First Busey and Banc Ed, which are incorporated by reference into, or included, in this proxy statement/prospectus. See "Where You Can Find More Information" and "Banc Ed Financial Statements."

The pro forma combined information gives effect to the merger accounted for under the acquisition method of accounting for business combinations in accordance with GAAP. The pro forma calculations reflect that each outstanding share of Banc Ed common stock immediately prior to the effective time of the merger will be converted into the right to receive \$111.53 in cash and 8.2067 shares of First Busey common stock.

We assume that the merger occurred as of the beginning of the fiscal year or period presented (or in the case of book value, as of the date specified). The information is presented for illustrative purposes only. You should not rely on the pro forma information as being indicative of the historical results that we would have had if we had been combined or the future results that we will experience after the merger. The pro forma information, although helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected cost savings, opportunities to earn additional revenue, the impact of restructuring and merger-related costs, or other factors that may result as a consequence of the merger and, accordingly, does not attempt to predict or suggest future results.

	First Busey	Banc Ed	First Busey Pro Forma Combined	Banc Ed Pro Forma Equivalent(1)
<b>Six months ended June 30, 2018</b>				
Basic earnings per share	\$ 0.96	\$ 9.35	\$ 0.93	\$ 7.66
Diluted earnings per share	0.95	9.35	0.93	7.60
Cash dividends declared per share	0.40	2.20	0.40(2)	3.28
<b>As of June 30, 2018</b>				
Book value per share	\$ 19.62	\$ 234.69	\$ 20.90	\$ 171.48

	First Busey	Banc Ed	First Busey Pro Forma Combined	Banc Ed Pro Forma Equivalent(1)
<b>Year ended December 31, 2017</b>				
Basic earnings per share	\$ 1.47	\$ 13.00	\$ 1.38	\$ 11.31
Diluted earnings per share	1.45	13.00	1.37	11.21
Cash dividends declared per share	0.72	4.25	0.72(2)	5.91

(1) Banc Ed pro forma equivalent was computed by multiplying the First Busey pro forma combined amount by the exchange ratio of 8.2067.

(2) Pro forma dividends per share represent First Busey's historical dividends per share.

Table of Contents**COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION**

First Busey common stock trades on the Nasdaq Global Select Market under the symbol "BUSE." The following table sets forth the high and low reported trading prices per share of First Busey common stock and the cash dividends declared per share for the periods indicated.

<b>Quarter Data</b>	<b>High</b>	<b>Low</b>	<b>Dividend Declared</b>
First quarter 2016	\$ 21.02	\$ 17.68	\$ 0.17
Second quarter 2016	22.91	19.00	0.17
Third quarter 2016	24.02	20.94	0.17
Fourth quarter 2016	31.01	21.80	0.17
First quarter 2017	\$ 31.91	\$ 28.11	\$ 0.18
Second quarter 2017	32.22	27.78	0.18
Third quarter 2017	31.60	27.33	0.18
Fourth quarter 2017	32.88	29.04	0.18
First quarter 2018	\$ 32.66	\$ 28.34	\$ 0.20
Second quarter 2018	33.22	29.13	0.20
Third quarter	33.25	30.71	0.20
Fourth quarter (through October 15, 2018)	31.24	28.62	0.20

The outstanding shares of Banc Ed common stock are privately held and are not traded in any public market. The last transaction known by Banc Ed's management to occur prior to the date of this proxy/statement prospectus was on September 18, 2018, and the sales price was \$374.55 per share. The following table sets forth the cash dividends declared per share for the periods indicated for Banc Ed common stock.

<b>Quarter Data</b>	<b>Dividend Declared</b>
First quarter 2016	\$ 1.00
Second quarter 2016	1.00
Third quarter 2016	1.00
Fourth quarter 2016	1.05
First quarter 2017	\$ 1.05
Second quarter 2017	1.05
Third quarter 2017	1.05
Fourth quarter 2017	1.10
First quarter 2018	\$ 1.10
Second quarter 2018	1.10
Third quarter	1.10
Fourth quarter (through October 15, 2018)	0.00

On August 21, 2018, the trading day immediately prior to the public announcement date of the merger agreement, the closing price of First Busey common stock was \$31.89. On October 15, 2018, the last practicable trading day prior to the mailing date of this proxy statement/prospectus, the closing price of First Busey common stock was \$29.40.

Banc Ed stockholders are urged to obtain current market quotations for shares of First Busey common stock and to review carefully the other information contained in this proxy statement/prospectus or incorporated by reference into this proxy statement/prospectus in considering whether to approve the merger agreement. The market price of First Busey common stock will fluctuate between the date of this proxy statement/prospectus and the date of completion of the merger. No assurance can be given concerning the market price of First Busey common stock before or after the effective time of the merger. Changes in the market price of First Busey common stock prior to the completion of the merger will affect the market value of the merger consideration that Banc Ed stockholders will receive upon completion of the merger.

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**RISK FACTORS**

*In addition to general investment risks and the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters addressed under the section "Special Notes Concerning Forward-Looking Statements," you should carefully consider the following risk factors in deciding how to vote for the proposals presented in this proxy statement/prospectus. You should also consider the other information in this proxy statement/prospectus and the other documents incorporated by reference into this proxy statement/prospectus. See "References to Additional Information" in the forepart of this proxy statement/prospectus and the section of this proxy statement/prospectus entitled "Where You Can Find More Information."*

***The Value of the Merger Consideration that Consists of First Busey Common Stock Will Fluctuate Based on the Trading Price of First Busey Common Stock.***

The number of shares of First Busey common stock to be issued in the merger will not automatically adjust based on the trading price of First Busey common stock, and the market value of those shares may vary from the closing price of First Busey common stock on the date the merger was announced, on the date that this document was mailed to Banc Ed stockholders, on the date of the special meeting of the Banc Ed stockholders and on the date the merger is completed and thereafter. Any change in the market price of First Busey common stock prior to completion of the merger will affect the amount of and the market value of the merger consideration that Banc Ed stockholders will receive upon completion of the merger. Accordingly, at the time of the Banc Ed special meeting, Banc Ed stockholders will not know or be able to calculate with certainty the market value of the First Busey common stock they would receive upon completion of the merger. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in business, operations and prospects, and regulatory considerations. Many of these factors are beyond First Busey's or Banc Ed's control. You should obtain current market quotations for shares of First Busey common stock and for shares of Banc Ed common stock before you vote.

***The Market Price of First Busey Common Stock after the Merger May be Affected by Factors Different from Those Affecting the Shares of Banc Ed or First Busey Currently.***

Upon completion of the merger, holders of Banc Ed common stock will become holders of First Busey common stock. First Busey's business differs in important respects from that of Banc Ed. Accordingly, the results of operations of the combined company and the market price of First Busey common stock after the completion of the merger may be affected by factors different from those currently affecting the independent results of operations of each of First Busey and Banc Ed. For a discussion of the businesses and markets of First Busey and Banc Ed and of some important factors to consider in connection with those businesses, please see the documents incorporated by reference in this proxy statement/prospectus and referred to under "Where You Can Find More Information."

***Banc Ed Stockholders Will Have a Reduced Ownership and Voting Interest After the Merger and Will Exercise Less Influence Over Management.***

Banc Ed stockholders currently have the right to vote in the election of the Banc Ed board of directors and on other matters requiring stockholder approval under Delaware law and Banc Ed's certificate of incorporation and bylaws. Upon the completion of the merger, each Banc Ed stockholder will become a stockholder of First Busey with a percentage ownership of First Busey that is smaller than such stockholder's percentage ownership of Banc Ed. Additionally, First Busey has agreed to appoint only one individual of the Banc Ed board of directors mutually agreeable to the parties to serve as a member of First Busey's board of directors following the completion of the merger and to appoint two individuals mutually agreeable to the parties to the board of directors of Busey Bank following the completion of the bank merger. Based on the number of issued and outstanding First

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Busey common shares and shares of Banc Ed common stock on October 15, 2018, and based on the 6,704,184 total number of First Busey shares of common stock issuable pursuant to the merger, stockholders of Banc Ed, as a group, will receive shares in the merger constituting approximately 12.1% of First Busey common shares expected to be outstanding immediately after the merger (without giving effect to any First Busey common shares held by Banc Ed stockholders prior to the merger). Because of this, current Banc Ed stockholders, as a group, will have less influence on the board of directors, management and policies of First Busey (as the combined company following the merger) than they now have on the board of directors, management and policies of Banc Ed.

***First Busey May Fail to Realize the Anticipated Benefits of the Merger.***

First Busey and Banc Ed have operated and, until the completion of the merger, will continue to operate, independently. The success of the merger, including anticipated benefits and cost savings, will depend on, among other things, First Busey's ability to combine the businesses of First Busey and Banc Ed in a manner that permits growth opportunities, including, among other things, enhanced revenues and revenue synergies, an expanded market reach and operating efficiencies, and does not materially disrupt the existing customer relationships of First Busey or Banc Ed nor result in decreased revenues due to any loss of customers. If First Busey is not able to successfully achieve these objectives, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected. Failure to achieve these anticipated benefits could result in increased costs, decreases in the amount of expected revenues and diversion of management's time and energy and could have an adverse effect on the surviving corporation's business, financial condition, operating results and prospects.

Certain employees may not be employed by First Busey after the merger. In addition, employees that First Busey wishes to retain may elect to terminate their employment as a result of the merger, which could delay or disrupt the integration process. It is possible that the integration process could result in the disruption of First Busey's or Banc Ed's ongoing businesses or cause inconsistencies in standards, controls, procedures and policies that adversely affect the ability of First Busey or Banc Ed to maintain relationships with customers and employees or to achieve the anticipated benefits and cost savings of the merger.

Among the factors considered by the boards of directors of First Busey and Banc Ed in connection with their respective approvals of the merger agreement were the anticipated benefits that could result from the merger. There can be no assurance that these benefits will be realized within the time periods contemplated or at all.

***Regulatory Approvals May Not Be Received, May Take Longer than Expected or May Impose Conditions that Are Not Presently Anticipated or Cannot Be Met.***

Before the transactions contemplated in the merger agreement can be completed, various approvals must be obtained from the bank regulatory and other governmental authorities. In deciding whether to grant regulatory clearances, the relevant governmental entities will consider a variety of factors, including the regulatory standing of each of the parties. An adverse condition or development in either party's regulatory standing or other factors could result in an inability to obtain one or more of the required regulatory approvals or delay their receipt. The terms and conditions of the approvals that are granted may impose requirements, limitations or costs or place restrictions on the conduct of the combined company's business. First Busey and Banc Ed believe that the merger should not raise significant regulatory concerns and that First Busey will be able to obtain all requisite regulatory approvals in a timely manner. Despite the parties' commitments to use their reasonable best efforts to comply with conditions imposed by regulatory entities, under the terms of the merger agreement, First Busey and Banc Ed will not be required to complete the merger if any such approvals would reasonably be expected to materially restrict or burden First Busey following the merger. There can be

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no assurance that regulators will not impose conditions, terms, obligations or restrictions and that such conditions, terms, obligations or restrictions will not have the effect of delaying the completion of the merger, imposing additional material costs on or materially limiting the revenues of the combined company following the merger or otherwise reduce the anticipated benefits of the merger if the merger were completed successfully within the expected timeframe. In addition, neither First Busey nor Banc Ed can provide assurance that any such conditions, terms, obligations or restrictions will not result in the delay or abandonment of the merger. Additionally, the completion of the merger is conditioned on the absence of certain orders, injunctions or decrees by any court or regulatory agency of competent jurisdiction that would prohibit or make illegal the completion of the merger.

***The Merger Agreement May Be Terminated in Accordance with Its Terms and the Merger May Not Be Completed.***

The merger agreement is subject to a number of conditions which must be fulfilled in order to complete the merger. Those conditions include, among other things: approval of the merger agreement and the transactions it contemplates by Banc Ed stockholders, receipt of certain requisite regulatory approvals, absence of orders prohibiting completion of the merger, effectiveness of the registration statement of which this proxy statement/prospectus is a part, approval of the issuance of First Busey common stock, as applicable, for listing on the Nasdaq Global Select Market, the accuracy of the representations and warranties by both parties (subject to the materiality standards set forth in the merger agreement) and the performance by both parties of their covenants and agreements, and the receipt by both parties of legal opinions from their respective tax counsels. These conditions to the closing of the merger may not be fulfilled in a timely manner or at all, and, accordingly, the merger may not be completed. In addition, the parties can mutually decide to terminate the merger agreement at any time, before or after stockholder approval, or First Busey or Banc Ed may elect to terminate the merger agreement in certain other circumstances.

***Termination of the Merger Agreement Could Negatively Impact Banc Ed.***

If the merger is not completed for any reason, including as a result of Banc Ed stockholders declining to approve the merger agreement, the ongoing business of Banc Ed may be adversely impacted and, without realizing any of the anticipated benefits of completing the merger, Banc Ed would be subject to a number of risks, including the following:

Banc Ed may experience negative reactions from its customers, vendors and employees;

Banc Ed will have incurred substantial expenses and will be required to pay certain costs relating to the merger, whether or not the merger is completed;

the merger agreement places certain restrictions on the conduct of Banc Ed's businesses prior to completion of the merger. Such restrictions, the waiver of which is subject to the consent of First Busey (not to be unreasonably withheld, conditioned or delayed), may prevent Banc Ed from making certain acquisitions or taking certain other specified actions during the pendency of the merger; and

matters relating to the merger (including integration planning) will require substantial commitments of time and resources by Banc Ed management, which would otherwise have been devoted to other opportunities that may have been beneficial to Banc Ed as an independent company.

If the merger agreement is terminated and Banc Ed's board of directors seeks another merger or business combination, Banc Ed stockholders cannot be certain that Banc Ed will be able to find a party willing to offer equivalent or more attractive consideration than the consideration First Busey has agreed to provide in the merger, or that such other merger or business combination will be completed.



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If the merger agreement is terminated under certain circumstances, Banc Ed may be required to pay a termination fee to First Busey.

***Banc Ed Will Be Subject to Business Uncertainties and Contractual Restrictions While the Merger Is Pending.***

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on Banc Ed and, consequently, on First Busey. These uncertainties may impair Banc Ed's ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers and others that deal with Banc Ed to seek to change existing business relationships with Banc Ed. Retention of certain employees may be challenging during the pendency of the merger, as certain employees may experience uncertainty about their future roles. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the business, First Busey's business following the merger could be negatively impacted. In addition, the merger agreement restricts Banc Ed from making certain transactions and taking other specified actions without the consent of First Busey until the merger occurs. These restrictions may prevent Banc Ed from pursuing attractive business opportunities that may arise prior to the completion of the merger.

***Banc Ed Directors and Officers May Have Interests in the Merger Different From the Interests of Banc Ed Stockholders.***

The interests of some of the directors and executive officers of Banc Ed may be different from those of Banc Ed's stockholders, and directors and officers of Banc Ed may be participants in arrangements that are different from, or are in addition to, those of Banc Ed's stockholders. The members of the Banc Ed's board of directors knew about these additional interests and considered them among other matters, when making its decision to approve the merger agreement, and in recommending that Banc Ed's common stockholders vote in favor of adopting the merger agreement. Such interests include, among others:

Certain severance payments and benefits payable under the employment agreement between TheBANK and its chief executive officer;

Certain payments due under salary continuation agreements between TheBANK and certain of its officers including its chief executive officer;

Rights to ongoing indemnification and insurance coverage by the surviving corporation for acts or omissions occurring prior to the merger; and

First Busey's agreement to appoint one individual of the Banc Ed board of directors mutually agreeable to the parties to serve as a member of the First Busey's board of directors following the completion of the merger and to appoint two individuals mutually agreeable to the parties to the board of directors of Busey Bank following the completion of the bank merger.

These interests are more fully described in this proxy statement/prospectus under the heading "The Merger Interests of certain persons in the merger."

***The Merger Agreement Contains Provisions that May Discourage Other Companies from Trying to Acquire Banc Ed for Greater Merger Consideration.***

The merger agreement contains provisions that may discourage a third party from submitting a business combination proposal to Banc Ed that might result in greater value to Banc Ed's stockholders than the proposed merger with First Busey or may result in a potential competing acquirer proposing to pay a lower per share price to acquire Banc Ed than it might otherwise have proposed to pay absent such provisions. These provisions include a general prohibition on Banc Ed from soliciting, or, subject to certain exceptions relating to the exercise of fiduciary duties by Banc Ed's board of directors, entering into discussions with any third party regarding any acquisition proposal or offers for competing

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transactions. Banc Ed also has an unqualified obligation to submit the proposal to approve the merger to a vote by its stockholders, even if Banc Ed receives an alternative acquisition proposal that its board of directors believes is superior to the merger, unless the merger agreement has been terminated in accordance with its terms. In addition, Banc Ed may be required to pay First Busey a termination fee of \$11.52 million upon termination of the merger agreement in certain circumstances involving acquisition proposals for competing transactions. See "Description of the Merger Agreement Termination" and "Description of the Merger Agreement Termination fees."

***The Opinions of Banc Ed's Financial Advisor Will Not Reflect Changes in Circumstances Between the Signing of the Merger Agreement and the Completion of the Merger.***

Banc Ed has not obtained an updated opinion from its financial advisor as of the date of this proxy statement/prospectus. Changes in the operations and prospects of Banc Ed or First Busey, general market and economic conditions and other factors that may be beyond the control of Banc Ed or First Busey, and on which Banc Ed's financial advisor's opinion was based, may significantly alter the value of Banc Ed or the prices of the First Busey common shares or shares of Banc Ed common stock by the time the merger is completed. The opinion does not speak as of the time the merger will be completed or as of any date other than the date of such opinion. Because Banc Ed does not currently anticipate asking its financial advisor to update its opinion, the opinion will not address the fairness of the merger consideration from a financial point of view at the time the merger is completed.

***First Busey and Banc Ed Will Incur Transaction and Integration Costs in Connection with the Merger.***

Each of First Busey and Banc Ed has incurred and expects that it will incur significant, non-recurring costs in connection with consummating the merger. In addition, First Busey will incur integration costs following the completion of the merger as First Busey integrates the businesses of the two companies, including facilities and systems consolidation costs and employment-related costs. There can be no assurances that the expected benefits and efficiencies related to the integration of the businesses will be realized to offset these transaction and integration costs over time. See the risk factor entitled " First Busey May Fail to Realize the Anticipated Benefits of the Merger." First Busey and Banc Ed may also incur additional costs to maintain employee morale and to retain key employees. First Busey and Banc Ed will also incur significant legal, financial advisor, accounting, banking and consulting fees, fees relating to regulatory filings and notices, regulatory filing fees, printing and mailing fees and other costs associated with the merger.

***The Shares of First Busey Common Stock to be Received by Banc Ed Common Stockholders as a Result of the Merger Will Have Different Rights From the Shares of Banc Ed Common Stock.***

Upon completion of the merger, Banc Ed common stockholders will become First Busey stockholders and their rights as stockholders will be governed by the Nevada Revised Statutes and the First Busey articles of incorporation and bylaws. The rights associated with Banc Ed common stock are different from the rights associated with First Busey common stock. Please see "Comparison of Rights of First Busey Stockholders and Banc Ed Stockholders" for a discussion of the different rights associated with First Busey common stock.

***The Dodd-Frank Act, Among Other Things, Subjects Banks with Assets in Excess of \$10 Billion to Additional Costs.***

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (which we refer to as the "Dodd-Frank Act") and its implementing regulations subject banks with assets in excess of \$10 billion to additional requirements, such as the imposition of higher FDIC premiums and reduced debit card interchange fees, which increase operating costs and reduce earnings. As Busey Bank

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approaches \$10 billion in assets, First Busey will be required to incur additional costs to address these additional requirements.

***The Unaudited Pro Forma Condensed Combined Financial Data Included in this Proxy Statement/Prospectus is Preliminary and the Actual Financial Condition and Results of Operations After the Merger May Differ Materially.***

The unaudited pro forma condensed combined financial data included in this proxy statement/prospectus is presented for illustrative purposes only and is not necessarily indicative of what the combined company's actual financial position or results of operations would have been had the merger been completed on the dates indicated. The preparation of the pro forma financial data is based upon available information and certain assumptions and estimates that First Busey and Banc Ed currently believe are reasonable. The pro forma financial data also reflects adjustments, which are based upon preliminary estimates.

***The Merger May Have Adverse Tax Consequences.***

Neither Banc Ed nor First Busey has requested or received a ruling from the Internal Revenue Service that the merger will qualify as a reorganization. If the merger were to fail to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, then each holder of Banc Ed common stock generally would recognize a gain or loss, as applicable, equal to the difference between such holder's adjusted tax basis in each share of Banc Ed common stock surrendered and the sum of the amount of the cash and the fair market value of First Busey common stock received in exchange for that share upon completion of the merger. Because Banc Ed stockholders will not receive all cash in exchange for their shares of Banc Ed common stock, they may need to use cash from other sources or may be required to sell their First Busey common stock received in the merger to satisfy the resulting tax liability. See "Material U.S. federal income tax consequences of the merger."

***Risks Relating to First Busey's Business.***

You should read and consider risk factors specific to First Busey's business that will also affect the combined company after the merger. These risks are described in the sections entitled "Risk Factors" in First Busey's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, and in other documents incorporated by reference into this proxy statement/prospectus. Please see the section entitled "Where You Can Find More Information" of this proxy statement/prospectus for the location of information incorporated by reference into this proxy statement/prospectus.

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**SPECIAL NOTES CONCERNING FORWARD-LOOKING STATEMENTS**

This proxy statement/prospectus contains 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 First Busey and Banc Ed. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of First Busey's and Banc Ed'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 proxy statement/prospectus, including forward-looking statements, speak only as of the date they are made, and neither First Busey nor Banc Ed undertakes any 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 First Busey and Banc Ed 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:

the possibility that any of the anticipated benefits of the proposed transaction between First Busey and Banc Ed will not be realized or will not be realized within the expected time period;

the risk that integration of operations of Banc Ed with those of First Busey will be materially delayed or will be more costly or difficult than expected;

the inability to complete the proposed transaction due to the failure of the required stockholder approval;

the failure to satisfy other conditions to completion of the proposed transaction, including receipt of required regulatory and other approvals;

the failure of the proposed transaction to close for any other reason;

the potential impact of the announcement of the transaction on third party relationships, including customer relationships, and operating results;

the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events;

the strength of the local, state, national and international economy (including the impact of tariffs, a U.S. withdrawal from or significant negotiation of trade agreements, trade wars and other changes in trade regulations);

customer acceptance of the combined company's products and services;

changes in state and federal laws, regulations and governmental policies concerning First Busey's and Banc Ed's general business;

changes in interest rates and prepayment rates of First Busey's and Banc Ed's assets;

increased competition in the financial services sector and the inability to attract new customers;

changes in technology and the ability to develop and maintain secure and reliable electronic systems;

the loss of key executives or employees;

changes in consumer spending;

unexpected results of acquisitions, including the acquisition of Banc Ed;

unexpected outcomes of existing or new litigation involving First Busey or Banc Ed;

the economic impact of any future terrorist threats or attacks;

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the economic impact of exceptional weather occurrences such as tornadoes, hurricanes, floods, and blizzards; and

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 First Busey and its business, including additional factors that could materially affect First Busey's financial results, are included in First Busey's filings with the SEC.

**NON-GAAP FINANCIAL INFORMATION**

This proxy statement/prospectus contains certain financial information determined by methods other than in accordance with GAAP. These measures include tangible assets and tangible common stockholders' equity. First Busey's management uses these non-GAAP measures, together with the related GAAP measures, to analyze First Busey's performance and to make business decisions. Management also uses these measures for peer comparisons.

A reconciliation to what First Busey's management believes to be the most direct compared GAAP financial measures appears in the tables below. First Busey believes each of the adjusted measures is useful for investors and management to understand the effects of certain non-interest items and provides additional perspective on First Busey's performance over time as well as comparison to First Busey's peers.

These non-GAAP disclosures have inherent limitations and are not audited. They should not be considered in isolation or as a substitute for the results reported in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. Tax effected numbers included in these non-GAAP disclosures are based on estimated statutory rates.

**Reconciliation of Non-GAAP Financial Measures Tangible assets and tangible common stockholders' equity**

	As of or for the six months ended June 30,		As of or for the years ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
	(dollars in thousands)						
Total Assets	\$ 7,775,544	\$ 5,531,367	\$ 7,860,640	5,425,170	3,998,976	3,655,607	3,539,575
Less:							
Goodwill and other intangible assets	(303,407)	(118,887)	(308,073)	(121,276)	(32,942)	(27,373)	(30,257)
Tangible assets	\$ 7,472,137	\$ 5,412,480	\$ 7,552,567	\$ 5,303,894	\$ 3,966,034	\$ 3,638,234	\$ 3,509,318
Total common stockholders' equity	\$ 957,182	\$ 613,115	\$ 935,003	\$ 594,314	\$ 373,186	\$ 360,975	\$ 342,700
Less:							
Goodwill and other intangible assets	(303,407)	(118,887)	(308,073)	(121,276)	(32,942)	(27,373)	(30,257)
Tax effect of other intangible assets	9,288	6,435	11,039	7,377	2,967	2,669	3,908
Tangible common stockholders' equity	\$ 663,063	\$ 500,663	637,969	480,415	343,211	336,271	316,351



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**INFORMATION ABOUT THE SPECIAL MEETING OF BANC ED STOCKHOLDERS**

**Purpose**

Banc Ed stockholders are receiving this proxy statement/prospectus because on October 23, 2018, the record date for the special meeting of stockholders to be held on November 27, 2018, at 3:00 pm, local time, at Comfort Inn, 3080 S. State Route 157, Edwardsville, Illinois 62025, they owned shares of the common stock of Banc Ed, and the board of directors of Banc Ed is soliciting proxies for the matters to be voted on at this special meeting, as described in more detail below. Copies of this proxy statement/prospectus began to be mailed to holders of Banc Ed common stock on October [ • ], 2018, and is accompanied by a proxy card for use at the special meeting and at any adjournment(s) of the meeting.

At the special meeting, the Banc Ed board of directors will ask you to vote upon the following:

a proposal to approve the merger agreement and the transactions contemplated therein; and

a proposal to approve an adjournment of the special meeting to permit further solicitation in the event that an insufficient number of votes are cast to approve the merger agreement and the transactions contemplated therein.

**When you sign the enclosed proxy card or otherwise vote pursuant to the instructions set forth on the proxy card, you appoint the proxy holder as your representative at the special meeting. The proxy holder will vote your shares as you have instructed in the proxy card, thereby ensuring that your shares will be voted whether or not you attend the special meeting. Even if you plan to attend the special meeting, we ask that you instruct the proxies how to vote your shares in advance of the special meeting just in case your plans change.**

**If you have not already done so, please complete, date and sign the accompanying proxy card and return it promptly in the enclosed, postage paid envelope or otherwise vote pursuant to the instructions set forth on the proxy card. If you do not vote your shares as instructed on the proxy card, or if you do not attend and cast your vote at the special meeting, the effect will be a vote against the merger agreement and the transactions contemplated therein.**

**Record date, quorum and vote required**

The record date for the Banc Ed special meeting is October 23, 2018. Banc Ed's stockholders of record as of the close of business on that day will receive notice of and will be entitled to vote at the special meeting. As of the record date, there were 816,916 shares of Banc Ed common stock outstanding and entitled to vote at the special meeting. The outstanding shares are held by approximately 247 holders of record.

The presence, in person or by proxy, of a majority of the shares of Banc Ed common stock entitled to vote on the merger agreement is necessary to constitute a quorum for the special meeting. Each share of Banc Ed common stock outstanding on the record date entitles its holder to one vote on the matters being brought before the special meeting.

To determine the presence of a quorum for the special meeting, Banc Ed will also count as present the shares of Banc Ed common stock present in person but not voting, and the shares of common stock for which Banc Ed has received proxies but with respect to which the holders of such shares have abstained or signed without providing instructions. Broker non-votes are not counted as present for the purposes of determining quorum. Based on the number of shares of Banc Ed common stock outstanding as of the record date, at least 408,459 shares need to be present at the special meeting, whether in person or by proxy, to constitute a quorum.



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Approval of the merger proposal requires the affirmative vote of the holders of a majority of the outstanding shares of Banc Ed common stock entitled to vote, represented in person or by proxy. Abstentions, shares not voted and broker non-votes will have the same effect as a vote against the proposal to adopt the merger agreement. Approval of the adjournment proposal requires the affirmative vote of a majority of the votes cast at the special meeting, in person or by proxy. Abstentions, shares not voted and broker non-votes will have no effect on the adjournment proposal, although they may prevent Banc Ed from obtaining a quorum and require Banc Ed to adjourn the special meeting to solicit additional proxies.

As of the record date for the special meeting, Banc Ed's directors and executive officers beneficially owned a total of 427,533 shares, or approximately 52.34% of the outstanding shares, of Banc Ed common stock. These individuals have entered into a written agreement with First Busey that they will vote their shares in favor of the merger agreement, except as may be limited by their fiduciary obligations.

**How to vote your shares**

If you properly complete and timely submit your proxy, your shares will be voted as you have directed. You may vote for, against, or abstain with respect to each matter brought before the special meeting. If you are the record holder of your shares and submit your proxy without specifying a voting instruction, your shares will be voted as the Banc Ed board of directors recommends and will be voted "**FOR**" approval of the merger agreement and the transactions contemplated therein and "**FOR**" the adjournment of the special meeting to permit further solicitation in the event that an insufficient number of votes are cast to approve the merger agreement and the transactions contemplated therein. If you do not vote your shares as instructed on the proxy card, or if you do not attend and cast your vote at the special meeting, the effect will be a vote against the merger agreement.

**You should not send any stock certificates with your proxy card. If the merger is approved, you will receive instructions for exchanging your stock certificates after the merger has been completed.**

**Shares held in "street name"**

If you hold shares in "street name" with a broker, bank or other fiduciary, you will receive voting instructions from the holder of record of your shares. Under the rules of various national and regional securities exchanges, brokers, banks and other fiduciaries may generally vote your shares on routine matters, such as the ratification of an independent registered public accounting firm, even if you provide no instructions, but may not vote on non-routine matters, such as the matters being brought before the special meeting, unless you provide voting instructions. Shares for which a broker does not have the authority to vote are recorded as "broker non-votes" and are not counted in the vote by stockholders or for purposes of a quorum. As a result, any broker non-votes will have the practical effect of a vote against the merger proposal but will not affect the adjournment proposal.

We therefore encourage you to provide directions to your broker, bank or other fiduciary as to how you want your shares voted on all matters to be brought before the special meeting. You should do this by carefully following the instructions your broker gives you concerning its procedures. Your broker, bank or other fiduciary may allow you to deliver your voting instructions via the telephone or the Internet. Please see the instruction form provided by your broker, bank or other fiduciary that accompanies this proxy statement. If you wish to change your voting instructions after you have returned your voting instruction form to your broker, bank or other fiduciary, you must contact your broker, bank or other fiduciary. If you want to vote your shares of Banc Ed common stock held in street name in person at the special meeting, you will need to obtain a written proxy in your name from your broker, bank or other fiduciary.

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**Revocability of proxies**

You may revoke your proxy at any time before the vote is taken at the special meeting. To revoke your proxy, you must either advise the Corporate Secretary of Banc Ed in writing before your Banc Ed common stock has been voted at the special meeting, deliver a later dated proxy or attend the special meeting and vote your shares in person. Attendance at the special meeting will not in itself constitute revocation of your proxy.

All written notices of revocation and other communication with respect to the revocation of proxies should be addressed to: The Banc Ed Corp., Attn: Corporate Secretary, 330 West Vandalia, Edwardsville, Illinois 62025. If you hold your shares in the name of a broker, bank or other fiduciary and desire to revoke your proxy, you will need to contact your broker, bank or other fiduciary to revoke your proxy.

**Proxy solicitation**

Banc Ed will pay the costs associated with the solicitation of proxies for the special meeting. Banc Ed will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of Banc Ed. In addition to the solicitation of proxies by mail, directors, officers and employees of Banc Ed may solicit proxies personally or by telephone. None of these persons will receive additional compensation for these activities.

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**THE BANC ED PROPOSALS**

**Proposal 1 Approval of the Merger Agreement**

At the Banc Ed special meeting, stockholders of Banc Ed will be asked to approve the merger agreement, pursuant to which Banc Ed will merge with and into First Busey, and the transactions contemplated therein. Stockholders of Banc Ed should read this proxy statement/prospectus carefully and in its entirety, including the Appendices, for more detailed information concerning the merger agreement and the transactions contemplated therein. A copy of the merger agreement is attached to this proxy statement/prospectus as Appendix A.

**For the reasons discussed in this proxy statement/prospectus, the board of directors of Banc Ed unanimously determined that the merger agreement and the transactions contemplated therein are in the best interests of Banc Ed and its stockholders, and unanimously adopted and approved the merger agreement. The board of directors of Banc Ed unanimously recommends that Banc Ed stockholders vote "FOR" approval of the merger proposal.**

**Proposal 2 Adjournment of the Special Meeting**

If, at the Banc Ed special meeting, the number of shares of Banc Ed common stock cast in favor of the merger agreement is insufficient to approve the merger agreement and the transactions contemplated therein, Banc Ed intends to move to adjourn the Banc Ed special meeting in order to enable the board of directors of Banc Ed to solicit additional proxies for approval of the merger proposal. In this proposal, Banc Ed is asking its stockholders to authorize the holder of any proxy solicited by the board of directors of Banc Ed, on a discretionary basis, to vote in favor of adjourning the Banc Ed special meeting to another time and place for the purpose of soliciting additional proxies.

**The board of directors of Banc Ed unanimously recommends a vote "FOR" the adjournment proposal.**

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**THE MERGER**

*This section of the proxy statement/prospectus describes material aspects of the merger. While First Busey and Banc Ed believe that the description covers the material terms of the merger and the related transactions, this summary may not contain all of the information that is important to you. You should carefully read this entire proxy statement/prospectus, the attached Appendices and the other documents to which this proxy statement/prospectus refers for a more complete understanding of the merger. The agreement and plan of merger attached hereto as Appendix A, not this summary, is the legal document which governs the merger.*

**General**

The Banc Ed board of directors is using this proxy statement/prospectus to solicit proxies from the holders of Banc Ed common stock for use at the Banc Ed special meeting of stockholders, at which Banc Ed stockholders will be asked to approve the merger agreement and thereby approve the merger. When the merger is completed, Banc Ed will merge with and into First Busey and will cease to exist, which will result in TheBANK being a wholly-owned subsidiary of First Busey. The merger is anticipated to be completed in the fourth quarter of 2018 or early in the first quarter of 2019. At a date following the completion of the merger, First Busey intends to merge TheBANK with and into Busey Bank, with Busey Bank as the surviving bank. At such time, TheBANK's banking offices will become banking offices of Busey Bank. Until the banks are merged, First Busey will own and operate TheBANK and Busey Bank as separate bank subsidiaries.

If the merger is completed, each share of Banc Ed common stock issued and outstanding immediately prior to the effective time (other than any shares owned by First Busey or Banc Ed, and other than any dissenting shares) will be converted into the right to receive \$111.53 in cash and 8.2067 shares of First Busey common stock, with cash paid in lieu of fractional shares. Shares of Banc Ed common stock held by Banc Ed stockholders who elect to exercise their dissenters' rights will not be converted into merger consideration.

**Background of the merger**

As part of its ongoing consideration and evaluation of its long-term prospects and strategies, Banc Ed's board of directors and senior management regularly review and assess Banc Ed's business strategies and objectives, including strategic opportunities and challenges, and considered various strategic options potentially available, with the goal of enhancing value for Banc Ed's stockholders. These strategic discussions have focused on, among other things, the business, competitive and regulatory environment facing financial institutions generally and Banc Ed in particular, as well as conditions and ongoing consolidation in the financial services industry. In addition, members of Banc Ed's board of directors and senior management have received, from time to time, informal inquiries from representatives of other financial institutions about potential business combinations and Banc Ed's board of directors has been regularly updated regarding these contacts.

In connection with the periodic review of its strategic alternatives, Banc Ed's board of directors has met periodically over recent years to receive updates from one of Banc Ed's outside financial advisors, including Sandler O'Neill & Partners L.P. (which we refer to as "Sandler O'Neill"), relating to the bank industry, in general, and bank mergers and acquisitions activity in particular. In recent years, Banc Ed reviewed several potential acquisition opportunities, but for various reasons did not consummate any of them. Banc Ed's board of directors also discussed Banc Ed's strategic options to enhance or improve stockholder value, including remaining independent while continuing to execute its strategic plan, and also considering a potential sale of the organization with its respective advantages and disadvantages.

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Similarly, First Busey's executive team and board of directors also regularly and actively consider First Busey's business and strategic direction. While remaining committed to its core organic growth strategy, First Busey has explored opportunities to growth through strategic acquisitions in more densely populated markets in the Midwestern United States. In this regard, First Busey most recently acquired First Community Financial Partners, Inc., based in Joliet, Illinois, on July 2, 2017 and Mid Illinois Bancorp, Inc., based in Peoria, Illinois, on October 1, 2017. As part of its growth strategy, First Busey maintains contact with companies that it believes could enhance its core growth strategy through strategic partnerships. First Busey's executive management gains knowledge of potential partnerships through independent research and by regularly meeting from time to time with financial advisors, including representatives from FIG Partners, LLC (which we refer to as "FIG"), to discuss various trends in the industry, the merger and acquisition market and particular financial institutions that could be strategic partners to further First Busey's growth strategy. These discussions also include evaluations of different opportunities to expand First Busey's presence in its existing markets, such as the greater St. Louis area. The executive management team regularly reported such information to the full board of directors to keep the directors properly knowledgeable and informed on First Busey's strategic alternatives.

Several of First Busey's executives and officers have knowledge of the St. Louis market due to the proximity of the markets in which First Busey and Banc Ed operate and are familiar with many of the business people who live or work in those markets. In late 2017, Van A. Dukeman, President and Chief Executive Officer of First Busey, reached out to R.L. Plummer, Chairman of the Board of TheBANK, to discuss their respective organizations. Mr. Dukeman travelled to Edwardsville, Illinois, with Robin N. Elliott, Chief Operating Officer and Chief Executive Officer of First Busey, to meet with Mr. Plummer, who introduced Messrs. Dukeman and Elliott to Banc Ed's board of directors. The parties met regarding their respective businesses, cultures and operating philosophies, the general banking environment and Banc Ed's general ongoing strategy.

Through mid 2018, the parties continued to discuss generally their respective businesses, the current state of the banking industry and challenges faced by banks in the general economic and regulatory environment. During this time, Banc Ed's board also reviewed financial analyses provided by representatives of Sandler O'Neill, which included a financial overview of First Busey and other financial institutions who may have an interest in pursuing a transaction with Banc Ed. In particular, Sandler O'Neill reviewed their likelihood of interest, financial capacity and perceived potential to obtain required regulatory approvals. The Banc Ed board, after thoroughly considering a number of factors including those included in " Banc Ed's reasons for the merger and recommendation of the board of directors," and after carefully reviewing and considering the trade-offs of holding a competitive auction versus a negotiated sale, determined it was in the best interests of Banc Ed's stockholders to continue exploring a potential combination with First Busey. During early June 2018, representatives from Banc Ed, Sandler O'Neill and First Busey engaged in preliminary discussions outlining the broad terms of a potential combination.

First Busey prepared and submitted a written non-binding indication of interest to Banc Ed on June 15, 2018 which provided for proposed merger consideration of 7.6271 shares of First Busey common stock and \$105.78 cash consideration per share of Banc Ed common stock. The proposed consideration was contingent upon a number of factors, including the results of First Busey's due diligence of Banc Ed's organization. Banc Ed held a meeting of its board of directors on June 18, 2018 to discuss the terms of the indication of interest and other related business and legal issues. Representatives of First Busey attended a portion of this meeting, reviewed their indication of interest and held a question and answer session. Representatives from Sandler O'Neill were also present at the meeting and reviewed (i) the financial terms of First Busey's proposed offer included in the indication of interest, (ii) the range of projected book and earnings multiples applicable to Banc Ed represented by these financial terms and (iii) the potential financial impact of the proposed transaction with First

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Busey. Furthermore, the Banc Ed board reviewed in detail possible next steps including an overview of the due diligence process. Subsequently, Banc Ed retained Howard & Howard as its legal counsel for the potential transaction on June 24, 2018, formally engaged Sandler O'Neill as its financial advisor on June 29, 2018 and directed representatives of Sandler O'Neill, with the support of Banc Ed management and outside legal counsel, to attempt to continue to negotiate with First Busey and attempt to enhance the level of merger consideration.

The parties entered into a mutual confidentiality agreement on June 23, 2018. Over the next several weeks, Banc Ed provided First Busey's executive team with confidential due diligence materials through a virtual data room. Between late June 2018 and late August 2018, First Busey performed its due diligence review of the financial condition and operations of Banc Ed and TheBANK, Banc Ed's and TheBANK's material agreements and other information concerning Banc Ed and TheBANK.

Informed by initial due diligence and the written non-binding indication of interest, on July 16, 2018, First Busey and Barack Ferrazzano provided Banc Ed and Howard & Howard with an initial draft merger agreement for the proposed transaction. Over the course of the following weeks, the parties and their respective legal advisors exchanged drafts of the merger agreement and worked toward finalizing the terms of the transaction, due diligence issues requiring resolution prior to execution of a definitive agreement, treatment of Banc Ed's benefit plans, terms of representations and warranties for both sides, covenants for both sides and termination rights and fees. In addition, each party prepared, distributed and prepared to finalize a set of disclosure schedules listing certain supplemental information and exceptions to the representations and warranties contained in the merger agreement. While negotiating the merger agreement, the parties and their representatives continued to conduct ongoing, reciprocal comprehensive due diligence regarding the business, operations and markets of the other party.

During this time, Banc Ed and First Busey and their respective financial advisors continued to negotiate the terms of the merger consideration. First Busey provided Banc Ed with a revised oral non-binding indication of interest on August 10, 2018. The revised oral non-binding indication of interest provided for a proposed merger consideration of 8.1066 shares of First Busey common stock and \$110.17 cash consideration per share of Banc Ed common stock. The Banc Ed board of directors instructed representatives of Sandler O'Neill to have further discussions with First Busey and representatives of FIG upon receiving the revised oral non-binding indication of interest. On August 14, 2018, First Busey provided Banc Ed with its final oral non-binding indication of interest. The First Busey final indication of interest provided for a proposed merger consideration of 8.2067 shares of First Busey common stock and \$111.53 cash consideration per share of Banc Ed common stock.

On August 17, 2018, members of Banc Ed's senior management and its advisors held telephonic interviews with a number of members of First Busey's executive management to discuss First Busey's current operations, financial condition and prospects. In addition, Banc Ed and its advisors reviewed information about First Busey that was publicly available, including reports and other materials filed with the SEC.

On August 21, 2018, Banc Ed's legal and financial advisors distributed to the Banc Ed board of directors (i) a substantially final, negotiated version of the merger agreement and related exhibits, (ii) a financial presentation prepared by representatives of Sandler O'Neill providing an overview of Banc Ed and the financial terms of the proposed acquisition and (iii) draft board resolutions prepared by Howard & Howard approving the merger with First Busey. The Banc Ed board of directors received a full report from its outside advisors. Howard & Howard discussed again the fiduciary obligations of Banc Ed's directors in considering a sale or merger of the company and answered director questions on the topic. Howard & Howard also provided a comprehensive review of the proposed merger

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agreement. Various provisions of the merger agreement were discussed and director questions regarding the merger agreement were asked and answered.

Representatives of Sandler O'Neill presented its financial analysis, which included a review of the fairness opinion process, a summary of the financial terms of the proposed merger, including the merger consideration, valuation multiples of the merger consideration compared to precedent transactions, pro forma analyses and transaction analyses. At the end of its presentation, Sandler O'Neill delivered its oral opinion, which was subsequently confirmed in writing, to the effect that, as of August 21, 2018, and based on the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O'Neill as set forth in its opinion, the merger consideration per share was fair to the common stockholders of Banc Ed from a financial point of view.

The Banc Ed board of directors engaged in a detailed and extensive discussion of the merger agreement, the financial analyses and the fairness opinion. The Banc Ed Board considered the valuation of Banc Ed as a stand-alone entity and discussed the attributes of First Busey's common stock, including its recent market performance, its dividend payout ratio, its trading volume and its relative valuation compared to its peers. The Board also discussed First Busey's commitment to community banking and its business culture and philosophy. Following extensive discussion and questions and answers, including consideration of the factors described under " Banc Ed's reasons for the merger and recommendation of the board of directors," Banc Ed's board of directors unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, were in the best interests of Banc Ed and its stockholders and authorized Banc Ed's management to execute and deliver the merger agreement.

On August 21, 2018, First Busey's board of directors also held a special meeting to discuss the proposed transaction and to review the final terms of merger agreement. Mr. Dukeman provided an overview of the process that led to the transaction. Representatives of Barack Ferrazzano reviewed in detail the terms of the agreement and also discussed a possible timetable for the transaction based on final approval of the agreement, as well as other legal issues including the board's fiduciary duties owed to the First Busey stockholders. Management also reported to the board the results of First Busey's due diligence investigation of Banc Ed. Further, representatives of FIG reviewed with the board of directors its analysis of the financial terms contained in the merger agreement. The board discussed the advantages and rationales for proceeding with the transaction and determined that it was in the best interests of First Busey's stockholders to proceed with the transaction on the terms provided in the merger agreement. Based on this and its previous discussions, the First Busey board of directors unanimously approved the merger agreement and the issuance of shares contemplated in the agreement. Representatives of First Busey reported the board's actions to Banc Ed's representatives following the meeting.

After their respective board meetings, on the afternoon of August 21, 2018, Banc Ed and First Busey executed the merger agreement and, on the morning of August 22, 2018, issued a joint press release announcing the transaction.

**Banc Ed's reasons for the merger and recommendation of the board of directors**

Banc Ed's board of directors believes that the merger is advisable to its stockholders. Accordingly, Banc Ed's board of directors has approved the merger agreement and recommends that Banc Ed's common stockholders vote "**FOR**" the approval of the merger agreement.

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In reaching its decision to approve the merger agreement, Banc Ed's board of directors consulted with Banc Ed's outside legal counsel and Banc Ed's financial advisor regarding the merger and considered a variety of factors, including the following:

the Banc Ed board of directors' familiarity with and review of Banc Ed's business, financial condition, results of operations and prospects, including, but not limited to, its business plan and its potential for growth, development, productivity and profitability;

the current and prospective environment in which Banc Ed operates, including national and local economic conditions, the competitive environment for financial institutions generally, the increased regulatory burden on financial institutions generally, and the trend toward consolidation in the financial services industry;

Banc Ed's belief that Banc Ed needs to grow to be in a position to deliver a competitive return to its stockholders;

the Banc Ed board of directors' review, with the assistance of Banc Ed's legal and financial advisors, of strategic alternatives to the merger, including the possibility of remaining independent;

the low comparative valuation of Banc Ed shares versus those of publicly traded companies;

the likelihood that acquisition opportunities for Banc Ed as a buyer are limited due to the low comparative valuation of Banc Ed shares;

the likelihood that acquisition opportunities for Banc Ed as a buyer are limited since Banc Ed prefers to use cash in acquisitions and potential targets within Banc Ed's market area prefer a share for share exchange resulting in a tax-free exchange;

the likelihood that acquisition opportunities for Banc Ed as a buyer are at prices that do not make sense for Banc Ed, or have clearly expressed a strong desire to remain independent for the foreseeable future;

the Banc Ed board of directors' review, based in part on presentations by Banc Ed's management and advisors and on the due diligence performed in connection with the transaction, of First Busey's business, financial condition, results of operations and management; the recent performance of First Busey's common stock on both a historical and prospective basis; the strategic fit between the parties; the potential synergies expected from the merger; and the business risks associated with the merger;

the expectation that the merger will provide holders of Banc Ed common stock with the opportunity to receive a substantial premium over recent valuations and trading prices for their shares, an actively traded stock on the Nasdaq Stock Market, immediate liquidity because of the cash portion of the consideration and that the exchange of First Busey common stock for Banc Ed common stock will be tax-free for federal income tax purposes;

the expected pro forma financial impact of the transaction, factoring anticipated cost savings and other factors, on both Banc Ed common stockholders and First Busey common stockholders;

the prospects for continuation of First Busey's regular quarterly dividend rate, which is currently \$0.20 per share of common stock, when compared to Banc Ed's regular quarterly dividend rate, which is currently \$1.10 per share of common stock. Based on the exchange ratio of 8.2067 and First Busey's regular quarterly dividend rate remains unchanged, the equivalent



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quarterly dividend to be paid to holders of Banc Ed common stock is \$1.64 per share;

the expectation that the historical liquidity of First Busey common stock will offer Banc Ed common stockholders the opportunity to participate in the growth and opportunities of First

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Busey by retaining their First Busey common stock following the merger, or to exit their investment, should they prefer to do so;

the Banc Ed board of directors' review with Banc Ed's legal advisors of the non-solicitation and termination provisions of the merger agreement, the flexibility of the Banc Ed board of directors to consider unsolicited proposals from other institutions after the execution of the merger agreement, and the \$11.52 million termination fee in favor of First Busey in the event the merger agreement is terminated under certain specified circumstances;

the opinion, dated August 21, 2018, to Banc Ed's board of directors of Sandler O' Neill, financial advisor to Banc Ed, to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler as set forth in its opinion, the per share merger consideration was fair to holders of Banc Ed common stock from a financial point of view, as more fully described under "Opinion of Banc Ed's financial advisor";

the similarity between Banc Ed's and First Busey's management philosophies, approaches and commitments to the communities, customers and stockholders they each serve and their respective employees;

the impact of the merger on depositors, customers and communities served by Banc Ed and the expectation that the combined entity will continue to provide quality service to the communities and customers currently served by Banc Ed; and

the effects of the merger on Banc Ed's employees, including the prospects for continued employment and the severance and other benefits agreed to be provided by First Busey.

The Banc Ed board of directors also considered potential risks relating to the merger, including but not limited to the following:

the need to obtain regulatory approvals to complete the merger;

the potential for diversion of management and employee attention, and for employee attrition, during the period prior to the completion of the merger and the potential effect on Banc Ed's business and relations with customers, service providers and other stakeholders, whether or not the merger is completed;

the merger agreement provisions generally requiring Banc Ed to conduct its business in the ordinary course and the other restrictions on the conduct of Banc Ed's business prior to completion of the merger, which may delay or prevent Banc Ed from undertaking business opportunities that may arise pending completion of the merger;

First Busey could experience a decrease in profitability or regulatory pressure that would force it to reduce its dividends from historical levels;

expected benefits and synergies sought in the merger, including cost savings and First Busey's ability to successfully market its financial products to Banc Ed's customers, may not be realized or may not be realized within the expected time period;

the challenges of integrating the businesses, operations and employees of Banc Ed and First Busey;

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certain provisions of the merger agreement prohibit Banc Ed from soliciting, and limit its ability to respond to, proposals for alternative transactions;

Banc Ed's obligation to pay to First Busey a termination fee of \$11.52 million if Banc Ed recommends or accepts an alternative acquisition proposal may deter others from proposing an alternative transaction that may be more advantageous to Banc Ed's common stockholders;

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the possible effects on Banc Ed should the parties fail to complete the merger, including the possible effects on Banc Ed's common stock and the associated business and opportunity costs;

that Banc Ed's directors and executive officers have interests in the merger that are different from or in addition to those of its common stockholders generally, as described in the section entitled "Interests of certain persons in the merger"; and

the other risks described in the section entitled "Risk Factors" beginning on page 18 and the risks of investing in First Busey common stock identified in the Risk Factors sections of First Busey's periodic reports filed with the SEC and incorporated by reference herein.

The foregoing discussion of the information and factors considered by the Banc Ed board of directors is not intended to be exhaustive, but includes the material factors considered by the Banc Ed board of directors. In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the Banc Ed board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The Banc Ed board of directors considered all these factors as a whole, including discussions with, and questioning of Banc Ed's management and Banc Ed's independent financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination.

**The board of directors of Banc Ed unanimously recommends that you vote "FOR" approval of the merger agreement and the transactions contemplated therein and "FOR" approval to adjourn the special meeting to permit further solicitation in the event that an insufficient number of votes are cast to approve the merger agreement and the transactions contemplated therein.** Banc Ed stockholders should be aware that Banc Ed's directors and executive officers have interests in the merger that are different from, or in addition to, those of other Banc Ed stockholders. The Banc Ed board of directors was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement, and in recommending that the merger proposal be approved by the stockholders of Banc Ed. See "The Merger Interests of certain persons in the merger."

This summary of the reasoning of Banc Ed's board of directors and other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading "Special Notes Concerning Forward-Looking Statements."

**Opinion of Banc Ed's financial advisor**

Banc Ed retained Sandler O'Neill to act as financial advisor to Banc Ed's board of directors in connection with Banc Ed's consideration of a possible business combination. Banc Ed selected Sandler O'Neill as its financial advisor because Sandler O'Neill is a nationally recognized investment banking firm whose principal business specialty is financial institutions. In the ordinary course of its investment banking business, Sandler O'Neill is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

Sandler O'Neill acted as financial advisor to Banc Ed in connection with the proposed merger and participated in certain of the negotiations leading to the execution of the merger agreement. At the August 21, 2018 meeting at which Banc Ed's board of directors considered the merger agreement, Sandler O'Neill delivered to the board its oral opinion, which was subsequently confirmed in writing on August 21, 2018, to the effect that, as of such date, the per share merger consideration was fair to the holders of Banc Ed common stock from a financial point of view. **The full text of Sandler O'Neill's opinion is attached as Appendix D to this proxy statement/prospectus. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O'Neill in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the full text of the opinion. Holders of Banc Ed**

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common stock are urged to read the entire opinion carefully in connection with their consideration of the proposed merger.

Sandler O'Neill's opinion speaks only as of the date of the opinion. The opinion was directed to Banc Ed's board of directors in connection with its consideration of the merger agreement and the merger and does not constitute a recommendation to any stockholder of Banc Ed as to how such stockholder should vote at any meeting of stockholders called to consider and vote upon the approval of the merger. Sandler O'Neill's opinion was directed only to the fairness, from a financial point of view, of the per share merger consideration to the holders of Banc Ed common stock and did not address the underlying business decision of Banc Ed to engage in the merger, the form or structure of the merger or the other transactions contemplated in the merger agreement, the relative merits of the merger as compared to any other alternative transactions or business strategies that might exist for Banc Ed or the effect of any other transaction in which Banc Ed might engage. Sandler O'Neill also did not express any opinion as to the amount of compensation to be received in the merger by any officer, director, or employee of Banc Ed or First Busey, or class of such persons, if any, relative to the amount of compensation to be received by any other stockholder. Sandler O'Neill's opinion was approved by Sandler O'Neill's fairness opinion committee.

In connection with its opinion, Sandler O'Neill reviewed and considered, among other things:

a draft of the merger agreement, dated August 21, 2018;

certain publicly available financial statements and other historical financial information of Banc Ed that Sandler O'Neill deemed relevant;

certain publicly available financial statements and other historical financial information of First Busey that Sandler O'Neill deemed relevant;

certain internal financial projections for Banc Ed for the years ending December 31, 2018 through December 31, 2022, as provided by the senior management of Banc Ed;

publicly available consensus mean analyst earnings per share estimates for First Busey for the years ending December 31, 2018 through December 31, 2020 and publicly available consensus mean analyst estimated long-term earnings per share growth rate for the years thereafter, as well as publicly available consensus mean analyst dividends per share for the years ending December 31, 2018 and December 31, 2019 and an estimated long-term dividend growth rate for the years thereafter;

the pro forma financial impact of the merger on First Busey based on certain assumptions relating to transaction expenses, purchase accounting adjustments and cost savings, as provided by the senior management of First Busey (which we refer to as the "Pro Forma Assumptions");

the publicly reported historical price and trading activity for First Busey common stock, including a comparison of certain stock market information for First Busey common stock and certain stock indices as well as publicly available information for certain other similar companies, the securities of which are publicly traded;

a comparison of certain financial information for Banc Ed and First Busey with similar financial institutions for which information is publicly available;

the financial terms of certain recent business combinations in the bank and thrift industry (on a regional and nationwide basis), to the extent publicly available;

the current market environment generally and the banking environment in particular; and

Such other information, financial studies, analyses and investigations and financial, economic and market criteria as Sandler O'Neill considered relevant.

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Sandler O'Neill also discussed with certain members of senior management of Banc Ed the business, financial condition, results of operations and prospects of Banc Ed and held similar discussions with certain members of senior management of First Busey and its representatives regarding the business, financial condition, results of operations and prospects of First Busey.

In performing its review, Sandler O'Neill relied upon the accuracy and completeness of all of the financial and other information that was available to and reviewed by Sandler O'Neill from public sources, that was provided to Sandler O'Neill by Banc Ed or First Busey or their respective representatives, or that was otherwise reviewed by Sandler O'Neill and Sandler O'Neill assumed such accuracy and completeness for purposes of rendering its opinion without any independent verification or investigation. Sandler O'Neill further relied on the assurances of the respective senior managements of Banc Ed and First Busey that they were not aware of any facts or circumstances that would make any of such information inaccurate or misleading. Sandler O'Neill was not asked to undertake, and did not undertake, an independent verification of any of such information and Sandler O'Neill did not assume any responsibility or liability for the accuracy or completeness thereof. Sandler O'Neill did not make an independent evaluation or perform an appraisal of the specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of Banc Ed or First Busey, or any of their respective subsidiaries, nor was Sandler O'Neill furnished with any such evaluations or appraisals. Sandler O'Neill rendered no opinion or evaluation on the collectability of any assets or the future performance of any loans of Banc Ed or First Busey. Sandler O'Neill did not make an independent evaluation of the adequacy of the allowance for loan losses of Banc Ed or First Busey, or the combined entity after the merger, and Sandler O'Neill did not review any individual credit files relating to Banc Ed or First Busey. Sandler O'Neill assumed, with Banc Ed's consent, that the respective allowances for loan losses for both Banc Ed and First Busey were adequate to cover such losses and would be adequate on a pro forma basis for the combined entity.

In preparing its analyses, Sandler O'Neill used certain internal financial projections for Banc Ed for the years ending December 31, 2018 through December 31, 2022, as provided by the senior management of Banc Ed. In addition, Sandler O'Neill used publicly available consensus mean analyst earnings per share estimates for First Busey for the years ending December 31, 2018 through December 31, 2020 and publicly available consensus mean analyst estimated long-term earnings per share growth rate for the years thereafter, as well as publicly available consensus mean analyst dividends per share for the years ending December 31, 2018 and December 31, 2019 and an estimated long-term dividend growth rate for the years thereafter. Sandler O'Neill also received and used in its pro forma analyses the Pro Forma Assumptions, as provided by the senior management of First Busey. With respect to the foregoing information, the respective senior managements of Banc Ed and First Busey confirmed to Sandler O'Neill that such information reflected (or, in the case of the publicly available consensus mean analyst estimates referred to above, were consistent with) the best currently available projections, estimates and judgments of those respective senior managements as to the future financial performance of Banc Ed and First Busey, respectively, and the other matters covered thereby, and Sandler O'Neill assumed that the future financial performance reflected in such information would be achieved. Sandler O'Neill expressed no opinion as to such information, or the assumptions on which such information was based. Sandler O'Neill also assumed that there had been no material change in the respective assets, financial condition, results of operations, business or prospects of Banc Ed or First Busey since the date of the most recent financial statements made available to Sandler O'Neill. Sandler O'Neill assumed in all respects material to Sandler O'Neill's analysis that Banc Ed and First Busey would remain as going concerns for all periods relevant to Sandler O'Neill's analysis.

Sandler O'Neill also assumed, with Banc Ed's consent, that (i) each of the parties to the merger agreement would comply in all material respects with all material terms and conditions of the merger agreement and all related agreements, that all of the representations and warranties contained in such agreements were true and correct in all material respects, that each of the parties to such agreements

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would perform in all material respects all of the covenants and other obligations required to be performed by such party under such agreements and that the conditions precedent in such agreements were not and would not be waived, (ii) in the course of obtaining the necessary regulatory or third party approvals, consents and releases with respect to the merger, no delay, limitation, restriction or condition would be imposed that would have an adverse effect on Banc Ed, First Busey or the merger or any related transactions, and (iii) the merger and any related transactions would be consummated in accordance with the terms of the merger agreement without any waiver, modification or amendment of any material term, condition or agreement thereof and in compliance with all applicable laws and other requirements. Finally, with Banc Ed's consent, Sandler O'Neill relied upon the advice that Banc Ed received from its legal, accounting and tax advisors as to all legal, accounting and tax matters relating to the merger and the other transactions contemplated by the merger agreement. Sandler O'Neill expressed no opinion as to any such matters.

Sandler O'Neill's opinion was necessarily based on financial, regulatory, economic, market and other conditions as in effect on, and the information made available to Sandler O'Neill as of the date thereof. Events occurring after the date thereof could materially affect Sandler O'Neill's opinion. Sandler O'Neill has not undertaken to update, revise, reaffirm or withdraw its opinion or otherwise comment upon events occurring after the date thereof. Sandler O'Neill expressed no opinion as to the trading value of First Busey common stock at any time or what the value of First Busey common stock would be once it is actually received by the holders of Banc Ed common stock.

In rendering its opinion, Sandler O'Neill performed a variety of financial analyses. The summary below is not a complete description of all the analyses underlying Sandler O'Neill's opinion or the presentation made by Sandler O'Neill to Banc Ed's board of directors, but is a summary of the material analyses performed and presented by Sandler O'Neill. The summary includes information presented in tabular format. **In order to fully understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses.** The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. The process, therefore, is not necessarily susceptible to a partial analysis or summary description. Sandler O'Neill believes that its analyses must be considered as a whole and that selecting portions of the factors and analyses to be considered without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, could create an incomplete view of the evaluation process underlying its opinion. Also, no company included in Sandler O'Neill's comparative analyses described below is identical to Banc Ed or First Busey and no transaction is identical to the merger. Accordingly, an analysis of comparable companies or transactions involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading values or merger transaction values, as the case may be, of Banc Ed and First Busey and the companies to which they were compared. In arriving at its opinion, Sandler O'Neill did not attribute any particular weight to any analysis or factor that it considered. Rather, Sandler O'Neill made qualitative judgments as to the significance and relevance of each analysis and factor. Sandler O'Neill did not form an opinion as to whether any individual analysis or factor (positive or negative) considered in isolation supported or failed to support its opinion, rather, Sandler O'Neill made its determination as to the fairness of the per share merger consideration to the holders of Banc Ed common stock on the basis of its experience and professional judgment after considering the results of all its analyses taken as a whole.

In performing its analyses, Sandler O'Neill also made numerous assumptions with respect to industry performance, business and economic conditions and various other matters, many of which cannot be predicted and are beyond the control of Banc Ed, First Busey, and Sandler O'Neill. The analyses performed by Sandler O'Neill are not necessarily indicative of actual values or future results,



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both of which may be significantly more or less favorable than suggested by such analyses. Sandler O'Neill prepared its analyses solely for purposes of rendering its opinion and provided such analyses to Banc Ed's board of directors at its August 21, 2018 meeting. Estimates on the values of companies do not purport to be appraisals or necessarily reflect the prices at which companies or their securities may actually be sold. Such estimates are inherently subject to uncertainty and actual values may be materially different. Accordingly, Sandler O'Neill's analyses do not necessarily reflect the value of Banc Ed common stock or First Busey common stock or the prices at which Banc Ed or First Busey common stock may be sold at any time. The analyses of Sandler O'Neill and its opinion were among a number of factors taken into consideration by Banc Ed's board of directors in making its determination to approve the merger agreement and the analyses described below should not be viewed as determinative of the decision of Banc Ed's board of directors with respect to the fairness of the merger.

*Summary of Proposed Merger Consideration and Implied Transaction Metrics.* Sandler O'Neill reviewed the financial terms of the proposed transaction. Sandler O'Neill calculated an implied purchase price per share of \$368.48, or an aggregate implied transaction value of approximately \$301.0 million consisting of the sum of (i) the implied value of 8.2067 shares of First Busey common stock based on the closing price of First Busey common stock on August 20, 2018 plus (ii) \$111.53. Based upon financial information for Banc Ed as of or for the most recent available completed quarter ("MRQ") ended June 30, 2018, and internal financial projections for Banc Ed for the years ending December 31, 2018 and December 31, 2019, as provided by the senior management of Banc Ed, Sandler O'Neill calculated the following implied transaction metrics:

Transaction Value / Last Twelve Month Earnings	23.0x
Transaction Value / Estimated 2018 Earnings(1)	19.0x
Transaction Value / Estimated 2019E Earnings(1)	20.4x
Transaction Value / June 30, 2018 Book Value	157%
Transaction Value / June 30, 2018 Tangible Book Value	162%
Transaction Value / Core Deposits (Excludes time deposits greater than \$100k)(2)	8.2%
Transaction Value / Core Deposits (Excludes time deposits greater than \$250k)(3)	7.5%

- (1) As provided by Banc Ed senior management
- (2) Core deposits defined as total deposits, less time deposit accounts with a balance of at least \$100,000
- (3) Core deposits defined as total deposits, less time deposit accounts with a balance of at least \$250,000

*Stock Trading History.* Sandler O'Neill reviewed the historical publicly reported trading price of First Busey common stock for the three-year period ended August 20, 2018. Sandler O'Neill then compared the relationship between the movements in the price of First Busey common stock to movements in First Busey's peer group (as described below) as well as certain stock indices.

**First Busey's Three-Year Stock Performance**

	Beginning Value August 20, 2015	Ending Value August 20, 2018
First Busey	100%	164.4%
NASDAQ Bank Index	100%	153.1%
First Busey Peer Group	100%	174.8%

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*Comparable Company Analyses.* Sandler O'Neill used publicly available information to compare selected financial information for Banc Ed with a group of financial institutions selected by Sandler O'Neill. Banc Ed peer group included 15 United States banks headquartered in the continental 48 states with securities publicly traded on major United States exchanges and assets between \$500 million and \$5.0 billion and Loan / Deposit Ratio Under 70%, but excluded targets of announced merger transactions, Meta Financial Group, Inc. and Live Oak Bancshares, Inc. (which we refer to as "Banc Ed Peer Group"). Banc Ed Peer Group consisted of the following companies:

Century Bancorp, Inc.	Bancorp, Inc.
Merchants Bancorp	Republic First Bancorp, Inc.
MidSouth Bancorp, Inc.	Ames National Corporation
MBT Financial Corp.	National Bankshares, Inc.
Oak Valley Bancorp	Landmark Bancorp, Inc.
Citizens Holding Company	Auburn National Bancorporation, Inc.
First Capital, Inc.	American River Bankshares
First US Bancshares, Inc.	

The analysis compared publicly available financial information for Banc Ed with corresponding data for Banc Ed Peer Group as of or for the twelve months ended June 30, 2018 (unless otherwise indicated), with pricing data as of August 20, 2018. The table below sets forth the data for Banc Ed and the high, low, mean, and median data for Banc Ed Peer Group.

**Banc Ed Comparable Company Analysis**

	Banc Ed	Banc Ed Peer Group High	Banc Ed Peer Group Low	Banc Ed Peer Group Mean	Banc Ed Peer Group Median
Total Assets (\$ millions)	1,853	4,898	634	1,813	1,267
Loans / Deposits	56.6%	69.5%	39.7%	60.6%	61.7%
Non-Performing Assets(1) / Total Assets	0.14%	4.03%	0.03%	0.65%	0.42%
Tangible Common Equity / Tangible Assets	10.1%	14.3%	5.6%	9.3%	9.0%
Tier 1 Risk Based Capital Ratio	17.5%	23.0%	10.6%	16.1%	16.6%
Total Risk Based Capital Ratio	18.6%	23.9%	11.4%	17.0%	17.6%
YTD Return on Average Assets	0.85%	1.74%	(0.03)%	0.89%	1.03%
YTD Return on Average Tangible Common Equity	8.3%	17.6%	(1.8)%	9.8%	10.6%
YTD Net Interest Margin	2.59%	5.23%	2.18%	3.38%	3.30%
YTD Efficiency Ratio	70.7%	86.1%	34.1%	65.5%	65.1%
Stock Price / Tangible Book Value		221%	91%	170%	179%
Stock Price / YTD Annualized Earnings Per Share		22.4x	12.3x	15.9x	15.4x
Stock Price / Mean Consensus Analyst 2018E Earnings Per Share		37.1x	12.5x	18.6x	15.8x
Stock Price / Mean Consensus Analyst 2019E Earnings Per Share		28.9x	11.1x	16.7x	15.8x
Current Dividend Yield		4.1%	0.0%	1.7%	1.3%
Market Capitalization (\$ millions)		761	69	278	250

(1) Excluded restructured loans.

Sandler O'Neill used publicly available information to perform a similar analysis for First Busey by comparing selected financial information for First Busey with a group of financial institutions selected

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by Sandler O'Neill. The First Busey peer group included 12 United States banks with securities publicly traded on major United States exchanges and assets between \$4.0 billion and \$10.0 billion (which we refer to as the "First Busey Peer Group"). The First Busey Peer Group consisted of the following companies:

First Merchants Corporation	Park National Corporation
1st Source Corporation	Midland States Bancorp, Inc.
Enterprise Financial Services Corp	Republic Bancorp, Inc.
Byline Bancorp, Inc.	Lakeland Financial Corporation.
Great Southern Bancorp, Inc.	Community Trust Bancorp, Inc.
QCR Holdings, Inc.	Horizon Bancorp, Inc.

The analysis compared publicly available financial information for First Busey with corresponding data for the First Busey Peer Group as of or for the twelve months ended June 30, 2018 (unless otherwise indicated), with pricing data as of August 20, 2018. The table below sets forth the data for First Busey and the high, low, mean, and median data for the First Busey Peer Group. Certain financial data prepared by Sandler O'Neill, as referenced in the table presented below, may not correspond to the data presented in First Busey's historical financial statements, as a result of the different periods, assumptions and methods used by Sander O'Neill to compute the financial data presented.

**First Busey Comparable Company Analysis**

	First Busey	First Busey Peer Group High	First Busey Peer Group Low	First Busey Peer Group Mean	First Busey Peer Group Median
Total Assets (\$ millions)	7,776	9,735	4,077	5,546	5,036
Loans / Deposits	90.1%	120.8%	88.4%	98.6%	96.4%
Non-Performing Assets(1) / Total Assets	0.37%	1.16%	0.27%	0.55%	0.48%
Tangible Common Equity / Tangible Assets	8.7%	12.3%	7.0%	9.6%	9.4%
Tier 1 Risk Based Capital Ratio	12.4%	17.7%	9.8%	12.6%	12.4%
Total Risk Based Capital Ratio	14.4%	18.8%	11.2%	14.0%	13.8%
YTD Return on Average Assets	1.22%	1.60%	0.48%	1.20%	1.35%
YTD Return on Average Tangible Common Equity	15.5%	19.8%	6.9%	12.8%	11.8%
YTD Net Interest Margin	3.49%	4.85%	3.36%	3.86%	3.77%
YTD Efficiency Ratio	54.2%	66.0%	44.1%	56.4%	57.3%
Stock Price / Tangible Book Value	234%	296%	161%	221%	219%
Stock Price / YTD Annualized Earnings Per Share	16.5x	32.1x	14.7x	19.0x	17.1x
Stock Price / Mean Consensus Analyst 2018E Earnings Per Share	15.2x	22.5x	14.2x	16.1x	15.3x
Stock Price / Mean Consensus Analyst 2019E Earnings Per Share	13.6x	15.9x	11.5x	14.1x	14.4x
Current Dividend Yield	2.6%	3.5%	0.0%	1.8%	1.9%
Market Capitalization (\$ millions)	1,527	2,414	694	1,178	966

(1) Excluded restructured loans.

*Analysis of Precedent Transactions.* Sandler O'Neill reviewed a group of merger and acquisition transactions consisting of bank and thrift transactions where targets were headquartered in the Midwest region, announced between November 9, 2016 and August 20, 2018 with target company assets greater

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than \$150 million and Target Loan / Deposit Ratio Less than 70% and excluded Investor Group/Bank Management, Inc. (which we refer to as the "Regional Precedent Transactions"). Sandler O'Neill also reviewed a national group of merger and acquisition transactions consisting of bank and thrift transactions announced between November 9, 2016 and August 20, 2018 with target company assets greater than \$250 million and Target Loan / Deposit Ratio Less than 70% (which we refer to as the "Nationwide Precedent Transactions").

The Regional Precedent Transactions group was composed of the following transactions:

<b>Acquiror</b>	<b>Target</b>
NorthWest Indiana Bancorp	AJS Bancorp Inc.
Old National Bancorp	Klein Financial Inc.
Civista Bancshares Inc.	United Community Bancorp
CNB Bank Shares Inc	Jacksonville Bancorp
Mackinac Financial Corp	First Fed of Northern MI Bancorp
Equity Bancshares Inc.	Kansas Bank Corp.

Using the latest publicly available information prior to the announcement of the relevant transaction, Sandler O'Neill reviewed the following transaction metrics: transaction price to last-twelve-months earnings per share, transaction price to book value per share, transaction price to tangible book value per share and core deposit premium (to the extent publicly available). Sandler O'Neill compared the indicated transaction metrics for the merger to the high, low, mean and median metrics of the Regional Precedent Transactions.

	<b>First Busey / Banc Ed(1)</b>	<b>Regional Precedent Transactions High</b>	<b>Regional Precedent Transactions Low</b>	<b>Regional Precedent Transactions Mean</b>	<b>Regional Precedent Transactions Median</b>
Transaction value / Last twelve month earnings per share	23.0x	34.0x	15.5x	22.4x	20.2x
Transaction value / Book value per share	157%	204%	109%	145%	136%
Transaction value / Tangible book value per share	162%	236%	109%	152%	138%
Core deposit premium	8.2%	14.9%	2.0%	7.5%	6.3%

- (1) Based on 8.2067x exchange ratio and cash per share of \$111.53, and First Busey share price of \$31.31 as of August 20, 2018 and 816,852 shares of Banc Ed common stock outstanding.

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The Nationwide Precedent Transactions group was composed of the following transactions:

<b>Acquiror</b>	<b>Target</b>
Spirit of Texas Bancshares Inc	Comanche National Corp.
Old National Bancorp	Klein Financial Inc.
Bus. First Bancshares Inc.	Richland State Bancorp Inc.
Triumph Bancorp Inc.	First Bancorp of Durango Inc.
Civista Bancshares Inc.	United Community Bancorp
CNB Bank Shares Inc	Jacksonville Bancorp
Mackinac Financial Corp	First Fed of Northern MI Bancorp
Equity Bancshares Inc.	Kansas Bank Corp.
FFP Group Inc.	Raton Capital Corp.
CB Financial Services Inc.	First WV Bancorp Inc.
CenterState Bank Corp.	HCBF Holding Co.
Triumph Bancorp Inc.	Valley Bancorp Inc.
First Foundation Inc.	Community 1st Bancorp
Mid Penn Bancorp Inc.	Scottsdale Bank & Trust Company
Simmons First National Corp.	Hardeman County Investment Co.

Using the latest publicly available information prior to the announcement of the relevant transaction, Sandler O'Neill reviewed the following transaction metrics: transaction price to last-twelve-months earnings per share, transaction price to book value per share, transaction price to tangible book value per share and core deposit premium (to the extent publicly available). Sandler O'Neill compared the indicated transaction metrics for the merger to the high, low, mean and median metrics of the Nationwide Precedent Transactions.

	<b>First Busey / Banc Ed(1)</b>	<b>Nationwide Precedent Transactions High</b>	<b>Nationwide Precedent Transactions Low</b>	<b>Nationwide Precedent Transactions Mean</b>	<b>Nationwide Precedent Transactions Median</b>
Transaction value / Last twelve month earnings per share	23.0x	36.4x	14.5x	23.5x	20.1x
Transaction value / Book value per share	157%	204%	115%	157%	148%
Transaction value / Tangible book value per share	162%	236%	118%	167%	158%
Core deposit premium	8.2%	14.9%	2.9%	8.6%	7.3%

(1) Based on 8.2067x exchange ratio and cash per share of \$111.53, and First Busey share price of \$31.31 as of August 20, 2018 and 816,852 shares of Banc Ed common stock outstanding.

*Net Present Value Analyses.* Sandler O'Neill performed an analysis that estimated the net present value per share of Banc Ed common stock, assuming Banc Ed performed in accordance with internal financial projections for Banc Ed for the years ending December 31, 2018 through December 31, 2022, as provided by the senior management of Banc Ed. To approximate the terminal value of a share of Banc Ed common stock at December 31, 2022, Sandler O'Neill applied price to 2022 earnings multiples ranging from 12.0x to 17.0x and multiples of December 31, 2022 tangible book value ranging from 130% to 180%. The terminal values were then discounted to present values using different discount rates ranging from 10.0% to 16.0%, which were chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of Banc Ed common stock. As illustrated in the following tables, the analysis indicated an imputed range of values per share of Banc Ed common stock of \$170.72 to \$295.18 when applying multiples of earnings per share and \$215.97 to \$368.55 when applying multiples of tangible book value per share.

Table of Contents**Imputed Present Values per Share Based on Earnings Multiples:**

Discount Rate	12.0x	13.0x	14.0x	15.0x	16.0x	17.0x
10.0%	\$ 214.69	\$ 230.78	\$ 246.88	\$ 262.98	\$ 279.08	\$ 295.18
11.0%	206.45	221.90	237.36	252.82	268.27	283.73
12.0%	198.60	213.45	228.29	243.14	257.98	272.83
13.0%	191.12	205.39	219.65	233.91	248.18	262.44
14.0%	184.00	197.71	211.42	225.12	238.83	252.54
15.0%	177.21	190.39	203.57	216.75	229.93	243.11
16.0%	170.72	183.40	196.08	208.75	221.43	234.11

**Imputed Present Values per Share Based on Tangible Book Multiples**

Discount Rate	130%	140%	150%	160%	170%	180%
10.0%	\$ 272.15	\$ 291.43	\$ 310.71	\$ 329.99	\$ 349.27	\$ 368.55
11.0%	261.61	280.13	298.64	317.15	335.66	354.17
12.0%	251.59	269.36	287.14	304.92	322.70	340.48
13.0%	242.03	259.11	276.20	293.28	310.36	327.44
14.0%	232.93	249.35	265.76	282.18	298.60	315.02
15.0%	224.25	240.03	255.82	271.60	287.39	303.17
16.0%	215.97	231.15	246.33	261.52	276.70	291.88

Sandler O'Neill also considered and discussed with the Banc Ed board of directors how this analysis would be affected by changes in the underlying assumptions, including variations with respect to earnings. To illustrate this impact, Sandler O'Neill performed a similar analysis, assuming Banc Ed's earnings varied from 15% above projections to 15% below projections. This analysis resulted in the following range of per share values for Banc Ed common stock, applying the price to 2022 earnings multiples range of 12.0x to 17.0x referred to above and a discount rate of 12.68%.

**Imputed Present Values per Share Based on Earnings Multiples**

Annual Estimate Variance	12.0x	13.0x	14.0x	15.0x	16.0x	17.0x
(15.0)%	\$ 167.47	\$ 179.75	\$ 192.03	\$ 204.31	\$ 216.59	\$ 228.87
(10.0)%	176.14	189.14	202.15	215.15	228.15	241.15
(5.0)%	184.81	198.53	212.26	225.98	239.71	253.43
0.0%	193.48	207.92	222.37	236.82	251.26	265.71
5.0%	202.15	217.31	232.48	247.65	262.82	277.99
10.0%	210.81	226.70	242.59	258.49	274.38	290.27
15.0%	219.48	236.09	252.71	269.32	285.93	302.55

Sandler O'Neill also performed an analysis that estimated the net present value per share of First Busey common stock, assuming that First Busey performed in accordance with publicly available consensus mean analyst earnings per share estimates for First Busey for the years ending December 31, 2018 through December 31, 2020 and publicly available consensus mean analyst estimated long-term earnings per share growth rate for the years thereafter, as well as publicly available consensus mean analyst dividends per share for the years ending December 31, 2018 and December 31, 2019 and an estimated long-term dividend growth rate for the years thereafter. To approximate the terminal value of a share of First Busey common stock at December 31, 2022, Sandler O'Neill applied price to 2022 earnings multiples ranging from 13.0x to 18.0x and multiples of December 31, 2022 tangible book value ranging from 180% to 255%. The terminal values were then discounted to present values using different discount rates ranging from 8.0% to 14.0%, which were chosen to reflect different

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assumptions regarding required rates of return of holders or prospective buyers of First Busey common stock. As illustrated in the following tables, the analysis indicated an imputed range of values per share of First Busey common stock of \$22.86 to \$38.63 when applying multiples of earnings per share and \$23.99 to \$41.46 when applying multiples of tangible book value per share.

**Imputed Present Values per Share Based on Earnings Multiples:**

Discount Rate	13.0x	14.0x	15.0x	16.0x	17.0x	18.0x
8.0%	\$ 28.81	\$ 30.77	\$ 32.74	\$ 34.70	\$ 36.66	\$ 38.63
9.0%	27.69	29.58	31.46	33.34	35.23	37.11
10.0%	26.63	28.44	30.25	32.05	33.86	35.67
11.0%	25.62	27.35	29.09	30.83	32.56	34.30
12.0%	24.66	26.32	27.99	29.66	31.32	32.99
13.0%	23.74	25.34	26.94	28.54	30.14	31.74
14.0%	22.86	24.40	25.94	27.48	29.02	30.56

**Imputed Present Values per Share Based on Tangible Book Multiples**

Discount Rate	180%	195%	210%	225%	240%	255%
8.0%	\$ 30.24	\$ 32.48	\$ 34.73	\$ 36.97	\$ 39.21	\$ 41.46
9.0%	29.07	31.22	33.37	35.52	37.67	39.83
10.0%	27.95	30.01	32.08	34.14	36.21	38.27
11.0%	26.88	28.87	30.85	32.83	34.82	36.80
12.0%	25.87	27.78	29.68	31.58	33.49	35.39
13.0%	24.91	26.74	28.57	30.40	32.23	34.05
14.0%	23.99	25.74	27.50	29.26	31.02	32.78

Sandler O'Neill also considered and discussed with Banc Ed board of directors how this analysis would be affected by changes in the underlying assumptions, including variations with respect to earnings. To illustrate this impact, Sandler O'Neill performed a similar analysis assuming First Busey's earnings varied from 15% above estimates to 15% below estimates. This analysis resulted in the following range of per share values for First Busey common stock, applying the price to 2022 earnings multiples range of 13.0x to 18.0x referred to above and a discount rate of 10.51%.

**Imputed Present Values per Share Based on Earnings Multiples:**

Annual Estimate Variance	13.0x	14.0x	15.0x	16.0x	17.0x	18.0x
(15.0)%	\$ 22.66	\$ 24.17	\$ 25.67	\$ 27.18	\$ 28.68	\$ 30.19
(10.0)%	23.81	25.41	27.00	28.59	30.19	31.78
(5.0)%	24.96	26.65	28.33	30.01	31.69	33.37
0.0%	26.11	27.88	29.66	31.43	33.20	34.97
5.0%	27.27	29.12	30.98	32.84	34.70	36.56
10.0%	28.42	30.36	32.31	34.26	36.21	38.15
15.0%	29.57	31.60	33.64	35.67	37.71	39.75

Sandler O'Neill noted that the net present value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results.

*Pro Forma Merger Analysis.* Sandler O'Neill analyzed certain potential pro forma effects of the merger, assuming the merger closes at the end of the fourth calendar quarter of 2018. Sandler O'Neill

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utilized the following information and assumptions: (i) publicly available mean consensus analyst earnings per share estimates for First Busey for the years ending December 31, 2018 through December 31, 2020 and publicly available consensus mean analyst estimated long-term earnings per share growth rate for the years thereafter, as well as publicly available consensus mean analyst dividends per share for the years ending December 31, 2018 and December 31, 2019 and an estimated long-term dividend growth rate for the years thereafter; (ii) internal earnings per share projections for Banc Ed for the years ending December 31, 2018 through December 31, 2023, as provided by the senior management of Banc Ed and adjusted by First Busey and FIG based on the results of due diligence (See "Prospective financial information of Banc ED") and (iii) certain assumptions relating to transaction expenses, purchase accounting adjustments and cost savings, as provided by First Busey senior management. The analysis indicated that the merger could be dilutive to First Busey's estimated earnings per share (excluding one-time transaction costs and expenses) in the years ending December 31, 2019 and accretive from December 31, 2020 through December 31, 2023 and dilutive to First Busey's estimated tangible book value per share at close and at December 31, 2019 & December 31, 2020 and accretive to First Busey's estimated tangible book value per share at December 31, 2021 through December 31, 2023.

In connection with this analysis, Sandler O'Neill considered and discussed with Banc Ed board of directors how the analysis would be affected by changes in the underlying assumptions, including the impact of final purchase accounting adjustments determined at the closing of the merger, and noted that the actual results achieved by the combined company may vary from projected results and the variations may be material.

*Sandler O'Neill's Relationship.* Sandler O'Neill is acting as Banc Ed's financial advisor in connection with the merger and will receive a fee for such services, which fee is contingent upon the closing of the merger. At the time of announcement of the merger, Sandler O'Neill's fee was approximately \$3.0 million. Sandler O'Neill also received a \$450 thousand fee from Banc Ed for rendering its opinion, which opinion fee will be credited in full towards the transaction fee becoming payable to Sandler O'Neill upon closing of the merger. Banc Ed has also agreed to indemnify Sandler O'Neill against certain claims and liabilities arising out of Sandler O'Neill's engagement and to reimburse Sandler O'Neill for certain of its out-of-pocket expenses incurred in connection with Sandler O'Neill's engagement.

Sandler O'Neill did not provide any other investment banking services to Banc Ed in the two years preceding the date of its opinion. In the two years preceding the date of Sandler O'Neill's opinion, Sandler O'Neill provided certain investment banking services to First Busey. Most recently, Sandler O'Neill acted as financial advisor to First Busey in connection with the sale of First Busey Home Mortgage Offices, which transaction closed in December 2017, and the acquisition of Mid Illinois Bancorp, Inc., which transaction closed in October 2017, as well as joint bookrunner in connection with First Busey's offer and sale of debt securities, which transactions closed in May 2017. In the ordinary course of Sandler O'Neill's business as a broker-dealer, Sandler O'Neill may purchase securities from and sell securities to Banc Ed, First Busey and their respective affiliates. Sandler O'Neill may also actively trade the equity and debt securities of First Busey and its affiliates for Sandler O'Neill's own account and for the accounts of Sandler O'Neill's customers.

**Prospective financial information of Banc Ed**

Banc Ed does not as a matter of course make public projections as to future sales, earnings, or other results. However, the management of Banc Ed has prepared the prospective financial information set forth in this proxy statement/prospectus to present certain unaudited prospective financial information regarding Banc Ed's future operations for the years 2018 - 2023 (which we refer to in this proxy statement/prospectus as the "Banc Ed projections"). The accompanying prospective financial information was not prepared with a view toward public disclosure or with a view toward complying



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with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the Banc Ed's management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of Banc Ed. However, this information is not fact and should not be relied upon as being necessarily indicative of actual future results, and readers of this proxy statement/prospectus are cautioned not to place undue reliance on the prospective financial information.

Neither Banc Ed's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

The Banc Ed projections, which were prepared by management of Banc Ed, were prepared solely for internal use and are subjective in many respects. The Banc Ed projections reflect numerous estimates and assumptions made with respect to business, economic, market, competition, regulatory and financial conditions and matters specific to the business of Banc Ed, all of which are difficult to predict and many of which are beyond the control of Banc Ed. The Banc Ed projections reflect assumptions as to certain business decisions that are subject to change and, in many respects, subjective judgment, and thus are susceptible to multiple interpretations and periodic revisions based on actual experience and business developments. Banc Ed can give no assurance that the Banc Ed projections and the underlying estimates and assumptions will be realized. In addition, because the Banc Ed projections cover multiple years, the information by its nature becomes less predictive with each successive year. Actual results may differ materially from those set forth below, and important factors that may affect actual results and cause the Banc Ed projections not to be realized include, but are not limited to, risks and uncertainties relating to the business of Banc Ed, industry performance, general business and economic conditions, customer requirements, competition and adverse changes in applicable laws, regulations or policies. Other factors that could cause actual results to differ are further described in the sections of this proxy statement/prospectus entitled "Risk Factors" and "Special Notes Concerning Forward-Looking Statements."

Furthermore, the Banc Ed projections do not take into account any circumstances or events occurring after the date they were prepared, or June 30, 2018. Banc Ed can give no assurance that, had the Banc Ed projections been prepared as of the date of this proxy statement/prospectus, similar estimates and assumptions would be used. Neither First Busey nor Banc Ed intend to, and each disclaims any obligation to, make publicly available any update or other revision to the Banc Ed projections to reflect circumstances existing since their preparation or to reflect the occurrence of unanticipated events, even in the event that any or all of the underlying assumptions are shown to be in error, or to reflect changes in general economic or industry conditions. The Banc Ed projections do not give effect to the impact of negotiating or executing the merger agreement, the expenses that may be incurred in connection with consummating the merger, the effect of any business or strategic decision or action that has been or will be taken as a result of the merger agreement having been executed, or the effect on Banc Ed of any business or strategic decisions or actions that would likely have been taken if the merger agreement had not been executed, but which were instead altered, accelerated, postponed or not taken in anticipation of the merger. Further, the Banc Ed projections do not take into account the effect of any possible failure of the merger to occur. None of Banc Ed, First Busey or their respective affiliates, officers, directors, advisors or other representatives has made, makes or is authorized in the future to make any representation to any stockholder of Banc Ed or First Busey, or any other person, regarding First Busey's actual performance compared to the information contained in the Banc Ed projections or that projected results will be achieved.

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In light of the foregoing, and considering that the Banc Ed special meeting will be held several months after the Banc Ed projections were prepared, as well as the uncertainties inherent in any forecasted information, stockholders of Banc Ed are cautioned not to place unwarranted reliance on such information in connection with their consideration of the merger.

Sandler O'Neill's pro forma analysis was based in part on the internal projections of Banc Ed, as adjusted by First Busey and FIG based on the results of due diligence, for net income (in thousands) of \$15,794, \$13,995, \$16,128, \$18,459, \$19,956 and \$21,260 for the years 2018, 2019, 2020, 2021, 2022 and 2023, respectively.

**First Busey's reasons for the merger**

First Busey's board of directors believes that the merger is in the best interests of First Busey and its stockholders. In deciding to approve the merger, First Busey's board of directors after consulting with its management as well as its legal and financial advisors, considered a number of factors, including the following, which are not presented in order of priority:

management's view that the acquisition of Banc Ed provides an attractive opportunity to enhance First Busey's existing deposit, commercial banking and trust and investment presence in the greater St. Louis area;

Banc Ed's complementary relationship-oriented community banking model, and its compatibility with First Busey and its subsidiaries;

a review of the demographic, economic and financial characteristics of the markets in which Banc Ed operates, including existing and potential competition and history of the market areas with respect to financial institutions;

management's review of Banc Ed's business, operations, earnings and financial condition, including its management, capital levels and strong asset quality;

anticipated efficiencies to come from integrating certain of Banc Ed's operations into First Busey's existing operations in the greater St. Louis area;

its review and discussions with First Busey's management and Barack Ferrazzano, First Busey's legal counsel, concerning the due diligence investigation of Banc Ed;

management's expectation that First Busey will retain its strong capital position upon completion of the transaction;

the opportunity to build a greater recognition and awareness of the First Busey brand;

the financial presentation, dated August 21, 2018, of FIG, First Busey's financial advisor, to the First Busey board of directors;

the terms of the merger agreement, including the expected tax treatment and termination fee provisions, which it reviewed with First Busey's outside legal and financial advisors;

the potential risk of diverting management attention and resources from the operation of First Busey's business and towards the completion of the merger;

the potential risks associated with achieving anticipated cost synergies and savings and successfully integrating Banc Ed's business, operations and workforce with those of First Busey; and

the likelihood that the merger will be approved by the relevant bank regulatory authorities without undue burden and in a timely manner.

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The above discussion of the information and factors considered by First Busey's board of directors is not intended to be exhaustive, but includes a description of material factors considered by First Busey's board. In view of the wide variety of factors considered by the First Busey board of directors in connection with its evaluation of the merger, the First Busey board did not consider it practical to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered. In considering the factors described above, individual directors may have given differing weights to different factors. First Busey's board of directors collectively made its determination with respect to the merger based on the conclusion reached by its members, based on the factors that each of them considered appropriate, that the merger is in the best interests of First Busey's stockholders.

**Accounting treatment of the merger**

For accounting and financial reporting purposes, the merger will be accounted for under the acquisition method of accounting for business combinations in accordance with GAAP. Under the acquisition method of accounting, the assets (including identifiable intangible assets) and liabilities (including executory contracts and other commitments) of Banc Ed as of the effective time of the merger will be recorded at their respective fair values and added to those of First Busey. Any excess of purchase price over the fair values is recorded as goodwill. Consolidated financial statements of First Busey issued after the merger will reflect these fair values and will not be restated retroactively to reflect the historical consolidated financial position or results of operations of Banc Ed.

**Material U.S. federal income tax consequences of the merger**

The following summary describes the material U.S. federal income tax consequences of the merger to U.S. holders (as defined below) of Banc Ed common stock. The summary is based upon the Internal Revenue Code, applicable Treasury Regulations, judicial decisions and administrative rulings and practice, all as in effect as of the date hereof, and all of which are subject to change, possibly with retroactive effect. This summary does not address any tax consequences of the merger under state, local or foreign laws, or any federal laws other than those pertaining to income tax.

For purposes of this discussion, the term "U.S. holder" means a beneficial owner that is: an individual citizen or resident of the United States; a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States or any of its political subdivisions; a trust that (i) is subject to the supervision of a court within the United States and the control of one or more U.S. persons or (ii) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person; or an estate that is subject to U.S. federal income taxation on its income regardless of its source.

This discussion addresses only those U.S. holders of Banc Ed common stock that hold their Banc Ed common stock as a capital asset within the meaning of Section 1221 of the Internal Revenue Code and does not address all the U.S. federal income tax consequences that may be relevant to particular holders of Banc Ed common stock in light of their individual circumstances or to holders of Banc Ed common stock that are subject to special rules, such as non-U.S. holders (as defined below) (except to the extent discussed under the subheading "Tax Implications to Non-U.S. Stockholders" below); financial institutions; investors in pass-through entities; persons who are subject to alternative minimum tax; insurance companies; mutual funds; tax-exempt organizations; brokers or dealers in securities or currencies; traders in securities that elect to use a mark-to-market method of accounting; persons that hold Banc Ed common stock as part of a straddle, hedge, constructive sale or conversion or other integrated transaction; regulated investment companies; real estate investment trusts; persons whose "functional currency" is not the U.S. dollar; and holders who acquired their shares of Banc Ed common stock through the exercise of an employee stock option or otherwise as compensation.

If a partnership (or other entity that is taxed as a partnership for federal income tax purposes) holds Banc Ed common stock, the tax treatment of a partner in that partnership generally will depend upon the status of the partner and the activities of the partnership. Partnerships and partners in partnerships should consult their own tax advisors about the tax consequences of the merger to them.

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The parties intend for the merger to be treated as a "reorganization" for U.S. federal income tax purposes. Each of Barack Ferrazzano and Howard & Howard have delivered opinions, dated October 4, 2018, and filed as exhibits to the registration statement of which this proxy statement/prospectus is a part, to the effect that (i) the merger will constitute a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code, (ii) Banc Ed and First Busey will each be a party to such reorganization within the meaning of Section 368(b) of the Internal Revenue Code, and (iii) no gain or loss will be recognized to Banc Ed's stockholders upon receipt of First Busey common stock in exchange for their shares of Banc Ed common stock, except to the extent of any cash consideration received and any cash received in lieu of fractional shares. Additionally, it is a condition to Banc Ed's obligation to complete the merger that Banc Ed receive an opinion from Howard & Howard, dated the closing date of the merger, and it is a condition to First Busey's obligation to complete the merger that First Busey receive an opinion from Barack Ferrazzano, dated the closing date of the merger, each to the same effect as the opinions described in the preceding sentence. These conditions are waivable, and First Busey and Banc Ed undertake to recirculate and resolicit if either of these conditions is waived and the change in tax consequences is material. These opinions are and will be based upon representation letters provided by First Busey and Banc Ed and upon customary factual assumptions. Neither First Busey nor Banc Ed has sought, and neither of them will seek, any ruling from the Internal Revenue Service regarding any matters relating to the merger, and the opinions described above will not be binding on the Internal Revenue Service or any court. Consequently, there can be no assurance that the Internal Revenue Service will not assert, or that a court would not sustain, a position contrary to any of the conclusions set forth below. In addition, if any of the representations or assumptions upon which the opinions are based are inconsistent with the actual facts, the U.S. federal income tax consequences of the merger could be adversely affected.

The actual tax consequences of the merger to you may be complex and will depend upon your specific situation and upon factors that are not within the control of First Busey or Banc Ed. You should consult with your own tax advisor as to the tax consequences of the merger in light of your particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local or foreign and other tax laws.

*Tax Consequences of the Merger.* Based upon the facts and representations contained in the representation letters received from Banc Ed and First Busey in connection with the filing of the registration statement on Form S-4 of which this proxy statement/prospectus forms a part, it is the opinion of Barack Ferrazzano and Howard & Howard that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, and accordingly, the material U.S. federal income tax consequences of the merger to U.S. holders will be as follows:

No gain or loss will be recognized by First Busey or Banc Ed as a result of the merger.

Gain (but not loss) will be recognized by U.S. holders of Banc Ed common stock who receive shares of First Busey common stock and cash in exchange for shares of Banc Ed common stock pursuant to the merger, in an amount equal to the lesser of (i) the excess, if any, of the amount of cash plus the fair market value of any First Busey common stock received in the merger, over such U.S. holder's adjusted tax basis in the shares of Banc Ed common stock surrendered by such U.S. holder in the merger and (ii) the amount of cash received by such U.S. holder in the merger (other than cash received in lieu of fractional shares of First Busey common stock, which is discussed below under "Cash in Lieu of Fractional Shares of First Busey Common Stock.").

Generally, a U.S. holder's aggregate tax basis in the First Busey common stock received by such U.S. holder in the merger in exchange for its Banc Ed common stock, including any fractional shares deemed received by the U.S. holder under the treatment discussed below in "Cash in Lieu of Fractional Shares of First Busey Common Stock," will equal such U.S. holder's aggregate tax basis in the Banc Ed common stock surrendered in the merger, increased by the

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amount of taxable gain or dividend income (see below), if any, recognized by such U.S. holder in the merger (other than with respect to cash received in lieu of fractional shares of First Busey common stock), and decreased by the amount of cash, if any, received by such U.S. holder in the merger (other than cash received in lieu of fractional shares of First Busey common stock).

The holding period for the shares of First Busey common stock received in the merger, including any fractional shares deemed received by the U.S. holder under the treatment discussed below in " Cash in Lieu of Fractional Shares of First Busey Common Stock," generally will include the holding period for the shares of Banc Ed common stock exchanged therefor.

For purposes of calculating the gain recognized by U.S. holders of Banc Ed common stock who receive shares of First Busey common stock and cash in exchange for shares of Banc Ed common stock pursuant to the merger, the fair market value of First Busey common stock is based on the trading price of that stock on the date of the merger, rather than the methodology used in calculating the number of shares of First Busey common stock to be issued to the stockholder. In the case of any U.S. holder who acquired different blocks of Banc Ed common stock at different times and at different prices, any realized gain or loss will be determined separately for each identifiable block of shares exchanged in the merger. A loss realized on the exchange of one block of shares cannot be used to offset a gain realized on the exchange of another block of shares, but a U.S. holder will generally be able to reduce its capital gains by capital losses in determining its income tax liability. Such U.S. holder should consult its tax advisor prior to the exchange with regard to identifying the basis or holding periods of the particular shares of First Busey common stock received in the merger.

Any capital gain generally will be long-term capital gain if the U.S. holder held the shares of Banc Ed common stock for more than one year at the effective time of the merger. The deductibility of capital losses is subject to limitations. All or part of the gain that a particular U.S. holder of Banc Ed common stock recognizes could be treated as dividend income rather than capital gain if (i) such U.S. holder is a significant stockholder of First Busey or (ii) such U.S. holder's percentage ownership, taking into account constructive ownership rules, in First Busey after the merger is not meaningfully reduced from what its percentage ownership would have been if it had received solely shares of First Busey common stock rather than a combination of cash and shares of First Busey common stock in the merger. This could happen, for example, because of ownership of additional shares of First Busey common stock by such holder, ownership of shares of First Busey common stock by a person related to such holder or a share repurchase by First Busey from other holders of First Busey common stock. These rules are complex and dependent upon the specific factual circumstances particular to each U.S. holder. Consequently, each U.S. holder that may be subject to those rules should consult its tax advisor as to the application of these rules to the particular facts relevant to such U.S. holder.

*Cash in Lieu of Fractional Shares of First Busey Common Stock.* A U.S. holder who receives cash instead of a fractional share of First Busey common stock will be treated as having received the fractional share of First Busey common stock pursuant to the merger and then as having exchanged the fractional share of First Busey common stock for cash in a redemption by First Busey. In general, this deemed redemption will be treated as a sale or exchange, and a U.S. holder will recognize gain or loss equal to the difference between (i) the amount of cash received by such U.S. holder and (ii) the portion of the basis of the shares of Banc Ed common stock allocable to such fractional interest. Such gain or loss generally will constitute capital gain or loss and will be long-term capital gain or loss if the U.S. holder's holding period for the Banc Ed common stock exchanged by such U.S. Holder is greater than one year as of the effective time of the merger.

*Medicare Tax on Unearned Income.* A U.S. holder that is an individual is subject to a 3.8% tax on the lesser of (i) his or her "net investment income" for the relevant taxable year or (ii) the excess of his or her modified adjusted gross income for the taxable year over a certain threshold (between

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\$125,000 and \$250,000 depending on the individual's U.S. federal income tax filing status). A similar regime applies to estates and trusts. Net investment income generally would include any capital gain realized in connection with the merger.

*Backup Withholding and Information Reporting.* Payments of cash to a U.S. holder of Banc Ed common stock pursuant to the merger may, under certain circumstances, be subject to information reporting and backup withholding unless the holder provides proof of an applicable exemption satisfactory to First Busey and the exchange agent or, in the case of backup withholding, furnishes its taxpayer identification number and otherwise complies with all applicable requirements of the backup withholding rules. Any amounts withheld from payments to a U.S. holder under the backup withholding rules are not additional tax and generally will be allowed as a refund or credit against the U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the Internal Revenue Service.

A U.S. holder of Banc Ed common stock, as a result of having received First Busey common stock in the merger, will be required to retain records pertaining to the merger. In addition, each U.S. holder of Banc Ed common stock who is a "significant holder" will be required to file a statement with such holder's U.S. federal income tax return in accordance with Treasury Regulations Section 1.368-3(b) setting forth such holder's basis in the Banc Ed common stock surrendered and the fair market value of the First Busey common stock and cash received in the merger. A "significant holder" is a holder of Banc Ed common stock who, immediately before the merger, owned at least 5% of the vote or value of the outstanding stock of Banc Ed or securities of Banc Ed with a basis for federal income taxes of at least \$1 million.

*Tax Implications to Non-U.S. Stockholders.* For purposes of this discussion, the term "non-U.S. holder" means a beneficial owner of Banc Ed common stock (other than an entity treated as a partnership for U.S. federal income tax purposes) that is not a U.S. holder. The rules governing the U.S. federal income taxation of non-U.S. holders are complex, and no attempt will be made herein to provide more than a limited summary of those rules. Any gain a non-U.S. holder recognizes from the exchange of Banc Ed common stock for First Busey common stock and cash in the merger generally will not be subject to U.S. federal income taxation unless (i) the gain is effectively connected with a trade or business conducted by the non-U.S. holder in the United States, or (ii) in the case of a non-U.S. holder who is an individual, such stockholder is present in the United States for 183 days or more in the taxable year of the sale and other conditions are met. Non-U.S. holders described in (i) above will be subject to tax on gain recognized at applicable U.S. federal income tax rates and, in addition, non-U.S. holders that are corporations (or treated as corporations for U.S. federal income tax purposes) may be subject to a branch profits tax equal to 30% (or a lesser rate under an applicable income tax treaty) on their effectively connected earnings and profits for the taxable year, which would include such gain. Non-U.S. holders described in (ii) above will be subject to a flat 30% tax on any gain recognized, which may be offset by U.S. source capital losses.

This discussion does not address tax consequences that may vary with, or are contingent upon, individual circumstances. Moreover, it does not address any non-income tax or any foreign, state or local tax consequences of the merger. Tax matters are very complicated, and the tax consequences of the merger to you will depend upon the facts of your particular situation. **Accordingly, we strongly urge you to consult with a tax advisor to determine the particular federal, state, local or foreign tax consequences to you of the merger.**

**Regulatory approvals**

The merger cannot proceed without obtaining all requisite regulatory approvals. First Busey and Banc Ed have agreed to take all appropriate actions necessary to obtain the required approvals. The merger of First Busey and Banc Ed is subject to prior approval of the Federal Reserve. First Busey

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submitted an application with the Federal Reserve Bank of Chicago on September 6, 2018 seeking the necessary approval.

In reviewing that application, the Federal Reserve is required to consider the following:

competitive factors, such as whether the merger will result in a monopoly or whether the benefits of the merger to the public in meeting the needs and convenience of the community clearly outweigh the merger's anticompetitive effects or restraints on trade; and

banking and community factors, which includes an evaluation of:

the financial and managerial resources of First Busey, including its subsidiaries, and of Banc Ed, and the effect of the proposed transaction on these resources;

management expertise;

internal control and risk management systems;

the capital of Banc Ed;

the convenience and needs of the communities to be served; and

the effectiveness of Banc Ed and First Busey in combating money laundering activities.

The application process includes publication and opportunity for comment by the public. The Federal Reserve may receive, and must consider, properly filed comments and protests from community groups and others regarding (among other issues) each institution's performance under the Community Reinvestment Act of 1977, as amended. The merger may not be completed until 15 days after receipt of Federal Reserve approval, during which time the United States Department of Justice may challenge the merger on antitrust grounds. The commencement of an antitrust action would stay the effectiveness of the Federal Reserve's approval, unless a court specifically orders otherwise.

At a date following the completion of the merger, First Busey intends to merge TheBANK with and into Busey Bank, with Busey Bank as the surviving bank. The bank merger will be subject to approval by the IDFPR and the FDIC. Busey Bank submitted applications with the IDFPR and the FDIC on September 6, 2018 seeking these approvals.

While First Busey knows of no reason why the approval of any of the applications would be denied or unduly delayed, it cannot assure you that all regulatory approvals required to complete the merger will be obtained or obtained in a timely manner.

### **Interests of certain persons in the merger**

Members of the board of directors and executive officers of Banc Ed and TheBANK may have interests in the merger that are different from, or are in addition to, the interests of Banc Ed's stockholders generally. Banc Ed's board of directors was aware of these interests and considered them, among other matters, in approving the merger agreement and determining to recommend to Banc Ed's stockholders to vote for adoption of the merger agreement.

*Stock Ownership.* As of September 30, 2018, Banc Ed's directors and executive officers owned, in the aggregate, 427,533 shares of Banc Ed's common stock, representing approximately 52.34% of the outstanding shares of common stock. See "Additional Information About Banc Ed Share ownership of directors and officers and certain beneficial owners."



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*Appointment to the Board of Directors of First Busey and Busey Bank.* First Busey has agreed to take all appropriate action to appoint one individual serving on the Banc Ed board of directors and mutually agreeable to the parties to the First Busey board of directors upon the effective time of the

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merger, and to appoint two individuals mutually agreeable to the parties to the Busey Bank board of directors, effective immediately upon the effective time of the bank merger.

*Kevin Powers Employment Agreement.* TheBANK has previously entered into an employment agreement with Kevin Powers, President and Chief Executive Officer of TheBANK, effective as of March 2, 2015. The agreement provides for an initial term through February 28, 2018 with automatic one-year renewals following the expiration of the initial term unless either party gives notice of non-renewal at least 90 days prior to the expiration of the then current term. Under the agreement, Mr. Powers is entitled to an annual base salary of \$350,000, an annual bonus opportunity based on the attainment of various performance metrics, a discretionary spending account, a company provided automobile, a country club membership, certain relocation benefits, and other health and welfare benefits generally provided to executives of TheBANK. In the event that the merger results in a termination of Mr. Powers' employment by TheBANK, or by Mr. Powers for just cause, Mr. Powers will be entitled to continued base salary payments through the remainder of the term of the agreement and reimbursement of COBRA premiums (or equivalent coverage) for Mr. Powers and his wife for the period of his COBRA eligibility. For a termination occurring on December 1, 2018, we estimate that Mr. Powers would be entitled to continued base salary payments and COBRA coverage with a value of \$145,286.53.

*Salary Continuation Agreements.* TheBANK has previously entered into salary continuation agreements with select employees, including each of Mr. Powers, President and Chief Executive Officer of TheBANK, Robert Parker, Chief Financial Officer of TheBANK, Paul Millard, Chief Credit Officer of TheBANK, and Rick Parks, Senior Vice President/Commercial Banking Group of TheBANK, which provide non-qualified deferred compensation following certain terminations of employment. Per the terms of the salary continuation agreements, and except as otherwise stated below, each officer is entitled to a benefit equal to three times his or her base salary at the time of termination, to be paid in equal monthly installments over a period of ten years. Each officer becomes vested in 75%, 80%, 85% and 100% of the benefits under his respective agreement upon the officer's continued employment through ages 62, 63, 64 and 65, respectively, subject to accelerated vesting upon the officer's disability or a change in control, each as defined in the respective agreement. In the case of Mr. Millard, his salary continuation agreement benefit is \$20,000 less than the benefit as otherwise described above. Pursuant to a split dollar life insurance agreement that TheBANK has previously entered into with Mr. Millard, which also vests upon a change in control, as defined in the split dollar agreement, Mr. Millard's beneficiary will be entitled to a \$20,000 benefit upon Mr. Millard's death whether occurring during or after his employment.

First Busey and Banc Ed may agree to terminate the salary continuation agreements for all employees and distribute the benefits due thereunder in a single lump sum in connection with the merger. If the salary continuation agreements were terminated and liquidated as of December 1, 2018, Messrs. Powers, Parker, Millard and Parks would be entitled to receive payments in the amounts of \$1,320,000, \$609,300, \$550,000 and \$641,700, respectively, subject to possible reductions to avoid a loss of deduction and excise taxes under Sections 280G and 4999 of the Internal Revenue Code, if applicable.

*Severance Payments.* In connection with the merger, First Busey has agreed to cover any employee of Banc Ed or TheBANK immediately prior to the effective time of the merger, who is not otherwise entitled to contractual severance, change in control, or salary continuation benefits, under a severance policy. To the extent a covered employee incurs an involuntary termination within one year following the merger, such employee will generally be entitled to a severance payment equal to two weeks of base salary for each whole year of service with Banc Ed or First Busey (or their respective subsidiaries), subject to a minimum payment equal to twelve weeks of base salary and a maximum

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payment equal to one year of base salary. All severance payments are contingent upon the employee's execution of a general release and waiver against Banc Ed, First Busey, and their respective affiliates.

Any employee who is a party to an employment, severance, change in control, salary continuation, or other agreement providing for contractual severance or change in control benefits may waive and relinquish his or her right to any such benefits and receive a severance payment as described above. In the event that each of Messrs. Powers, Parker, Millard and Parks were to incur an involuntary termination within one year following the merger and waived all other severance or change in control benefits, each would be entitled to a severance payment per the terms of the merger agreement of \$101,538, \$203,100, \$153,462 and \$57,588, respectively.

*Code Section 280G.* If any payments made to any employee of Banc Ed or its subsidiaries pursuant to an employment agreement, salary continuation agreement, severance policy, or any other plan or program of Banc Ed, First Busey, or their affiliates, are deemed to be "excess parachute payments," as defined by Section 280G of the Internal Revenue Code, the recipient would be subject to an excise tax equal to 20% of the amount of such payments in excess of the recipient's average compensation over the preceding five-year period, or such lesser period if the executive has not been employed by the employer for five years. Per the merger agreement, Banc Ed agreed to take necessary steps to ensure that any payments made in connection with the merger will not trigger any such excise taxes. Further, to the extent any such payments are deemed to be "excess parachute payments," and to the extent requested by First Busey, Banc Ed has agreed to seek a stockholder vote for approval of such payments prior to the effective time of the merger, in accordance with Section 280G of the Internal Revenue Code.

*Indemnification and Insurance.* Pursuant to the terms of the merger agreement, First Busey agreed to maintain, for up to six years following the effective time, insurance coverage under the current policy of directors' and officers' liability insurance maintained by Banc Ed and TheBANK for actions taken prior to the effective time of the merger. If a six-year term of insurance coverage is not available, the term for the insurance will be such other maximum period of time for which coverage is available at a cost not to exceed 250% of the premiums Banc Ed or TheBANK paid for its current policy term. Following the effective time, to the extent permitted by applicable law, First Busey has agreed to indemnify and hold harmless the current and former directors, officers and employees of Banc Ed and its subsidiaries for all actions taken by them prior to the effective time of the merger.

**Restrictions on resale of First Busey common stock**

The shares of First Busey common stock to be issued in connection with the merger will be registered under the Securities Act of 1933, as amended, and will be freely transferable, except for shares issued to any stockholder who may be deemed to be an "affiliate" of First Busey for purposes of Rule 144 under the Securities Act of 1933, as amended. Persons who may be deemed to be affiliates of First Busey include individuals or entities that control, are controlled by, or are under common control with First Busey and may include the executive officers, directors and significant stockholders of First Busey.

**Banc Ed stockholder dissenters' rights**

*General.* The following discussion is a summary of the material statutory procedures to be followed by a holder of record of Banc Ed common stock to dissent from the merger and perfect appraisal rights. Stockholders of record of Banc Ed as of the record date may exercise appraisal rights in connection with the merger by complying with Section 262 of the DGCL. If you want to exercise appraisal rights, you should review carefully Section 262 of the DGCL and are urged to consult a legal advisor before electing or attempting to exercise these rights because the failure to precisely follow all the necessary legal requirements may result in the loss of such appraisal rights. The following summary

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does not constitute any legal or other advice, nor does it constitute a recommendation that you exercise your rights to seek appraisal under Section 262 of the DGCL. This description is not complete and is qualified in its entirety by the full text of the relevant provision of the DGCL, which is reprinted in its entirety as Appendix B to this proxy statement/prospectus. Banc Ed stockholders seeking to exercise appraisal rights must strictly comply with this provision.

If you are the holder of record of one or more shares of Banc Ed common stock, you are entitled to appraisal rights under Delaware law and have the right to dissent from the merger, have your shares appraised by the Delaware Court of Chancery and receive the "fair value" of such shares (exclusive of any element of value arising from the accomplishment or expectation of the merger) as of the completion of the merger in place of the merger consideration, as determined by the court, if you strictly comply with the procedures specified in Section 262 of the DGCL. Any such Banc Ed stockholder awarded "fair value" for such stockholder's shares by the Delaware Chancery Court would receive payment of that fair value in cash, together with interest, if any, in lieu of the right to receive the merger consideration, and accordingly, such stockholder awarded "fair value" for their shares would not receive any shares of First Busey stock following the completion of the merger. Such fair value amount may differ from the value of the consideration that you would otherwise receive in the merger.

Under Section 262 of the DGCL, where a merger agreement is to be submitted for adoption at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, must notify each of its stockholders who was a stockholder on the record date for notice of the meeting that appraisal rights are available and include in the notice a copy of Section 262 of the DGCL. This proxy statement/prospectus constitutes Banc Ed's notice to its stockholders that appraisal rights are available in connection with the merger, and the full text of Section 262 of the DGCL is attached to this proxy statement/prospectus as Appendix B. A holder of record of Banc Ed common stock who wishes to exercise appraisal rights or who wishes to preserve the right to do so should review the following discussion and Appendix B carefully. Failure to strictly comply with the procedures of Section 262 of the DGCL in a timely and proper manner may result in the loss of appraisal rights. A stockholder who loses his, her or its appraisal rights will be entitled to receive the applicable form of merger consideration.

*How to exercise and perfect your right to dissent.* Banc Ed stockholders wishing to exercise the rights to seek an appraisal of its shares must do ALL of the following:

you must not vote in favor of the adoption of the merger agreement. Because a proxy that is signed and submitted but does not otherwise contain voting instructions will, unless revoked, be voted in favor of the adoption of the merger agreement, if you vote by proxy and wish to exercise your appraisal rights you must vote against the adoption of the merger agreement or abstain from voting your shares;

you must deliver to Banc Ed a written demand for appraisal before the vote on the adoption of the merger agreement at the special meeting, and all demands for appraisal must reasonably inform Banc Ed of your identity and your intention to demand appraisal of your shares;

you must continuously hold the shares from the date of making the demand through the effective date of the merger. You will lose your appraisal rights if you transfer the shares before the effective date of the merger; and

you or the surviving company must file a petition in the Delaware Court of Chancery requesting a determination of the fair value of the shares within 120 days after the effective date of the merger. The surviving company is under no obligation to file any such petition in the Delaware Court of Chancery and has no intention of doing so. Accordingly, it is the obligation of the Banc Ed stockholders to initiate all necessary action to perfect their appraisal rights in respect of shares of Banc Ed common stock within the time prescribed in Section 262 of the DGCL.

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Voting, in person or by proxy, against, abstaining from voting on or failing to vote on the adoption of the merger agreement will not constitute a written demand for appraisal as required by Section 262 of the DGCL. The written demand for appraisal must be in addition to and separate from any proxy or vote.

*Who may exercise appraisal rights.* Any holder of record of shares of Banc Ed common stock wishing to exercise appraisal rights must deliver to Banc Ed, before the vote on the adoption of the merger agreement at the special meeting at which the merger proposal will be submitted to the Banc Ed stockholders, a written demand for the appraisal of such stockholder's shares, and that stockholder must not submit a blank proxy or vote in favor of the merger proposal. A holder of shares of Banc Ed common stock wishing to exercise appraisal rights must hold of record the shares on the date the written demand for appraisal is made and must continue to hold the shares of record through the effective date of the merger. A demand for appraisal must be executed by or on behalf of the stockholder of record and must reasonably inform Banc Ed of the identity of the stockholder and that the stockholder intends to demand appraisal of his, her or its shares of Banc Ed common stock.

Only a holder of record of shares of Banc Ed common stock is entitled to demand appraisal rights for the shares registered in that holder's name. Beneficial owners who do not also hold their shares of common stock of record may not directly make appraisal demands to Banc Ed. The beneficial holder must, in such cases, have the owner of record, such as a bank, brokerage firm or other nominee, submit the required demand in respect of those shares of common stock of record. A record owner, such as a bank, brokerage firm or other nominee, who holds shares of Banc Ed common stock as a nominee for others, may exercise his, her or its right of appraisal with respect to the shares of Banc Ed common stock held for one or more beneficial owners, while not exercising this right for other beneficial owners. In that case, the written demand should state the number of shares of Banc Ed common stock as to which appraisal is sought. Where no number of shares of Banc Ed common stock is expressly mentioned, the demand will be presumed to cover all shares of Banc Ed common stock held in the name of the record owner.

**IF YOU HOLD YOUR SHARES IN BANK OR BROKERAGE ACCOUNTS OR OTHER NOMINEE FORMS, AND YOU WISH TO EXERCISE APPRAISAL RIGHTS, YOU SHOULD CONSULT WITH YOUR BANK, BROKERAGE FIRM OR OTHER NOMINEE, AS APPLICABLE, TO DETERMINE THE APPROPRIATE PROCEDURES FOR THE BANK, BROKERAGE FIRM OR OTHER NOMINEE TO MAKE A DEMAND FOR APPRAISAL OF THOSE SHARES. IF YOU HAVE A BENEFICIAL INTEREST IN SHARES HELD OF RECORD IN THE NAME OF ANOTHER PERSON, SUCH AS A BANK, BROKERAGE FIRM OR OTHER NOMINEE, YOU MUST ACT PROMPTLY TO CAUSE THE RECORD HOLDER TO FOLLOW PROPERLY AND IN A TIMELY MANNER THE STEPS NECESSARY TO PERFECT YOUR APPRAISAL RIGHTS.**

If you own shares of Banc Ed common stock jointly with one or more other persons, as in a joint tenancy or tenancy in common, demand for appraisal must be executed by or for you and all other joint owners. An authorized agent, including an agent for two or more joint owners, may execute the demand for appraisal for a stockholder of record; however, the agent must identify the record owner and expressly disclose the fact that, in exercising the demand, such person is acting as agent for the record owner. If you hold shares of Banc Ed common stock through a broker who in turn holds the shares through a central securities depository nominee such as Cede & Co., a demand for appraisal of such shares must be made by or on behalf of the depository nominee and must identify the depository nominee as record holder.

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If you elect to exercise appraisal rights under Section 262 of the DGCL, you should mail or deliver a written demand to:

The Banc Ed Corp.  
Attn: Corporate Secretary  
330 W. Vandalia  
Edwardsville, Illinois 62026

You should sign every communication.

*First Busey's actions after completion of the merger.* If the merger is completed, the surviving company will give written notice of the effective date of the merger within 10 days after the effective date to you if you did not vote in favor of the merger agreement and you made a written demand for appraisal in accordance with Section 262 of the DGCL. At any time within 60 days after the effective date of the merger, you have the right to withdraw the demand and to accept the merger consideration in accordance with the merger agreement for your shares of Banc Ed common stock, provided that you have not commenced an appraisal proceeding or joined an appraisal proceeding as a named party. Within 120 days after the effective date of the merger, but not later, either you, provided you have complied with the requirements of Section 262 of the DGCL, or the surviving company may commence an appraisal proceeding by filing a petition in the Delaware Court of Chancery, with a copy served on the surviving company in the case of a petition filed by you, demanding a determination of the value of the shares of Banc Ed common stock held by all stockholders entitled to appraisal rights. The surviving company is under no obligation to file an appraisal petition and has no intention of doing so. If you desire to have your shares appraised, you should initiate any petitions necessary for the perfection of their appraisal rights within the time periods and in the manner prescribed in Section 262 of the DGCL.

Within 120 days after the effective date of the merger, provided you have complied with the provisions of Section 262 of the DGCL, you will be entitled to receive from the surviving company, upon written request, a statement setting forth the aggregate number of shares not voted in favor of the adoption of the merger agreement and with respect to which Banc Ed has received demands for appraisal, and the aggregate number of holders of those shares. The surviving company must mail this statement to you within the later of 10 days of receipt of the request or 10 days after expiration of the period for delivery of demands for appraisal. If you are the beneficial owner of shares of stock held in a voting trust or by a nominee on your behalf you may, in your own name, file an appraisal petition or request from the surviving company the statement described in this paragraph.

If a petition for appraisal is duly filed by you or another record holder of Banc Ed common stock who has properly exercised appraisal rights in accordance with the provisions of Section 262 of the DGCL, and a copy of the petition is delivered to the surviving company, the surviving company will then be obligated, within 20 days after receiving service of a copy of the petition, to provide the Chancery Court with a duly verified list containing the names and addresses of all holders who have demanded an appraisal of their shares. The Delaware Court of Chancery will then determine which stockholders are entitled to appraisal rights and may require the stockholders demanding appraisal who hold certificated shares to submit their stock certificates to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings, and the Delaware Court of Chancery may dismiss any stockholder who fails to comply with this direction from the appraisal proceedings. Where appraisal proceedings are not dismissed or the demand for appraisal is not successfully withdrawn, the appraisal proceeding will be conducted as to the shares of Banc Ed common stock owned by such stockholders, in accordance with the rules of the Delaware Court of Chancery, including any rules specifically governing appraisal proceedings. The Delaware Court of Chancery will thereafter determine the fair value of the shares of Banc Ed common stock at the effective time held by stockholders entitled to appraisal rights, exclusive of any element of value arising from the accomplishment or

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expectation of the merger. Unless the Delaware Court of Chancery in its discretion determines otherwise for good cause shown, interest from the effective date of the merger through the date of payment of the judgment will be compounded quarterly and will accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective date of the merger and the date of payment of the judgment. When the value is determined, the Delaware Court of Chancery will direct the payment of such value, with interest thereon, if any, to the stockholders entitled to receive the same, upon surrender by such stockholders of their stock certificates.

In determining the fair value, the Delaware Court of Chancery is required to take into account all relevant factors. In *Weinberger v. UOP, Inc.*, the Delaware Supreme Court discussed the factors that could be considered in determining fair value in an appraisal proceeding, stating that "proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court" should be considered and that "[f]air price obviously requires consideration of all relevant factors involving the value of a company." The Delaware Supreme Court has stated that, in making this determination of fair value, the court must consider market value, asset value, dividends, earnings prospects, the nature of the enterprise and any other factors which could be ascertained as of the date of the merger which throw any light on future prospects of the merged corporation. Section 262 of the DGCL provides that fair value is to be "exclusive of any element of value arising from the accomplishment or expectation of the merger." In *Cede & Co. v. Technicolor, Inc.*, the Delaware Supreme Court stated that such exclusion is a "narrow exclusion [that] does not encompass known elements of value," but which rather applies only to the speculative elements of value arising from such accomplishment or expectation. In *Weinberger*, the Delaware Supreme Court construed Section 262 of the DGCL to mean that "elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the merger and not the product of speculation, may be considered."

An opinion of an investment banking firm as to the fairness from a financial point of view of the consideration payable in a merger is not an opinion as to, and does not in any manner address, fair value under Section 262 of the DGCL. The fair value of the shares as determined under Section 262 of the DGCL could be greater than, the same as, or less than the value of the merger consideration. We do not anticipate offering more than the per share merger consideration to any stockholder exercising appraisal rights and reserve the right to assert, in any appraisal proceeding, that, for purposes of Section 262, the "fair value" of a share of Banc Ed common stock is less than the per share merger consideration.

If no party files a petition for appraisal within 120 days after the effective time, then you will lose the right to an appraisal, and will instead receive the merger consideration described in the merger agreement, without interest thereon, less any withholding taxes.

The Delaware Court of Chancery may determine the costs of the appraisal proceeding and may allocate those costs to the parties as the Delaware Court of Chancery determines to be equitable under the circumstances. However, costs do not include attorneys and expert witness fees. Each stockholder exercising appraisal rights is responsible for its own attorneys and expert witnesses expenses, although, upon application of a stockholder, the Delaware Court of Chancery may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including reasonable attorneys' fees and the fees and expenses of experts, to be charged pro rata against the value of all shares entitled to appraisal.

If you have duly demanded an appraisal in compliance with Section 262 of the DGCL you may not, after the effective date of the merger, vote the Banc Ed shares subject to the demand for any purpose or receive any dividends or other distributions on those shares, except dividends or other

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distributions payable to holders of record of shares of Banc Ed common stock as of a record date prior to the effective date of the merger.

If you have not commenced an appraisal proceeding or joined such a proceeding as a named party you may withdraw a demand for appraisal and accept the merger consideration by delivering a written withdrawal of the demand for appraisal to the surviving company, except that any attempt to withdraw made more than 60 days after the effective date of the merger will require written approval of the surviving company, and no appraisal proceeding in the Delaware Court of Chancery will be dismissed as to any stockholder without the approval of the Delaware Court of Chancery. Such approval may be conditioned on the terms the Delaware Court of Chancery deems just, provided, however, that this provision will not affect the right of any stockholder who has not commenced an appraisal proceeding or joined such proceeding as a named party to withdraw such stockholder's demand for appraisal and to accept the terms offered in the merger within 60 days after the effective date of the merger. If you fail to perfect, successfully withdraw or lose the appraisal right, your shares will be converted into the right to receive the merger consideration, without interest thereon, less any withholding taxes.

Failure to follow the steps required by Section 262 of the DGCL for perfecting appraisal rights may result in the loss of appraisal rights. In that event, you will be entitled to receive the merger consideration for your shares in accordance with the merger agreement. In view of the complexity of the provisions of Section 262 of the DGCL, if you are a Banc Ed stockholder and are considering exercising your appraisal rights under the DGCL, you should consult your own legal advisor.

**THE PROCESS OF DEMANDING AND EXERCISING APPRAISAL RIGHTS REQUIRES STRICT COMPLIANCE WITH TECHNICAL PREREQUISITES. IF YOU WISH TO EXERCISE YOUR APPRAISAL RIGHTS, YOU SHOULD CONSULT WITH YOUR OWN LEGAL COUNSEL IN CONNECTION WITH COMPLIANCE UNDER SECTION 262 OF THE DGCL. TO THE EXTENT THERE ARE ANY INCONSISTENCIES BETWEEN THE FOREGOING SUMMARY AND SECTION 262 OF THE DGCL, THE DGCL WILL GOVERN.**



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**DESCRIPTION OF THE MERGER AGREEMENT**

*The following is a summary of the material terms of the merger agreement. This summary does not purport to describe all the terms of the merger agreement and is qualified by reference to the complete text of the merger agreement, which is attached as Appendix A to this proxy statement/prospectus and is incorporated by reference into this proxy statement/prospectus. You should read the merger agreement completely and carefully as it, rather than this description, is the legal document that governs the merger.*

*The text of the merger agreement has been included to provide you with information regarding its terms. The terms of the merger agreement (such as the representations and warranties) are intended to govern the contractual rights and relationships, and allocate risks, between the parties in relation to the merger. The merger agreement contains representations and warranties First Busey and Banc Ed made to each other as of specific dates. The representations and warranties were negotiated between the parties with the principal purpose of setting forth their respective rights with respect to their obligations to complete the merger. The statements embodied in those representations and warranties may be subject to important limitations and qualifications as set forth therein, including a contractual standard of materiality different from that generally applicable under federal securities laws.*

**General**

The m