

FIRST BUSEY CORP /NV/  
Form S-4  
July 07, 2017

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As filed with the Securities and Exchange Commission on July 7, 2017.

Registration No. 333-

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**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**  
**Barack Ferrazzano Kirschbaum &**  
**Nagelberg LLP**  
**200 W. Madison Street, Suite 3900**  
**Chicago, Illinois 60606**  
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**Jude M. Sullivan**  
**Howard & Howard Attorneys PLLC**  
**200 S. Michigan Ave.**  
**Suite 1100**  
**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.

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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   
 (Do not check if a 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)
Common Stock, \$0.001 par value per share	3,115,503	N/A	\$41,647,742.20	\$4,826.97

- (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 Mid Illinois Bancorp, Inc. ("Mid Illinois"), as described herein and pursuant to the terms of the Agreement and Plan of Merger between First Busey and Mid Illinois, dated as of March 13, 2017, 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 Mid Illinois 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) \$138.70, the book value of the shares of Mid Illinois common stock computed as of March 31, 2017, and (B) the estimated maximum number of shares of Mid Illinois common stock that may be exchanged in the merger, (ii) minus \$40,498,165, 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 \$115.90 per \$1,000,000 of the proposed maximum aggregate offering price.

**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) 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 JULY 7, 2017**

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## **PROSPECTUS OF FIRST BUSEY CORPORATION**

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### **PROXY STATEMENT OF MID ILLINOIS BANCORP, INC.**

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#### **Merger Proposal Your Vote Is Important**

#### **DEAR MID ILLINOIS STOCKHOLDERS:**

The board of directors of Mid Illinois Bancorp, Inc. (which we refer to as "Mid Illinois") and First Busey Corporation (which we refer to as "First Busey") have each unanimously approved a transaction that will result in the merger of Mid Illinois 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 Mid Illinois common stock will be converted into the right to receive, at the election of the stockholder, either (i) \$227.94 in cash, (ii) 7.5149 shares of First Busey common stock (which we refer to as the "exchange ratio") or (iii) a combination of \$68.38 in cash and 5.2604 shares of First Busey common stock, subject to certain adjustments and proration, as described in this proxy statement/prospectus, and with cash paid in lieu of fractional shares.

In the aggregate, 30% of the outstanding shares of Mid Illinois common stock will be converted into the right to receive cash consideration and 70% of the outstanding shares of Mid Illinois common stock will be converted into the right to receive shares of First Busey common stock. Accordingly, holders of Mid Illinois common stock who elect to receive cash consideration or share consideration may instead receive a combination of cash and shares of First Busey common stock if necessary to maintain the aggregate mix of consideration described above. In addition, holders of Mid Illinois common stock who do not properly make an election will receive a combination of cash and shares of First Busey common stock, to be determined based on the elections made by other stockholders.

Among other termination rights described in this proxy statement/prospectus, Mid Illinois is entitled to terminate the merger agreement if the weighted average daily closing sales price of First Busey common stock over the 20-day period prior to the receipt of applicable regulatory approvals (i) is less than \$24.5953 per share and (ii) represents a percentage change, relative to a base value of \$30.7441 per share of First Busey common stock, that is more than 20% below the percentage change in the SNL Mid Cap U.S. Bank Index, measured by comparing the average daily closing value of that index over that 20-day period to a base value of 428.36, unless First Busey elects to cure either of these deficiencies by increasing the stock portion of the merger consideration.

First Busey's common stock currently trades on the NASDAQ Global Select Market under the symbol "BUSE." Mid Illinois common stock is privately held and not traded in any public market. First Busey expects to pay an aggregate of approximately \$40.5 million in cash and issue an aggregate of approximately 3.1 million shares of First Busey common stock in the merger, reflecting an estimated total value of \$133.4 million based on the \$29.83 closing price of First Busey common stock on March 10, 2017, the trading day immediately preceding the public announcement date of the merger. Based on the \$[ • ] closing price of First Busey common stock on [ • ], 2017, the latest practicable date before the date of this proxy statement/prospectus, the estimated total value of the merger consideration would be \$[ • ]. After the merger is completed, we expect that current First Busey stockholders will own approximately 93.2% of the outstanding shares of common stock of the combined company, and current Mid Illinois stockholders will own approximately 6.8% of the outstanding shares of common stock of the combined company.

We cannot complete the merger unless we obtain the necessary governmental approvals and unless the stockholders of Mid Illinois 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

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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:** [•], 2017  
**Time:** [•], local time  
**Place:** [•]

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

**Mid Illinois' board of directors recommends that Mid Illinois' 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,

[Insert signature]

Mark W. Joseph  
*President & Chief Executive Officer*  
Mid Illinois Bancorp, Inc.

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 19.**

**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 [ • ], 2017, and is first being mailed to Mid Illinois' stockholders on or about [ • ], 2017.

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**MID ILLINOIS BANCORP, INC.**

2119 S.W. Adams Street  
Peoria, Illinois 61602  
(309) 676-0521

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**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**Date:** [•], 2017  
**Time:** [•], local time  
**Place:** [•]

TO MID ILLINOIS STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that Mid Illinois Bancorp, Inc. (which we refer to as "Mid Illinois") will hold a special meeting of stockholders on [ • ], 2017 at [ • ], local time, at [ • ]. 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 March 13, 2017, between First Busey Corporation (which we refer to as "First Busey") and Mid Illinois, pursuant to which Mid Illinois will merge with and into First Busey, and the transactions contemplated therein. A copy of the merger agreement is included as *Appendix A* to the proxy statement/prospectus accompanying this notice; 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.

Holders of record of Mid Illinois common stock at the close of business on [ • ], 2017 are entitled to receive this notice and to vote at the special meeting and any adjournments or postponements thereof. Approval of the merger agreement and the transactions contemplated therein requires the affirmative vote of the holders of two-thirds of the outstanding shares of Mid Illinois common stock entitled to vote. Approval of the proposal to adjourn the special meeting requires the affirmative vote of the holders of a majority of shares of Mid Illinois common stock represented in person or by proxy at the special meeting and entitled to vote.

**The board of directors of Mid Illinois 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 Illinois law, if the merger is completed, Mid Illinois stockholders of record who do not vote to approve the merger agreement, and otherwise comply with the applicable provisions of Illinois law pertaining to objecting stockholders, will be entitled to exercise dissenters' rights and obtain payment in cash for the fair value of their shares of Mid Illinois common stock by following the procedures set forth in detail in this proxy statement/prospectus. A copy of the section of the Illinois Business Corporation Act of 1983, as amended, pertaining to dissenters' rights is included as *Appendix B* to this proxy statement/prospectus.

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If you have any questions regarding the accompanying proxy statement/prospectus, you may contact Mark W. Joseph, Mid Illinois' President and Chief Executive Officer, at (309) 676-0521 or Mwjoseph@southsidebank.com or Greg Rice, Corporate Secretary, at (309) 495-4244 or gcrice@southsidebank.com.

By Order of the Board of Directors

[Signature]

Greg Rice

*Corporate Secretary*

Peoria, Illinois

[ • ], 2017

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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 [ • ], 2017, to receive them before the Mid Illinois 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-[ • ]), constitutes a prospectus of First Busey under Section 5 of the Securities Act of 1933, as amended, which we refer to as the "Securities Act," with respect to the shares of common stock, par value \$0.001 per share, of First Busey, which we refer to as "First Busey common stock," to be issued pursuant to the Agreement and Plan of Merger, dated as of March 13, 2017, by and between First Busey and Mid Illinois, as it may be amended from time to time, which we refer to as the "merger agreement." This document also constitutes a proxy statement of Mid Illinois under Section 14(a) of the Securities Exchange Act of 1934, as amended, which we refer to as the "Exchange Act." It also constitutes a notice of meeting with respect to the special meeting at which Mid Illinois 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 Mid Illinois has supplied all information contained in this proxy statement/prospectus relating to Mid Illinois.

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 [ • ], 2017, 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 Mid Illinois 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 Mid Illinois Bancorp, Inc. (which we refer to as "Mid Illinois") 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 2017. At a date following the completion of the merger, First Busey intends to merge South Side Trust & Savings Bank of Peoria (which we refer to as "South Side Bank"), Mid Illinois' 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, South Side Bank's banking offices will become banking offices of Busey Bank. Until the banks are merged, First Busey will own and operate South Side Bank and Busey Bank as separate bank subsidiaries.

**Q: What will Mid Illinois stockholders be entitled to receive in the merger?**

**A:** If the merger is completed, each share of Mid Illinois common stock issued and outstanding immediately prior to the effective time of the merger (other than shares owned by Mid Illinois or First Busey and any dissenting shares), will be converted into the right to receive, at the election of the stockholder, either (i) \$227.94 in cash, (ii) 7.5149 shares of First Busey common stock (which we refer to as the "exchange ratio") or (iii) a combination of \$68.38 in cash and 5.2604 shares of First Busey common stock, subject to certain adjustments and proration, as described in this proxy statement/prospectus, and with cash paid in lieu of fractional shares. Shares of Mid Illinois common stock held by Mid Illinois 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 solely due to changes in the trading price of First Busey common stock prior to the closing of the merger. However, the merger agreement includes what is commonly referred to as a "double-trigger termination provision," which permits Mid Illinois to terminate the merger agreement if the weighted average daily closing price of First Busey common stock over the 20-day period prior to the receipt of applicable regulatory approvals (i) is less than \$24.5953 per share and (ii) represents a percentage change, relative to a base value of \$30.7441 per share of First Busey common stock, that is more than 20% below the percentage change in the SNL Mid Cap U.S. Bank Index, measured by comparing the average daily closing value of that index over that 20-day period to a base value of 428.36. If this occurs and Mid Illinois seeks to terminate the merger agreement, then First Busey will have the option to cure either of these deficiencies by increasing the exchange ratio accordingly.

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**Q: How will stockholders elect to receive cash, stock or mixed consideration?**

**A:** Subject to proration procedures described below, Mid Illinois common stockholders will be offered the opportunity to elect to receive their merger consideration in the form of cash, First Busey common stock or a combination of cash and stock. Mid Illinois stockholders who wish to make an election must complete the form of election and letter of transmittal (which we refer to as an "election form") that is expected to be mailed between 30 and 45 days prior to the estimated closing date of the merger. For an election to be valid, a properly executed election form must be received by the exchange agent for the merger, Computershare Trust Company, N.A. (which we refer to as the "exchange agent") before the election deadline, which is 5:00 p.m., central time, on the 25th day following the mailing of the election form, or such other date as Mid Illinois and First Busey may agree (we refer to this date as the "election deadline") in accordance with the instructions set forth on the election form. The form of merger consideration actually paid to Mid Illinois stockholders is subject to proration in certain cases and may differ from their elections. See "Description of the Merger Agreement Election and exchange procedures" for a description of the election mechanics and the distribution of merger consideration.

**Q: What happens if I don't make an election for cash or First Busey common stock by the election deadline?**

**A:** If you fail to make an election prior to the election deadline, you will be deemed to have made an election to receive cash and stock consideration in amounts that will depend on the amount of cash consideration and stock consideration that remains available after taking into account the elections by stockholders making elections. See "Description of the Merger Agreement Consideration to be received in the merger Non-electing shares" for a description of the merger consideration to be received if an election is not properly made.

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

**A:** The per share value of the merger consideration for Mid Illinois stockholders who receive only cash is \$227.94. The per share value of the merger consideration for Mid Illinois stockholders who receive only First Busey common stock or a mix of cash and First Busey common stock 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 the Mid Illinois special meeting and may be more or less than the current price of common stock or the price of First Busey common stock at the time of the special meeting. Based on the \$29.83 closing stock price of First Busey common stock on the NASDAQ Global Select Market on March 10, 2017, the trading day immediately preceding the public announcement date of the merger, the value of the per share merger consideration for stockholders who receive only First Busey common stock would be \$224.17, and the value of the per share merger consideration for stockholders who elect to receive the combination of cash and First Busey common stock would be \$225.30. Based on the \$[ • ] closing stock price of First Busey common stock on the NASDAQ Global Market on [ • ], 2017, the latest practicable date before the date of this proxy statement/prospectus, the value of the per share merger consideration for Mid Illinois stockholders who receive only First Busey common stock would be \$[ • ], and the value of the per share merger consideration for Mid Illinois stockholders who elect to receive the combination of cash and First Busey common stock would be \$[ • ]. We cannot estimate the per share merger consideration for stockholders who do not properly make an election because that will depend on the elections made by other stockholders. We urge you to obtain current market quotations for shares of First Busey common stock.

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**Q: Why do Mid Illinois and First Busey want to engage in the merger?**

**A:** Mid Illinois believes that the merger will provide Mid Illinois 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 Mid Illinois' 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 Mid Illinois stockholders being asked to vote on?**

**A:** In addition to the merger agreement and the transactions contemplated therein, Mid Illinois is soliciting proxies from holders of its common stock with respect to a proposal to adjourn the Mid Illinois 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 Mid Illinois board of directors recommend?**

**A:** Mid Illinois' board of directors has determined that the merger agreement and the transactions contemplated therein are in the best interests of Mid Illinois and its stockholders. Mid Illinois' 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 Mid Illinois' reasons for the merger and recommendation of the board of directors."

**Q: What vote is required to approve each proposal at the Mid Illinois 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 two-thirds of the outstanding shares of Mid Illinois common stock entitled to vote. Abstentions, shares not voted and broker non-votes will have the same effect as a vote against the merger proposal. Approval of the adjournment proposal requires the affirmative vote of the holders of a majority of shares of Mid Illinois common stock represented in person or by proxy at the special meeting and entitled to vote. Abstentions are deemed to be represented at the special meeting and thereby have the same effect as a vote against the adjournment proposal. Shares not voted and broker non-votes will have no effect on the adjournment proposal, although they may prevent Mid Illinois from obtaining a quorum and require Mid Illinois 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 Mid Illinois stockholders. If you fail to submit a proxy or vote in person at the special meeting, or vote to 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 Mid Illinois board of directors unanimously recommends that Mid Illinois' stockholders vote "**FOR**" the merger proposal. Completion of the merger is not conditional upon approval of the adjournment proposal.

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**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 Mid Illinois common stock of record at the close of business on the record date for the special meeting, [ • ], 2017. 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: How do I vote if I own shares through the Mid Illinois Bancorp, Inc. Employee Stock Ownership Plan?**

**A:** If you hold Mid Illinois common stock through the Mid Illinois Bancorp, Inc. Employee Stock Ownership Plan (which we refer to as the "ESOP"), you will receive a voting instruction card to reflect all of the shares that you may direct the trustee to vote on your behalf under the plan. Under the terms of the ESOP, all shares held by the ESOP are voted by the ESOP trustee, but each participant in the ESOP may direct the trustee how to vote the shares of Mid Illinois common stock allocated to his or her account. Allocated shares for which no timely voting instructions are received will not be voted by the ESOP trustee.

**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 Mid Illinois, or by voting in person at the Mid Illinois 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 Mid Illinois common stock on behalf of their customers may not give a proxy to Mid Illinois 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 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 Mid Illinois, 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.

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**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 [ • ].

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

**A:** Mid Illinois stockholders who do not vote in favor of approval of the merger agreement and otherwise comply with all of the procedures of the Illinois Business Corporation Law of 1980, as amended (which we refer to as the "IBCA"), will be entitled to receive payment in cash of the fair value of their shares of Mid Illinois common stock as ultimately determined under the statutory process. A copy of the applicable sections of the IBCA 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 Mid Illinois' obligations to complete the merger that each of them receives a legal opinion from its tax counsel to that effect. However, neither Mid Illinois nor First Busey has requested or received a ruling from the Internal Revenue Service that the merger will qualify as a reorganization. The U.S. federal income tax consequences of the merger to a U.S. holder of Mid Illinois common stock will depend on the relative mix of cash and First Busey common stock received by such U.S. holder of Mid Illinois common stock. U.S. holders of Mid Illinois common stock should not recognize any gain or loss for U.S. federal income tax purposes if they exchange their Mid Illinois shares solely for shares of First Busey common stock in the merger, except with respect to cash received in lieu of fractional shares of First Busey common stock. U.S. holders of Mid Illinois common stock will recognize gain or loss if they exchange their Mid Illinois shares solely for cash in the merger. U.S. holders of Mid Illinois common stock will recognize gain, but not loss, if they exchange their Mid Illinois shares for a combination of First Busey common stock and cash, but their taxable gain in that case will not exceed the cash they receive in the merger. You may wish to 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 Mid Illinois special meeting?**

**A:** The Mid Illinois special meeting will take place on [ • ], 2017, at [ • ] local time, at [ • ].

**Q:** **Who may attend the Mid Illinois special meeting?**

**A:** Only Mid Illinois 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 Mid Illinois stock certificates now?**

**A:** No. Mid Illinois plans to mail the election form, which also serves as a letter of transmittal, between 30 and 45 days prior to the estimated closing date of the merger. After you receive the election form, you should complete the election form to elect which form of consideration you would prefer to receive and, if you hold Mid Illinois stock certificates, return them with your completed election form to submit them for exchange. Please send the election form and your Mid



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Illinois stock certificates, if any, to the exchange agent, in the envelope provided with the election form. ***Do not send your stock certificates with your proxy card.***

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

**A:** If you are unable to locate your original Mid Illinois stock certificate(s), you should follow the instructions regarding lost or stolen stock certificates set forth in the election form that will be mailed to you prior to the closing date of the merger.

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

**A:** You are not required to take any special additional actions if your shares of Mid Illinois common stock are held in book-entry form. After the completion of the merger, shares of Mid Illinois common stock held in book-entry form automatically will be exchanged for the merger consideration, plus cash in lieu of any fractional shares.

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

**A:** Mid Illinois 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 Mid Illinois 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 Mid Illinois 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 Mid Illinois common stock that you own.

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

**A:** The merger agreement must be approved by stockholders of Mid Illinois, and we must obtain the necessary regulatory approvals. Assuming Mid Illinois 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 2017. 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:** Mid Illinois and First Busey expect to complete the merger in the fourth quarter of 2017. However, neither Mid Illinois nor First Busey can assure you of when or if the merger will be completed. Mid Illinois and First Busey must first obtain the approval of Mid Illinois stockholders for the merger, as well as obtain necessary regulatory approvals and satisfy certain other standard closing conditions. If the merger is not completed, Mid Illinois stockholders will not receive any consideration for their shares and will continue to be Mid Illinois stockholders. Each of First Busey and Mid Illinois will remain independent companies. Under certain circumstances, First Busey and Mid Illinois may be required to pay the other party a fee with respect to the

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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, how to make your election for merger consideration after you receive the election form, or if you need additional copies of this proxy statement/prospectus or the enclosed proxy card, you should contact: Mid Illinois Bancorp, Inc., Mark W. Joseph, President and Chief Executive Officer, 2119 S.W. Adams Street, Peoria, Illinois 61602, (309) 676-0521 or Mwjoseph@southsidebank.com or Greg Rice, Corporate Secretary, 2119 S.W. Adams Street, Peoria, Illinois 61602, (309) 495-4244 or gcrice@southsidebank.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 Appendixes 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 Mid Illinois**

***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 28 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. Busey Bank also offers mortgage loan products through fifteen loan production offices in the St. Louis, Kansas City, Chicago, Omaha-Council Bluffs metropolitan areas and across the Midwest. Trevett Capital Partners, a wealth management division of Busey Bank, provides asset management, investment and fiduciary services to high net worth clients in southwest Florida.

As of March 31, 2017, First Busey had total assets of approximately \$5.4 billion, total gross loans, including held for sale, of approximately \$4.0 billion, total deposits of approximately \$4.5 billion and total stockholders' equity of approximately \$602.3 million.

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

***Mid Illinois Bancorp, Inc.***  
2119 S.W. Adams Street  
Peoria, Illinois 61602  
(309) 676-0521

Mid Illinois Bancorp, Inc. is an Illinois corporation and registered bank holding company for South Side Trust & Savings Bank of Peoria, an Illinois-chartered commercial bank headquartered in Peoria, Illinois. South Side Bank has 13 branches located in the Peoria metropolitan statistical area. Mid Illinois' vision is to meet its customer's needs through the delivery of high quality, personalized service better than its competition.

As of March 31, 2017, Mid Illinois had consolidated total assets of approximately \$674.8 million, total gross loans of approximately \$374.2 million, total net loans of approximately \$369.3 million, total deposits of approximately \$528.4 million and total stockholders' equity of approximately \$82.1 million.

Mid Illinois common stock is privately held and not traded in any public market.

**The merger and the merger agreement** (See page [ • ]) )

First Busey's acquisition of Mid Illinois 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, Mid Illinois will be merged with and into First Busey. After the consummation of the merger, South Side Bank will be a wholly-owned subsidiary of First Busey. The merger is anticipated to be completed in the fourth quarter of 2017. At a date following the completion of the merger, First Busey intends to merge South Side Bank with and into Busey Bank, with Busey Bank as the surviving bank. At such

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time, South Side Bank's banking offices will become banking offices of Busey Bank. Until the banks are merged, First Busey will own and operate South Side Bank and Busey Bank as separate bank subsidiaries.

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 Mid Illinois stockholders will receive** (See page [ • ])

If the merger is completed, each share of Mid Illinois common stock issued and outstanding immediately prior to the effective time of the merger (other than shares owned by Mid Illinois or First Busey and any dissenting shares), will be converted into the right to receive, at the election of the stockholder, either (i) \$227.94 in cash, (ii) 7.5149 shares of First Busey common stock or (iii) a combination of \$68.38 in cash and 5.2604 shares of First Busey common stock, subject to certain adjustments and proration, as described in this proxy statement/prospectus, and with cash paid in lieu of fractional shares. Shares of Mid Illinois common stock held by Mid Illinois 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 [ • ])

The U.S. federal income tax consequences of the merger to a U.S. holder of Mid Illinois common stock will depend on the relative mix of cash and First Busey common stock received by such U.S. holder of Mid Illinois common stock. U.S. holders of Mid Illinois common stock should not recognize any gain or loss for U.S. federal income tax purposes if they exchange their Mid Illinois shares solely for shares of First Busey common stock in the merger, except with respect to cash received in lieu of fractional shares of First Busey common stock. U.S. holders of Mid Illinois common stock will recognize gain or loss if they exchange their Mid Illinois shares solely for cash in the merger. U.S. holders of Mid Illinois common stock will recognize gain, but not loss, if they exchange their Mid Illinois shares for a combination of First Busey common stock and cash, but their taxable gain in that case will not exceed the cash they receive in the merger. **The tax consequences of the merger to each Mid Illinois stockholder will depend on such Mid Illinois stockholder's own situation. We strongly urge Mid Illinois stockholders to consult with their own tax advisors for a full understanding of the tax consequences of the merger to them.** The parties' respective obligations to complete the merger are conditioned on receipt of a tax opinion from their respective counsel that the merger qualifies as a reorganization under Section 368(a) of the Internal Revenue Code. The opinions will not bind the Internal Revenue Service, which could take a different view.

**Mid Illinois' reasons for the merger; Board recommendation to Mid Illinois' stockholders** (See page [ • ])

The Mid Illinois board of directors believes that the merger agreement and the transactions contemplated therein are in the best interests of Mid Illinois and its stockholders. Mid Illinois' board of directors unanimously recommends that Mid Illinois stockholders vote "**FOR**" the proposal to approve the merger agreement and "**FOR**" adjournment of the Mid Illinois 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.

**Interests of officers and directors of Mid Illinois in the merger may be different from, or in addition to, yours** (See page [ • ])

When you consider the Mid Illinois board of directors' recommendation to vote in favor of approval of the merger agreement, you should be aware that some of Mid Illinois' directors and

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officers may have interests in the merger that are different from, or in addition to, your interests as stockholders. These interests include, among others, retention and employment agreements with First Busey, certain payments and benefits payable under the employment agreement entered into with Mid Illinois' chief executive officer, certain payments due under deferred compensation agreements with South Side Bank and additional payments in connection with their termination, payments due under management continuity agreements with South Side Bank, 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 member of the Mid Illinois board of directors to serve as a member of the Busey Bank board of directors following the completion of the bank merger. The Mid Illinois 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 Mid Illinois stockholders.

**Mid Illinois stockholders will have dissenters' rights in connection with the merger** (See page [ • ]) )

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

A copy of the sections of the IBCA 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 [ • ]) )

There are a number of risks relating to the merger and to the businesses of First Busey, Mid Illinois and the combined company following the merger. See the "Risk Factors" beginning on page [ • ] of this proxy statement/prospectus 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 [ • ]) )

Approval by Mid Illinois' stockholders at Mid Illinois' special meeting of stockholders on [ • ], 2017 is required to complete the merger. The presence, in person or by proxy, of a majority of the shares of Mid Illinois common stock entitled to vote on the merger agreement is necessary to constitute a quorum at the meeting. Each share of Mid Illinois 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 two-thirds of the outstanding shares of Mid Illinois common stock entitled to vote. Abstentions, shares not voted and broker non-votes will have the same effect as a vote against the merger proposal. Approval of the adjournment proposal requires the affirmative vote of the holders of a majority of shares of Mid Illinois common stock represented in person or by proxy at the special meeting and entitled to vote. Abstentions are deemed to be represented at the special meeting and thereby have the same effect as a vote against the adjournment proposal. Shares not voted and broker non-votes will have no effect on the adjournment proposal, although they may prevent Mid Illinois from obtaining a quorum and require Mid Illinois to adjourn the special meeting to solicit additional proxies.

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**Completion of the merger is subject to regulatory approvals** (See page [ • ])

The merger cannot proceed without obtaining all requisite regulatory approvals. First Busey and Mid Illinois have agreed to take all appropriate actions necessary to obtain the required approvals. The merger of First Busey and Mid Illinois 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 June 29, 2017 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 South Side Bank 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 June 29, 2017 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 [ • ])

*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 Mid Illinois in the merger agreement as of the closing date, except as otherwise set forth in the merger agreement;

performance by Mid Illinois 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 Mid Illinois 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 Mid Illinois certifying (i) the accuracy of the representations and warranties of Mid Illinois in the merger agreement and (ii) performance by Mid Illinois in all material respects of its obligations under the merger agreement;

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receipt of a tax opinion from Barack Ferrazzano Kirschbaum & Nagelberg LLP (which we refer to as "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 Mid Illinois 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 Mid Illinois common stock upon the receipt of shares of First Busey common stock in exchange for their shares of Mid Illinois 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 Mid Illinois since the date of the merger agreement.

*Closing Conditions for the Benefit of Mid Illinois.* Mid Illinois' 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 Mid Illinois 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 Attorneys PLLC (which we refer to as "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 Mid Illinois 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 Mid Illinois common stock upon the receipt of shares of First Busey common stock in exchange for their shares of Mid Illinois 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;



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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 Mid Illinois** (See page [ • ])

First Busey and Mid Illinois 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 Mid Illinois 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 Mid Illinois stockholders for the merger agreement and the transactions contemplated therein following the meeting held for such purpose;

the merger is not completed by December 31, 2017, 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 Mid Illinois 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;

Mid Illinois may terminate in order to enter into an agreement with respect to an unsolicited superior proposal from a third party;

First Busey may terminate if Mid Illinois' board of directors makes an adverse recommendation to Mid Illinois' stockholders; or

Mid Illinois may terminate if on the determination date, the weighted average daily closing sales price of a share of First Busey common stock for the 20 consecutive trading days immediately preceding the determination date is less than \$24.5953 and represents a percentage change, relative to a base value of \$30.7441 per share of First Busey common stock, that is more than 20% below the percentage change in the SNL Mid Cap U.S. Bank Index, measured by comparing the

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average daily closing value of that index over that 20-day period to a base value of 428.36, unless First Busey elects to cure either of these deficiencies by increasing the stock portion of the merger consideration as described in the section entitled "Description of the Merger Agreement Consideration to be received in the merger."

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**Termination fees and expenses may be payable under some circumstances** (See page [ • ]) )

*Termination Fees Payable by Mid Illinois.* Mid Illinois has agreed to pay First Busey a termination fee of \$2.0 million if First Busey terminates the merger agreement because Mid Illinois 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 First Busey's failure to comply in all material respects with any of its obligations under the merger agreement.

Mid Illinois has agreed to pay First Busey a termination fee of \$5.0 million if the merger agreement is terminated under the following circumstances:

First Busey terminates the merger agreement because Mid Illinois 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;

Mid Illinois 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 Mid Illinois, has been made directly to Mid Illinois' stockholders or is publically announced, and (i) thereafter the merger agreement is terminated by First Busey upon Mid Illinois' material breach of its obligations under the merger agreement and (ii) within six months after such termination Mid Illinois enter into a definitive written agreement with respect to such acquisition proposal.

*Termination Fees Payable by First Busey.* First Busey has agreed to pay Mid Illinois a termination fee of \$2.0 million if Mid Illinois terminates the merger agreement because First Busey 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 Mid Illinois' failure to comply in all material respects with any of its obligations under the merger agreement.

**Voting and support agreement** (See page [ • ]) )

On March 13, 2017, the directors and certain officers of Mid Illinois agreed to vote all of their shares of Mid Illinois common stock in favor of the merger agreement at the special meeting. The voting and support agreement covers approximately [ • ]% of Mid Illinois' outstanding shares of common stock as of [ • ], 2017. 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 [ • ]) )

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 Mid Illinois stockholder rights** (See page [ • ]) )

Because they will receive First Busey common stock, Mid Illinois 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 Mid Illinois' stockholders. The material differences are described later in this proxy statement/prospectus.

**First Busey shares will be listed on NASDAQ** (See page [ • ]) )

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."



Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF FIRST BUSEY**

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 three months ended March 31, 2017 and March 31, 2016 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, 2016, and in First Busey's Quarterly Report on Form 10-Q as of and for the three months ended March 31, 2017, 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 three months ended March 31,		As of or for the years ended December 31,				
	2017	2016	2016	2015	2014	2013	2012
	(dollars in thousands, except per share data)						
<b>Balance Sheet Items</b>							
Securities available for sale	\$ 654,216	\$ 778,770	\$ 759,811	\$ 834,838	\$ 759,065	\$ 841,310	\$ 1,001,497
Securities held to maturity	89,660	49,082	47,820	49,832	2,373	834	
Loans held for sale	96,444	12,943	256,319	9,351	10,400	13,840	40,003
Gross portfolio loans	3,872,952	2,572,569	3,878,900	2,627,739	2,405,290	2,281,460	2,033,107
Allowance for loan losses	48,442	45,171	47,795	47,487	47,453	47,567	48,012
Total assets	5,438,935	3,890,630	5,425,170	3,998,976	3,665,607	3,539,575	3,618,056
Tangible assets(1)	5,318,866	3,858,453	5,303,894	3,966,034	3,638,234	3,509,318	3,584,667
Total deposits	4,485,543	3,181,728	4,374,298	3,289,106	2,900,848	2,869,138	2,980,292
Short-term debt(2)	163,081	166,141	264,157	172,972	198,893	172,348	139,024
Long-term debt	80,000	80,000	80,000	80,000	50,000		7,000
Junior subordinated debt owed to unconsolidated trusts	70,903	55,000	70,868	55,000	55,000	55,000	55,000
Stockholders' equity	602,347	383,264	594,314	373,186	433,639	415,364	408,797
Common stockholders' equity	602,347	383,264	594,314	373,186	360,975	342,700	336,133
Tangible common stockholders' equity(3)	489,186	353,757	480,415	343,211	336,271	316,351	307,976
<b>Results of Operations</b>							
Interest income	\$ 44,927	\$ 29,524	\$ 164,889	\$ 118,022	\$ 108,075	\$ 108,696	\$ 116,916
Interest expense	2,914	1,582	10,229	6,207	6,499	8,631	14,770
Net interest income	42,013	27,942	154,660	111,815	101,576	100,065	102,146
Provision for loan losses	500	1,000	5,550	1,600	2,000	7,500	16,500
Net income available for common stockholders	15,170	10,434	49,694	38,306	32,047	25,093	18,724
<b>Per Share Data</b>							
Diluted earnings	\$ 0.39	\$ 0.36	\$ 1.40	\$ 1.32	\$ 1.10	\$ 0.86	\$ 0.65
Cash dividends	0.18	0.17	0.68	0.62	0.57	0.36	0.72
Book value(4)	15.75	13.35	15.54	13.01	12.47	11.84	11.63
Tangible book value(5)	12.61	12.23	12.37	11.86	11.52	10.80	10.48
Closing stock price	29.40	20.48	30.78	20.63	19.53	17.40	13.95
<b>Other Information</b>							
Return on average assets	1.16%	1.07%	1.00%	0.98%	0.91%	0.71%	0.53%
Return on average common equity	10.33%	11.14%	9.59%	10.41%	9.11%	7.39%	5.49%
Net interest margin(6)	3.53%	3.10%	3.42%	3.10%	3.15%	3.15%	3.24%
Equity to assets ratio(7)	11.26%	9.64%	10.42%	9.39%	9.94%	9.61%	9.74%
Dividend payout ratio(8)	46.15%	47.22%	48.57%	46.97%	51.82%	41.86%	110.77%

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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.

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- (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, non-GAAP.
- (7) Average common equity divided by average total assets.
- (8) Ratio calculated using only common stock.

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. First Busey's per common share data 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."

<b>Quarter Data</b>	<b>High</b>	<b>Low</b>	<b>Dividend Declared</b>
First quarter 2015	\$ 20.58	\$ 17.91	\$ 0.15
Second quarter 2015	20.52	18.18	0.15
Third quarter 2015	20.83	17.77	0.15
Fourth quarter 2015	22.59	18.65	0.17
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 (through [•], 2017)	[•]	[•]	[•]

The outstanding shares of Mid Illinois common stock are privately held and are not traded in any public market. The last transaction known by Mid Illinois' management to occur prior to the date of this proxy/statement prospectus was on December 23, 2016, and the sales price was \$152.00 per share. The following table sets forth the cash dividends declared per share for the periods indicated for Mid Illinois common stock.

<b>Quarter Data</b>	<b>Dividend Declared</b>
First quarter 2015	\$ 0.00
Second quarter 2015	2.00
Third quarter 2015	0.00
Fourth quarter 2015	6.00
First quarter 2016	\$ 0.00
Second quarter 2016	1.75
Third quarter 2016	0.00
Fourth quarter 2016	4.00
First quarter 2017	\$ 0.00
Second quarter	2.25
Third quarter (through [•], 2017)	[•]

On March 10, 2017, the trading day immediately prior to the public announcement date of the merger agreement, the closing price of First Busey common stock was \$29.83. On [ • ], 2017, the last practicable trading day prior to the mailing date of this proxy statement/prospectus, the closing price of First Busey common stock was \$[ • ].

Mid Illinois 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/



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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 Mid Illinois 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 Mid Illinois stockholders, on the date of the special meeting of the Mid Illinois stockholders and on the date the merger is completed and thereafter. Any change in the exchange ratio or 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 Mid Illinois stockholders will receive upon completion of the merger. Accordingly, at the time of the special meeting, Mid Illinois 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 Mid Illinois' control. You should obtain current market quotations for shares of First Busey common stock and for shares of Mid Illinois common stock before you vote and before you make your election.

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

Upon completion of the merger, holders of Mid Illinois common stock will become holders of First Busey common stock. First Busey's business differs in important respects from that of Mid Illinois and they currently operate in different markets. 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 Mid Illinois. For a discussion of the businesses and markets of First Busey and Mid Illinois 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."

***Mid Illinois Stockholders May Receive a Form of Consideration Different from What They Elect.***

Although each holder of Mid Illinois common stock may elect to receive their consideration in the form of cash, shares of First Busey common stock or a combination of cash and First Busey common stock, the aggregate amount of cash and shares of First Busey common stock to be delivered in the merger will not change based on these elections. In particular, First Busey will pay 30% of the aggregate consideration in cash and 70% in shares of First Busey common stock. Accordingly, holders of Mid Illinois common stock who elect to receive cash consideration or share consideration may instead receive a combination of cash and shares of First Busey common stock if necessary to maintain the aggregate mix of consideration described above.

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

Mid Illinois stockholders currently have the right to vote in the election of the Mid Illinois board of directors and on other matters requiring stockholder approval under Illinois law and Mid Illinois' articles of incorporation and bylaws. Upon the completion of the merger, each Mid Illinois 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 Mid Illinois. Additionally, only one member of the Busey Bank board of directors after the completion of the merger will be designated by Mid Illinois upon the completion of the merger. Based on the number of issued and outstanding First Busey common shares and shares of Mid Illinois common stock on [ • ], 2017, and based on the 3,115,503 total number of First Busey shares of common stock issuable pursuant to the merger, stockholders of Mid Illinois, as a group, will receive shares in the merger constituting approximately 6.8% of First Busey common shares expected to be outstanding immediately after the merger (without giving effect to any First Busey common shares held by Mid Illinois stockholders prior to the merger). Because of this, current Mid Illinois 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 Mid Illinois.

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

First Busey and Mid Illinois 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 Mid Illinois 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 Mid Illinois 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 Mid Illinois' ongoing businesses or cause inconsistencies in standards, controls, procedures and policies that adversely affect the ability of First Busey or Mid Illinois 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 Mid Illinois in connection with their respective approvals of the merger agreement were the 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

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factors, including the regulatory standing of each of the parties. An adverse 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 Mid Illinois 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 Mid Illinois 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 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 Mid Illinois 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: approval of the merger agreement and the transactions it contemplates by Mid Illinois 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 Mid Illinois may elect to terminate the merger agreement in certain other circumstances.

***Termination of the Merger Agreement Could Negatively Impact Mid Illinois.***

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

Mid Illinois may experience negative impacts on its stock price;

Mid Illinois may experience negative reactions from its customers, vendors and employees;

Mid Illinois 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 Mid Illinois' 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 Mid Illinois

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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 Mid Illinois management, which would otherwise have been devoted to other opportunities that may have been beneficial to Mid Illinois as an independent company.

If the merger agreement is terminated and Mid Illinois' board of directors seeks another merger or business combination, Mid Illinois stockholders cannot be certain that Mid Illinois 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. If the merger agreement is terminated under certain circumstances, Mid Illinois may be required to pay termination fees to First Busey.

***Mid Illinois 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 Mid Illinois and, consequently, on First Busey. These uncertainties may impair Mid Illinois' ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers and others that deal with Mid Illinois to seek to change existing business relationships with Mid Illinois. 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 Mid Illinois from making certain transactions and taking other specified actions without the consent of First Busey until the merger occurs. These restrictions may prevent Mid Illinois from pursuing attractive business opportunities that may arise prior to the completion of the merger.

***Mid Illinois Directors and Officers May Have Interests in the Merger Different From the Interests of Mid Illinois Stockholders.***

The interests of some of the directors and executive officers of Mid Illinois may be different from those of Mid Illinois stockholders, and directors and officers of Mid Illinois may be participants in arrangements that are different from, or are in addition to, those of Mid Illinois stockholders. The members of the Mid Illinois' 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 Mid Illinois' common stockholders vote in favor of adopting the merger agreement. Such interests include, among others:

Entering into an employment agreement with the Chief Executive Officer of Mid Illinois;

Entering into retention agreements with certain directors and officers of Mid Illinois;

The payment of balances due upon termination of deferred compensation agreements with South Side Bank and the receipt of additional cash payments in connection with the termination;

The receipt of certain change in control benefits; and

The continuation of service on Busey Bank's board of directors of one Mid Illinois director.

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

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

The merger agreement contains provisions that may discourage a third party from submitting a business combination proposal to Mid Illinois that might result in greater value to Mid Illinois' 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 Mid Illinois than it might otherwise have proposed to pay absent such provisions. These provisions include a general prohibition on Mid Illinois from soliciting, or, subject to certain exceptions relating to the exercise of fiduciary duties by Mid Illinois' board of directors, entering into discussions with any third party regarding any acquisition proposal or offers for competing transactions. Mid Illinois also has an unqualified obligation to submit the proposal to approve the merger to a vote by its stockholders, even if Mid Illinois 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, Mid Illinois may be required to pay First Busey a termination fee of \$5.0 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 Mid Illinois' Financial Advisor Will Not Reflect Changes in Circumstances Between the Signing of the Merger Agreement and the Completion of the Merger.***

Mid Illinois 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 Mid Illinois or First Busey, general market and economic conditions and other factors that may be beyond the control of Mid Illinois or First Busey, and on which Mid Illinois' financial advisor's opinion was based, may significantly alter the value of Mid Illinois or the prices of the First Busey common shares or shares of Mid Illinois 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 Mid Illinois 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 Mid Illinois Will Incur Transaction and Integration Costs in Connection with the Merger.***

Each of First Busey and Mid Illinois 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 Mid Illinois may also incur additional costs to maintain employee morale and to retain key employees. First Busey and Mid Illinois 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 Mid Illinois Common Stockholders as a Result of the Merger Will Have Different Rights From the Shares of Mid Illinois Common Stock.***

Upon completion of the merger, Mid Illinois 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 Mid Illinois common stock

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are different from the rights associated with First Busey common stock. Please see "Comparison of Rights of First Busey Stockholders and Mid Illinois 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, reduced debit card interchange fees, enhanced risk management frameworks and stress testing, all of which increase operating costs and reduce earnings. As First Busey approaches \$10 billion in assets, it will be required to incur additional costs to address these additional requirements.

***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, 2016, 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 Mid Illinois. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of First Busey's and Mid Illinois' 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 Mid Illinois 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 Mid Illinois 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 Mid Illinois will not be realized or will not be realized within the expected time period;

the risk that integration of operations of Mid Illinois 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 and national economy;

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 Mid Illinois' general business;

changes in interest rates and prepayment rates of First Busey's and Mid Illinois' assets;

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



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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 Mid Illinois;

unexpected outcomes of existing or new litigation involving First Busey or Mid Illinois;

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 and 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 non-GAAP measures are used by First Busey's management, together with the related GAAP measures, in analysis of the company's performance and in making business decisions. Management also uses these measures for peer comparisons.

The non-GAAP disclosures contained herein should not be viewed as substitutes for the results determined to be in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies.

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**INFORMATION ABOUT THE SPECIAL MEETING OF MID ILLINOIS STOCKHOLDERS**

**Purpose**

Mid Illinois stockholders are receiving this proxy statement/prospectus because on [ • ], 2017, the record date for the special meeting of stockholders to be held on [ • ], 2017, at [ • ] at [ • ], local time, they owned shares of the common stock of Mid Illinois, and the board of directors of Mid Illinois 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 Mid Illinois common stock on [ • ], 2017, 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, Mid Illinois 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 Mid Illinois special meeting is [ • ], 2017. Mid Illinois' 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 [ • ] shares of Mid Illinois common stock outstanding and entitled to vote at the special meeting. The outstanding shares are held by approximately [ • ] holders of record.

The presence, in person or by proxy, of a majority of the shares of Mid Illinois common stock entitled to vote on the merger agreement is necessary to constitute a quorum at the special meeting. Each share of Mid Illinois 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 at the special meeting, Mid Illinois will also count as present the shares of Mid Illinois common stock present in person but not voting, and the shares of common stock for which Mid Illinois 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 Mid Illinois common stock outstanding as of the record date, at least [ • ] shares need to be present at the special meeting, whether in person or by proxy, to constitute a quorum.

Approval of the merger proposal requires the affirmative vote of the holders of two-thirds of the outstanding shares of Mid Illinois common stock entitled to vote. Abstentions, shares not voted and

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

As of the record date for the special meeting, Mid Illinois' directors and executive officers beneficially owned a total of [ • ] shares, or approximately [ • ]% of the outstanding shares, of Mid Illinois 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**

Vote by completing, signing and returning the enclosed proxy card. 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 the 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 Mid Illinois 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.**

**Participants in Mid Illinois' ESOP Plan**

If you hold Mid Illinois common stock through the ESOP, you will receive a voting instruction card to reflect all of the shares that you may direct the trustee to vote on your behalf under the plan. Under the terms of the ESOP, all shares held by the ESOP are voted by the ESOP trustee, but each participant in the ESOP may direct the trustee how to vote the shares of Mid Illinois common stock allocated to his or her account. Allocated shares for which no timely voting instructions are received will not be voted by the ESOP trustee.

**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

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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 Mid Illinois 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.

**Revocability of proxies**

You may revoke your proxy at any time before the vote is taken at the special meeting, regardless of whether you submitted your original proxy by mail. To revoke your proxy, you must either advise the Corporate Secretary of Mid Illinois in writing before your Mid Illinois 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: Mid Illinois Bancorp, Inc., Corporate Secretary, 2119 S.W. Adams Street, Peoria, Illinois 61602. 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**

Mid Illinois will pay the costs associated with the solicitation of proxies for the special meeting. Mid Illinois 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 Mid Illinois. In addition to the solicitation of proxies by mail, directors, officers and employees of Mid Illinois may solicit proxies personally or by telephone. None of these persons will receive additional compensation for these activities.

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**THE MID ILLINOIS PROPOSALS**

**Proposal 1 Approval of the Merger Agreement**

At the Mid Illinois special meeting, stockholders of Mid Illinois will be asked to approve the merger agreement, pursuant to which Mid Illinois will merge with and into First Busey, and the transactions contemplated therein. Stockholders of Mid Illinois 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 Mid Illinois unanimously determined that the merger agreement and the transactions contemplated therein are in the best interests of Mid Illinois and its stockholders, and unanimously adopted and approved the merger agreement. The board of directors of Mid Illinois unanimously recommends that Mid Illinois stockholders vote "FOR" approval of the merger agreement and the transactions contemplated therein.**

**Proposal 2 Adjournment of the Special Meeting**

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

**The board of directors of Mid Illinois unanimously recommends a vote "FOR" the proposal to adjourn the special meeting.**

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**THE MERGER**

*This section of the proxy statement/prospectus describes material aspects of the merger. While First Busey and Mid Illinois 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 Appendixes 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 Mid Illinois board of directors is using this proxy statement/prospectus to solicit proxies from the holders of Mid Illinois common stock for use at the Mid Illinois special meeting of stockholders, at which Mid Illinois stockholders will be asked to approve the merger agreement and thereby approve the merger. When the merger is completed, Mid Illinois will merge with and into First Busey and will cease to exist, which will result in South Side Bank being a wholly-owned subsidiary of First Busey. The merger is anticipated to be completed in the fourth quarter of 2017. At a date following the completion of the merger, First Busey intends to merge South Side Bank with and into Busey Bank, with Busey Bank as the surviving bank. At such time, South Side Bank's banking offices will become banking offices of Busey Bank. Until the banks are merged, First Busey will own and operate South Side Bank and Busey Bank as separate bank subsidiaries.

If the merger is completed, each share of Mid Illinois common stock issued and outstanding immediately prior to the effective time of the merger (other than shares owned by Mid Illinois or First Busey and any dissenting shares), will be converted into the right to receive, at the election of the stockholder, either (i) \$227.94 in cash, (ii) 7.5149 shares of First Busey common stock or (iii) a combination of \$68.38 in cash and 5.2604 shares of First Busey common stock, subject to certain adjustments and proration, as described in this proxy statement/prospectus, and with cash paid in lieu of fractional shares. Shares of Mid Illinois common stock held by Mid Illinois stockholders who elect to exercise their dissenters' rights will not be converted into merger consideration.

**Background of the merger**

The Mid Illinois board of directors has regularly reviewed and discussed Mid Illinois' business strategy, performance, future prospects and possible operational alternatives in the context of the economic environment in Peoria and the United States, developments in the regulation of financial institutions and the competitive landscape. In addition, the board of directors formed a special committee to consider, among other things, possible strategic alternatives available to Mid Illinois, such as potential acquisitions or business combinations involving other financial institutions. The special committee was authorized on behalf of the board of directors to (i) review, consider and evaluate strategic options available to Mid Illinois; (ii) discuss terms of potential strategic transactions with potential strategic partners and their representatives and advisers, and (iii) make such recommendations to the board of directors as the special committee deemed appropriate regarding strategic options or proposals. As part of these considerations, Mid Illinois' executive management and members of this special committee engaged in informal discussions with representatives of other financial institutions from time to time, and have regularly updated the board regarding the occurrence and nature of any such discussions. Mid Illinois management and the board of directors and/or members of the special committee also met periodically with investment banking firms with experience in business combinations in the financial services industry in Illinois, including Stephens Inc. (which we refer to as "Stephens"), to discuss various alternatives Mid Illinois might consider, including continuing operations on a standalone basis, seeking acquisition targets or a sale to a strategic partner.

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First Busey's executive team and board of directors also regularly and actively considers First Busey's business and strategic direction. Through the past several years, First Busey's board of directors and executive management team has consistently maintained that they believe it was in the best interests of First Busey's stockholders to remain an independent entity and focus on First Busey's asset quality, capital position and the communities that it serves. As the economy in its market areas stabilized and showed indications of sustained recovery, they continued to emphasize First Busey's asset quality and they also began to explore ways to take advantage of the different opportunities to grow, both organically and through strategic transactions, both in new and existing markets in the Midwestern United States. In this regard, First Busey acquired Pulaski Financial Corp., based in St. Louis, Missouri, on April 30, 2016, and First Community Financial Partners, Inc. (which we refer to as "First Community"), based in Joliet, Illinois, on July 2, 2017.

As part of its growth strategy, First Busey's executive management has regularly met from time to time with financial advisors, including representatives from Sandler O'Neill and Partners, Inc. (which we refer to as "Sandler"), to discuss various trends in the industry, the merger and acquisition market and particular financial institutions that could be strategic partners. The executive management team regularly reported this information to the full board of directors to keep the directors properly knowledgeable and informed on First Busey's strategic alternatives.

In 2010, Van Dukeman, President and Chief Executive Officer of First Busey, was introduced to David Cochran, who was then President and Chief Executive Officer of Mid Illinois. Over the years, Mr. Dukeman and Mr. Cochran periodically met informally and discussed generally their respective businesses, the general nature and needs of their respective clients, the current state of the banking industry and the opportunities and challenges faced by banks in the current environment. In the latter half of 2015, Mr. Dukeman and Mr. Cochran met and specifically addressed the possibility of the parties exploring a potential business combination. This meeting did not, at that time, include any discussion of specific transaction terms, rather the strategic merits of the combination.

In May 2016, Mr. Dukeman and Robin Elliott, Executive Vice President, Chief Operating Officer and Chief Financial Officer of First Busey, met with Mr. Cochran and Mark Joseph, President and Chief Executive Officer of Mid Illinois, and indicated that First Busey would be interested in pursuing a possible business combination with Mid Illinois, with consideration to be paid to Mid Illinois' stockholders having value of \$120 million, subject to confirmatory due diligence, and to be paid in the form of some combination of cash and First Busey common stock. Mr. Cochran and Mr. Joseph updated the Mid Illinois board of directors on their meeting with Mr. Dukeman and Mr. Elliott at the regularly scheduled June meeting of the Mid Illinois board of directors. Mr. Dukeman also updated the First Busey board at its regular May board meeting.

Mr. Dukeman and Mr. Cochran remained in contact through the next several months regarding their respective businesses, the general banking environment and Mid Illinois' general ongoing strategy. During this time, Mr. Dukeman and Mr. Elliott held ongoing discussions with representatives of Stephens, Mid Illinois' financial advisor, regarding a possible strategic transaction between First Busey and Mid Illinois.

Subsequently, on July 13, 2016 representatives of Stephens met with the board and senior management of Mid Illinois to discuss the M&A market in general and, more specifically, to provide a preliminary analysis of First Busey's expression of interest. In August 2016 a special committee of independent directors was formed to conduct a review of First Busey and its proposal with the assistance of Stephens and Mid Illinois' legal counsel as well as to consider a recommendation to the full board of directors.

From August 2016 through November 2016, Mid Illinois' special committee of independent directors, with the assistance of representatives of Stephens, conducted its review of First Busey as well as the proposal made in May 2016. During November 2016, representatives of First Busey expressed



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continuing interest in Mid Illinois and willingness to move expeditiously and discussed with representatives of Mid Illinois and Stephens First Busey's proposed timing for conducting due diligence and delivering any written, non-binding indication of interest to Mid Illinois. On December 14, 2016, representatives of Stephens and Howard & Howard met with the special committee of the Mid Illinois board of directors to discuss the board's fiduciary obligations in the context of possible strategic transactions and to consider whether to enter into a confidentiality agreement with First Busey in order to permit First Busey to conduct due diligence regarding Mid Illinois' operations. As a result of this review, the special committee presented its findings to the full Mid Illinois board of directors on December 14, 2016 proposing that Mid Illinois management and representatives of Stephens engage in further discussions with First Busey and share additional information that would enable First Busey to submit a written indication of interest.

After the Mid Illinois board meeting on December 14, 2016, representatives of Stephens contacted representatives of First Busey to request that the parties enter into a confidentiality agreement so that the parties could continue their preliminary, non-binding discussions of the potential benefits and risks of a strategic transaction. First Busey's executive management updated the board on the ongoing discussions with Mid Illinois and the First Busey board authorized management to continue discussions with Mid Illinois' management and its advisors. The parties entered into a confidentiality agreement on December 23, 2016. Over the next several weeks, Mid Illinois provided First Busey's executive team with confidential due diligence materials through a virtual data room and First Busey continued evaluating Mid Illinois' business, held several conversations with Stephens and prepared a non-binding indication of interest with the assistance of Sandler and its legal advisor, Barack Ferrazzano Kirschbaum & Nagelberg LLP (which we refer to as "Barack Ferrazzano"), which was approved by First Busey's board.

On January 10, 2017, First Busey provided Mid Illinois with a written, non-binding indication of interest with respect to a possible business combination in which First Busey would acquire Mid Illinois for aggregate consideration of between \$130 million and \$132 million, which valued Mid Illinois common stock at approximately \$219.50 to \$222.88 per share, consisting of 75% First Busey common stock and 25% cash, with a fixed exchange ratio to be agreed upon prior to the execution of any definitive agreement. The proposed consideration was contingent upon a number of factors, including the results of First Busey's due diligence of Mid Illinois' organization.

Mid Illinois' management and members of the special committee discussed the indication of interest at length with outside legal counsel and representatives of Stephens. In the course of these discussions, the board directed Stephens to provide counterproposals to certain provisions of the indication of interest, including an increase to the merger consideration, a change to the mix of cash consideration and stock consideration being offered, and an election mechanism through which Mid Illinois shareholders would have the opportunity to elect their individual mix of cash and stock consideration (provided that the aggregate mix of cash and stock would not change based on the election process).

In response to the discussions with representatives of Stephens, First Busey's management worked closely with Sandler to develop a revised indication of interest. On February 1, 2017, First Busey submitted a revised non-binding indication of interest to Mid Illinois. The revised indication of interest provided for a fixed exchange ratio of 5.2604 shares of First Busey common stock plus \$68.38 for every share of Mid Illinois common stock. Based on the 15-day volume weighted average closing price of First Busey's common stock of \$30.33 as of January 31, 2017, this equated to a purchase price of approximately \$227.94 for each share of Mid Illinois common stock and approximately \$135 million in aggregate consideration. The revised proposal was subject to First Busey's completion of a more fulsome due diligence investigation of Mid Illinois, as well as, among other things, First Busey obtaining final approval from its board of directors and the parties' negotiation of a mutually acceptable definitive agreement.

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On February 2, 2017, the Mid Illinois board of directors met to discuss the First Busey indication of interest. At this meeting, after legal counsel summarized the fiduciary duty considerations presented by a possible sale of Mid Illinois, representatives of Stephens made a presentation to the board which included a description of First Busey's indication of interest, historical financial information for First Busey and Mid Illinois, and a summary of how the First Busey proposal compared to transactions involving comparable financial institutions. After Stephens' presentation and the board's discussion, Stephens was directed to continue its discussions with First Busey and the board determined that it would consider moving forward with First Busey at its special board meeting on February 8, 2017.

At the Mid Illinois board of directors meeting on February 8, 2017, representatives from Howard & Howard again summarized the fiduciary obligations of board members in considering strategic transactions, and representatives of Stephens briefly summarized the terms of the indication of interest and the valuation analysis (including a comparison of the proposal to transactions involving comparable financial institutions) that Stephens presented at the February 2, 2017 meeting.

After the February 8, 2017 Mid Illinois board meeting, First Busey and Mid Illinois agreed to negotiate a merger agreement based upon the indication of interest from First Busey dated February 1, 2017 and to conduct additional due diligence, including a credit review of Mid Illinois' loan portfolio. On March 2, 2017 Mid Illinois presented First Busey with a "reverse" due diligence list regarding First Busey. First Busey populated a virtual data room with the requested documents and Mid Illinois and its advisors reviewed the documentation throughout the negotiation of the merger agreement. On March 7, 2017, certain executives from Mid Illinois, along with representatives from Stephens, met with certain executives from First Busey to ask questions and to supplement Mid Illinois' due diligence review of the First Busey organization.

On February 21, 2017, First Busey and Barack Ferrazzano provided Mid Illinois 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, the ability for Mid Illinois stockholders to elect the form of consideration, dividends payable by Mid Illinois, treatment of Mid Illinois' deferred compensation arrangements, terms of representations and warranties for both sides, covenants for both sides and termination rights and fees.

As outlined in the indication of interest letters, First Busey believes that it is important to the success of the post-transaction company to retain Mr. Joseph following a transaction. In early March, representatives of First Busey held a number of conversations with Mr. Joseph regarding the terms of his employment following a transaction. See "The Merger Interests of certain persons in the merger" for a discussion of Mr. Joseph's employment terms.

On March 3, 2017, a draft of the merger agreement was distributed to Mid Illinois' board for its review and consideration. On March 6, 2017, the members of the Mid Illinois board held a meeting with representatives of Howard & Howard and Stephens. At that meeting, representatives of Howard & Howard discussed the terms of the merger agreement in detail and answered questions about the agreement. Additionally, representatives of Stephens led a discussion with the board regarding the merger agreement's financial terms, as well as summarized for the board the general economic and market climate, attributes about Mid Illinois' common stock, including its performance and trading characteristics, as well as summarizing comparable, recent merger transactions. After a lengthy discussion among the board members, the directors agreed to continue to review the agreement and meet at a special board meeting on March 8, 2017. The board again discussed the merger transaction at length on March 8, 2017, and in the course of that discussion agreed to reconvene the March 8 meeting on March 10 to discuss the final version of the merger agreement.

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Representatives of Howard & Howard and Barack Ferrazzano, in consultation with their respective clients, continued to finalize the disclosure schedules and certain employment matters for Mr. Joseph and other employees through March 10, 2017.

On March 10, 2017, the Mid Illinois board of directors, together with representatives of Stephens and Howard & Howard, reviewed the final terms of the transaction documents, including the director voting agreements, and the board's fiduciary duties in connection with the consideration of the proposed merger. Stephens rendered its written opinion to the Mid Illinois board of directors that, as of that date, and based upon and subject to the factors, assumptions and limitations set forth in its written opinion, the merger consideration was fair, from a financial point of view, to the holders of Mid Illinois common stock. The Mid Illinois board of directors discussed at length the transaction, the pricing terms, the strength of the pro forma enterprise in the Peoria area upon completion of the transaction, the added resources and enhanced breadth of products and services available to a larger financial institution, and the enhanced liquidity the transaction would offer to Mid Illinois shareholders. In this regard, the Mid Illinois board considered the financial analyses of Stephens regarding the valuation of Mid Illinois as a stand-alone entity. The directors 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 vis-à-vis its peers. The board also discussed First Busey's commitment to community banking and its general corporate philosophy. Following extensive discussion and questions and answers, including consideration of the factors described under "Mid Illinois' reasons for the merger and recommendation of the board of directors", the Mid Illinois board of directors unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, were in the best interest of Mid Illinois and its stockholders and recommended that the Mid Illinois stockholders approve the adoption of the merger agreement. The board then authorized the Mid Illinois management to sign the definitive agreement on March 13, 2017, assuming there were no significant changes to the deal terms, the definitive agreement and/or general market conditions, and to recommend that the Mid Illinois stockholders approve the adoption of the merger agreement.

On March 13, 2017, the First Busey board of directors held a special meeting to discuss the proposed transaction and to review the final terms of merger agreement. 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 Mid Illinois. Further, representatives of Sandler 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 Mid Illinois' representatives following the meeting.

Following the respective board meetings of First Busey and Mid Illinois, in the afternoon of March 13, 2017, First Busey and Mid Illinois executed the merger agreement and First Busey and Mid Illinois executed the voting agreements entered into with the directors of Mid Illinois. Shortly thereafter, on March 13, 2017, First Busey and Mid Illinois issued a joint press release announcing the execution of the merger agreement.

**Mid Illinois' reasons for the merger and recommendation of the board of directors**

After careful consideration, at a meeting held on March 10, 2017, the Mid Illinois board of directors unanimously determined that the merger agreement, including the merger and the other

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transactions contemplated thereby, is in the best interests of Mid Illinois and its stockholders and approved the merger agreement.

In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement and recommend that its stockholders vote "FOR" the merger agreement, the Mid Illinois board of directors consulted with Mid Illinois management, as well as its independent financial and legal advisors, and considered a number of factors, including the following material factors:

its knowledge of Mid Illinois' business, operations, financial condition, asset quality, earnings, loan portfolio, capital and prospects both as an independent organization, and as a part of a combined company with First Busey;

its understanding of First Busey's business, operations, regulatory and financial condition, asset quality, earnings, capital and prospects taking into account presentations by senior management of its due diligence review of First Busey and information furnished by Stephens;

based on the closing price of First Busey's common stock on March 10, 2017 and Mid Illinois' March 31, 2016 audited balance sheet, the aggregate merger consideration was priced at 173% of tangible common book value and 26x of 2016 core net income (net income adjusted for several non-recurring items).

its belief that the merger will result in a stronger commercial banking franchise with a diversified revenue stream, strong capital ratios, a well-balanced loan portfolio and an attractive funding base that has the potential to deliver a higher value to Mid Illinois' stockholders as compared to continuing to operate as a stand-alone entity;

the expanded possibilities, including organic growth and future acquisitions, that would be available to the combined company, given its larger size, asset base, capital, market capitalization and footprint;

the anticipated pro forma impact of the merger on First Busey, including potential synergies, and the expected impact on financial metrics such as earnings and tangible common equity per share, as well as on regulatory capital levels;

the financial analyses of Stephens and its written opinion, dated as of March 10, 2017, delivered to the Mid Illinois board of directors to the effect that, as of that date, and subject to and based on the various assumptions, considerations, qualifications and limitations set forth in the opinion, the exchange ratio was fair, from a financial point of view, to the holders of Mid Illinois common stock;

the cash/stock election mechanism of the merger agreement, which offers Mid Illinois stockholders the opportunity to seek their preferred form of consideration, subject to proration, such that 70% of the Mid Illinois shares receive stock consideration and 30% receive cash;

the cash component of the merger consideration offers Mid Illinois stockholders the opportunity to realize cash for the value of their shares with immediate certainty of value;

the stock component of the merger consideration offers Mid Illinois stockholders the opportunity to participate as stockholders of First Busey in the future performance of the combined company;

the historical performance of each of Mid Illinois' common stock and First Busey's common stock and the dividend paid for each;

the fact that upon completion of the merger Mid Illinois stockholders will own approximately 6.8% of the outstanding shares of the combined company;

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the more active trading market in First Busey common stock would give Mid Illinois stockholders greater liquidity for their investment;

the benefits to Mid Illinois and its customers of operating as a larger organization, including enhancements in products and services, higher lending limits, and greater financial resources;

the increasing importance of operational scale and financial resources in maintaining efficiency and remaining competitive over the long term and in being able to capitalize on technological developments that significantly impact industry competitive conditions;

the expected social and economic impact of the merger on the constituencies served by Mid Illinois, including its borrowers, customers, depositors, employees, and communities;

the effects of the merger on other Mid Illinois employees, including the prospects for continued employment in a larger organization and various benefits agreed to be provided to Mid Illinois employees;

the board's understanding of the current and prospective environment in which Mid Illinois and First Busey operate, including national and local economic conditions, the interest rate environment, increasing operating costs resulting from regulatory initiatives and compliance mandates, and the competitive effects of the continuing consolidation in the banking industry;

the ability of First Busey to complete the merger from a financial and regulatory perspective;

the board's understanding that the merger will qualify as a "reorganization" under Section 368(a) of the Internal Revenue Code, providing favorable tax consequences to Mid Illinois' stockholders in the merger; and

the board's review with its independent legal advisor, Howard & Howard, of the material terms of the merger agreement, including the board's ability, under certain circumstances, to withhold, withdraw, qualify or modify its recommendation to Mid Illinois' stockholders and to consider and pursue a better unsolicited acquisition proposal, subject to the potential payment by Mid Illinois of a termination fee to First Busey, which the board of directors concluded was reasonable in the context of termination fees in comparable transactions and in light of the overall terms of the merger agreement, as well as the nature of the covenants, representations and warranties and termination provisions in the merger agreement.

The Mid Illinois board of directors also considered a number of potential risks and uncertainties associated with the merger in connection with its deliberation of the proposed transaction, including, without limitation, the following:

the risk that the consideration to be paid to Mid Illinois stockholders could be adversely affected by a decrease in the trading price of First Busey common stock during the pendency of the merger;

the potential risk of diverting management attention and resources from the operation of Mid Illinois' business and towards the completion of the merger;

the restrictions on the conduct of Mid Illinois' business prior to the completion of the merger, which are customary for public company merger agreements involving financial institutions, but which, subject to specific exceptions, could delay or prevent Mid Illinois from undertaking business opportunities that may arise or any other action it would otherwise take with

respect to the operations of Mid Illinois absent the pending merger;

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

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the fact that the interests of certain of Mid Illinois' directors and executive officers may be different from, or in addition to, the interests of Mid Illinois' other stockholders as described under the heading "Description of the Merger Interests of certain persons in the merger";

that, while Mid Illinois expects that the merger will be completed, there can be no assurance that all conditions to the parties' obligations to complete the merger agreement will be satisfied, including the risk that necessary regulatory approvals or the Mid Illinois stockholder approval might not be obtained and, as a result, the merger may not be completed;

the risk of potential employee attrition and/or adverse effects on business and customer relationships as a result of the pending merger;

the fact that: (i) Mid Illinois would be prohibited from affirmatively soliciting acquisition proposals after execution of the merger agreement; and (ii) Mid Illinois would be obligated to pay to First Busey a termination fee if the merger agreement is terminated under certain circumstances, which may discourage other parties potentially interested in a strategic transaction with Mid Illinois from pursuing such a transaction; and

the possibility of litigation challenging the merger, and its belief that any such litigation would be without merit.

The foregoing discussion of the information and factors considered by the Mid Illinois board of directors is not intended to be exhaustive, but includes the material factors considered by the Mid Illinois board of directors. In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the Mid Illinois 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 Mid Illinois board of directors considered all these factors as a whole, including discussions with, and questioning of Mid Illinois' management and Mid Illinois' independent financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination.

**The board of directors of Mid Illinois 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.** Mid Illinois stockholders should be aware that Mid Illinois' directors and executive officers have interests in the merger that are different from, or in addition to, those of other Mid Illinois stockholders. The Mid Illinois 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 Mid Illinois. See "The Merger Interests of certain persons in the merger."

This summary of the reasoning of Mid Illinois' 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 Stephens Inc.**

Mid Illinois retained Stephens as financial advisor on December 28, 2016. Pursuant to that engagement, the Mid Illinois board of directors requested that Stephens evaluate the fairness, from a financial point of view, to the holders of Mid Illinois' outstanding common stock, other than the directors, officers, managers and affiliates of Mid Illinois (the "unaffiliated stockholders"), of the merger consideration to be received by such holders pursuant to the merger agreement.

At the March 10, 2017 meeting of the Mid Illinois board of directors, representatives of Stephens rendered its oral opinion, which was subsequently confirmed by delivery of a written opinion to the



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board dated March 10, 2017, as to the fairness, as of such date, from a financial point of view, to Mid Illinois' unaffiliated stockholders, of the merger consideration to be received by such holders in the transaction pursuant to the merger agreement, based upon and subject to the qualifications, assumptions and other matters considered in connection with the preparation of its opinion.

The full text of the written opinion of Stephens is attached as *Appendix D* to this proxy statement/prospectus. The summary of the opinion of Stephens set forth in this document is qualified in its entirety by reference to the full text of such written opinion. Holders of Mid Illinois common stock are urged to read this opinion in its entirety.

Stephens provided its opinion for the information of the Mid Illinois board of directors (solely in its capacity as such) in connection with, and for purposes of, its consideration of the merger transaction and its opinion only addresses whether the merger consideration to be received by the unaffiliated stockholders of Mid Illinois, in the transaction pursuant to the merger agreement was fair, from a financial point of view, to such holders. The opinion of Stephens does not address any other term or aspect of the merger agreement or the merger transaction contemplated thereby. The Stephens opinion does not constitute a recommendation to the Mid Illinois board or to any holder of Mid Illinois common stock as to how the board, such stockholder or any other person should vote or otherwise act with respect to the merger transaction or any other matter. Stephens does not express any opinion as to the likely trading range of First Busey common stock following the merger, which may vary depending on numerous factors that generally impact the price of securities or on the operations, financial condition or prospects of First Busey at that time.

In connection with its review of the proposed merger transaction and the preparation of its opinion, Stephens, among other things:

analyzed certain publicly available financial statements and reports regarding Mid Illinois and First Busey;

analyzed certain audited financial statements regarding Mid Illinois and First Busey;

analyzed certain internal financial statements and other financial and operating data concerning Mid Illinois and First Busey prepared by management of Mid Illinois and First Busey, respectively;

analyzed, on a pro forma basis, the effect of the transaction on the balance sheet, capitalization ratios, earnings and book value both in the aggregate and, where applicable, on a per share basis of First Busey;

reviewed the reported prices and trading activity for the common stock of First Busey;

compared the financial performance of Mid Illinois and First Busey with that of certain other publicly-traded companies and their securities that we deemed relevant to our analysis of the transaction;

reviewed the financial terms, to the extent publicly available, of certain merger or acquisition transactions that we deemed relevant to our analysis of the transaction;

reviewed the most recent draft of the merger agreement dated March 9, 2017 by and among Mid Illinois and First Busey, as provided by Mid Illinois;

discussed with management of Mid Illinois and First Busey the operations of, and future business prospects for, Mid Illinois and First Busey and the anticipated financial consequences of the transaction to Mid Illinois and First Busey;

assisted Mid Illinois in deliberations regarding the material terms of the transaction and in negotiations with First Busey; and



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performed such other analyses and provided such other services as Stephens deemed appropriate.

Stephens relied on the accuracy and completeness of the information and financial data provided to it by Mid Illinois and First Busey and of the other information reviewed by it in connection with the preparation of its opinion, and its opinion is based upon such information. Stephens has not assumed any responsibility for independent verification of the accuracy or completeness of any of such information or financial data. The managements of Mid Illinois and First Busey have assured Stephens that they are not aware of any relevant information that has been omitted or remains undisclosed to Stephens. Stephens has not assumed any responsibility for making or undertaking an independent evaluation or appraisal of any of the assets or liabilities of Mid Illinois or of First Busey, and has not been furnished with any such evaluations or appraisals; nor has Stephens evaluated the solvency or fair value of Mid Illinois or of First Busey under any laws relating to bankruptcy, insolvency or similar matters. Stephens has not assumed any obligation to conduct any physical inspection of the properties or facilities of Mid Illinois or First Busey. With respect to the financial forecasts prepared by Mid Illinois, Stephens has assumed that such financial forecasts have been reasonably prepared and reflect the best currently available estimates and judgments of the management of Mid Illinois as to the future financial performance of Mid Illinois and that the financial results reflected by such projections will be realized as predicted. Stephens has not received or reviewed any individual credit files nor has Stephens made an independent evaluation of the adequacy of the allowance for loan losses of Mid Illinois or First Busey. Stephens has not assumed any responsibility for making or undertaking an independent evaluation or analysis of the ESOP of Mid Illinois and has not been furnished with any such evaluation or analysis. Stephens has relied solely on the information provided to it by Mid Illinois regarding the ESOP. Stephens has also assumed that the representations and warranties contained in the draft agreement and all related documents are true, correct and complete in all material respects.

In formulating its opinion, Stephens considered only the merger consideration to be received by the unaffiliated stockholders of Mid Illinois common stock, and Stephens did not consider, and its opinion did not address, the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Mid Illinois, or such class of persons, in connection with the merger transaction whether relative to the merger consideration or otherwise. Stephens was not requested to opine as to, and its opinion did not express an opinion as to or otherwise address, among other things: (i) the fairness of the merger transaction to the holders of any class of securities, creditors or other constituencies of Mid Illinois, or to any other party, except and only to the extent expressly set forth in the last sentence of its opinion; or (ii) the fairness of the transaction to any one class or group of Mid Illinois' or any other party's security holders or other constituents vis-à-vis any other class or group of Mid Illinois' or such other party's security holders or other constituents.

The following summarizes the material financial analyses reviewed by Stephens with the Mid Illinois board of directors at its meeting on March 10, 2017, which material was considered by Stephens in rendering its opinion. No company or transaction used in the analyses described below is identical or directly comparable to Mid Illinois, First Busey or the contemplated merger transaction.

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*Selected Public Companies Analysis.* Stephens analyzed the relative valuation multiples of 12 publicly-traded banks headquartered in the Midwest (Iowa, Illinois, Indiana, Kansas, Kentucky, Michigan, Minnesota, Missouri, North Dakota, Nebraska, Ohio, South Dakota and Wisconsin) with assets between \$300 million and \$1 billion, excluding merger targets that it deemed relevant, including:

Mackinac Financial Corporation

Ohio Valley Banc Corp.

Landmark Bancorp, Inc.

HopFed Bancorp, Inc.

First Savings Financial Group, Inc.

SB Financial Group, Inc.

Guaranty Federal Bancshares, Inc.

Citizens Community Bancorp, Inc.

United Bancshares, Inc.

Citizens First Corporation

United Bancorp, Inc.

Central Federal Corporation

Stephens calculated various financial multiples for each company, including: (i) price per share compared to tangible book value (which we refer to as "TBV") per share as of December 31, 2016; and (ii) price per share compared to earnings per share for the most recent last twelve months (which we refer to as "LTM") earnings ended December 31, 2016. Stephens reviewed the median, 25<sup>th</sup> percentile and 75<sup>th</sup> percentile relative valuation multiples of the selected public companies and compared them to corresponding valuation multiples for Mid Illinois implied by the merger consideration. The results of the selected public companies analysis are summarized below:

	Price / TBV per share	Price / LTM EPS
Median	127%	16.9x
25 <sup>th</sup> Percentile	115%	13.0x
75 <sup>th</sup> Percentile	146%	20.3x
Merger Consideration	173%	26.0x

Furthermore, Stephens applied the 25<sup>th</sup> percentile and 75<sup>th</sup> percentile relative valuation multiples for each of the metrics to Mid Illinois' actual and projected financial results and determined the implied equity price per share of Mid Illinois common stock and then compared those implied equity values per share to the merger consideration of \$231.82 per share. The results of this are summarized below:

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	Price / TBV per share	Price / LTM EPS
25 <sup>th</sup> Percentile	\$ 154.49	\$ 115.77
75 <sup>th</sup> Percentile	\$ 196.36	\$ 181.21
Merger Consideration	\$ 231.82	\$ 231.82

*Selected Transaction Analysis.* Stephens analyzed publicly available information relating to selected transactions announced since January 1, 2014 involving targets headquartered in the Midwest (Iowa, Illinois, Indiana, Kansas, Kentucky, Michigan, Minnesota, Missouri, North Dakota, Nebraska, Ohio,

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South Dakota and Wisconsin) with total assets between \$500 million and \$1 billion, and an NPAs/assets ratio less than 3.0%.

Stephens also analyzed publicly available information relating to selected transactions announced since January 1, 2016 involving nationwide targets with total assets between \$450 million and \$1.1 billion, and an NPAs/assets ratio less than 4.0%. Stephens prepared a summary of the relative valuation multiples paid in these transactions. The selected transactions used in the analysis included (public announcement date of transaction shown in parenthesis):

#### Regional:

Acquisition of Centru Financial Corporation by Midland States Bancorp, Inc. (1/26/17)

Acquisition of FCB Bancorp, Inc. by MainSource Financial Group (12/19/16)

Acquisition of Jefferson County Bancshares, Inc. by Enterprise Financial Services (10/11/16)

Acquisition of DCB Financial Corporation by First Commonwealth Financial (10/3/16)

Acquisition of Community State Bank by QCR Holdings Inc. (5/23/16)

Acquisition of First Clover Leaf Financial Corp. by First Mid-Illinois Bancshares (4/26/16)

Acquisition of NI Bancshares Corporation by First Midwest Bancorp, Inc. (11/12/15)

Acquisition of River Valley Bancorp by German American Bancorp, Inc. (10/26/15)

Acquisition of Baylake Corp. by Nicolet Bankshares, Inc. (9/8/15)

Acquisition of National Bancshares Corp by Farmers National Banc Corp. (1/27/15)

Acquisition of Southern Bancshares Corp. by Stupp Bros. Inc. (12/22/14)

Acquisition of Community Banc-Corp Sheboygan by Heartland Financial USA, Inc. (10/23/14)

Acquisition of NB&T Financial Group Inc. by Peoples Bancorp Inc. (8/4/14)

Acquisition of Great Lakes Financial Resources Inc. by First Midwest Bancorp Inc. (7/8/14)

Acquisition of United Bancorp Inc. by Old National Bancorp (1/8/14)

#### National:

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Acquisition of Independent Alliance Banks, Inc. by First Merchants Corporation (2/17/17)

Acquisition of Royal Bancshares of PA by Bryn Mawr Bank Corporation (1/31/17)

Acquisition of Centru Financial Corporation by Midland States Bancorp, Inc. (1/26/17)

Acquisition of FCB Bancorp, Inc. by MainSource Financial Group (12/19/16)

Acquisition of Sovereign Bancshares, Inc. by Veritex Holdings, Inc. (12/14/16)

Acquisition of Gateway Financial Holdings of Florida, Inc. by CenterState Banks (11/30/16)

Acquisition of First Menasha Bancshares, Inc. by Nicolet Bankshares, Inc. (11/4/16)

Acquisition of Jefferson County Bancshares, Inc. by Enterprise Financial Services (10/11/16)

Acquisition of DCB Financial Corporation by First Commonwealth Financial (10/3/16)

Acquisition of Giant Holdings, Inc. by Home BancShares, Inc. (9/22/16)

Acquisition of Community First Bancshares by Equity Bancshares, Inc. (7/14/16)

Acquisition of Carolina Bank Holdings, Inc. by First Bancorp (6/22/16)

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Acquisition of Community State Bank by QCR Holdings Inc. (5/23/16)

Acquisition of Monument Bank by Revere Bank (5/3/16)

Acquisition of First Clover Leaf Financial Corp. by First Mid-Illinois Bancshares (4/26/16)

Acquisition of 1st Century Bancshares, Inc. by Midland Financial Co. (3/10/16)

Acquisition of ColoEast Bankshares, Inc. by Triumph Bancorp, Inc. (3/7/16)

Acquisition of Xenith Bankshares, Inc. by Hampton Roads Bankshares (2/10/16)

Stephens examined valuation multiples of transaction value compared to the target companies' most recent quarter (which we refer to as "MRQ") TBV, LTM earnings and MRQ core deposits, where such information was publicly available. Core deposits are defined as total deposits less time deposits of \$100,000 or more. Stephens reviewed the median, 25<sup>th</sup> percentile and 75<sup>th</sup> percentile relative valuation multiples of the selected transactions and compared them to corresponding valuation multiples for Mid Illinois implied by the merger consideration. Furthermore, Stephens applied the median, 25<sup>th</sup> percentile and 75<sup>th</sup> percentile relative valuation multiples from the regional transactions and the median valuation multiples from the nationwide transactions to Mid Illinois' MRQ TBV, LTM earnings and MRQ core deposits to determine the implied equity price per share and then compared those implied equity values per share to the merger consideration of \$231.82 per share. The results of the selected transactions analysis are summarized below:

	Transaction Value / MRQ TBV	Implied Equity Price Per Share
Regional Median	146%	\$ 195.73
Regional 25th Percentile	139%	\$ 186.68
Regional 75th Percentile	167%	\$ 224.04
National Median	163%	\$ 218.08
National 25th Percentile	142%	\$ 190.35
National 75th Percentile	178%	\$ 238.84
Merger Consideration	173%	\$ 231.82

	Transaction Value / LTM Earnings	Implied Equity Price Per Share
Regional Median	19.1x	\$ 170.64
Regional 25th Percentile	14.8x	\$ 132.00
Regional 75th Percentile	19.7x	\$ 175.64
National Median	21.0x	\$ 187.06
National 25th Percentile	18.7x	\$ 167.23
National 75th Percentile	26.8x	\$ 239.29
Merger Consideration	26.0x	\$ 231.82

	Premium to Core Deposits	Implied Equity Price Per Share
Regional Median	6.6%	\$ 184.92
Regional 25th Percentile	5.2%	\$ 174.09
Regional 75th Percentile	8.2%	\$ 197.12
National Median	8.0%	\$ 195.93
National 25th Percentile	4.8%	\$ 171.27
National 75th Percentile	10.9%	\$ 218.15
Merger Consideration	12.7%	\$ 231.82





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*Discounted Cash Flow Analysis.* Stephens analyzed the discounted present value of Mid Illinois' projected free cash flows for the quarter ended September 30, 2017 through the year ending December 31, 2021 on a standalone basis. Stephens used tangible-common-equity-to-tangible-assets in excess of a target ratio of 8.0% at the end of each projection period for free cash flow.

The discounted cash flow analysis was based on the projections as prepared by the management of Mid Illinois. Consistent with the periods included in the projections, Stephens used calendar year 2021 as the final year for the analysis and applied multiples, ranging from 16.0x to 18.0x, to calendar year 2021 net income in order to derive a range of terminal values for Mid Illinois in 2021.

The projected unleveraged free cash flows and terminal values were discounted using rates ranging from 14.0% to 15.0%. The resulting range of present equity values was divided by the number of diluted shares outstanding in order to arrive at a range of present values per Mid Illinois share. Stephens reviewed the range of per share prices derived in the discounted cash flow analysis and compared them to the price per share for Mid Illinois implied by the merger consideration. The results of the discounted cash flow analysis are summarized below:

	<b>Equity Value / Per Share</b>
Minimum	\$ 148.68
Maximum	\$ 163.06
Merger Consideration	\$ 231.82

*Additional Considerations.* The preparation of a fairness opinion is a complex process and is not susceptible to a partial analysis or summary description. Stephens believes that its analyses must be considered as a whole and that selecting portions of its analyses, without considering the analyses taken as a whole, would create an incomplete view of the process underlying its opinion. In addition, Stephens considered the results of all such analyses and did not assign relative weights to any of the analyses, but rather made qualitative judgements as to significance and relevance of each analysis and factor, so the ranges of valuations resulting from any particular analysis described above should not be taken to be the view of Stephens as to the actual value of Mid Illinois.

In performing its analyses, Stephens made numerous assumptions with respect to industry performance, general business, economic and regulatory conditions and other matters, many of which are beyond the control of Mid Illinois. The analyses performed by Stephens are not necessarily indicative of actual values, trading values or actual future results which might be achieved, all of which may be significantly more or less favorable than suggested by such analyses. Such analyses were provided to the Mid Illinois board of directors (solely in its capacity as such) and were prepared solely as part of the analysis of Stephens of the fairness, from a financial point of view, to the unaffiliated stockholders of Mid Illinois, of the merger consideration to be received by such holders in connection with the proposed merger transaction pursuant to the merger agreement. The analyses do not purport to be appraisals or to reflect the prices at which companies may actually be sold, and such estimates are inherently subject to uncertainty. The opinion of Stephens was one of many factors taken into account by the Mid Illinois board in making its determination to approve the merger transaction. Neither Stephens's opinion nor the analyses described above should be viewed as determinative of the Mid Illinois board of directors' or Mid Illinois management's views with respect to Mid Illinois, First Busey or the merger transaction. Stephens provided advice to Mid Illinois with respect to the proposed transaction. Stephens did not, however, recommend any specific amount of consideration to the Mid Illinois board or that any specific merger consideration constituted the only appropriate consideration for the merger transaction. Mid Illinois placed no limits on the scope of the analysis performed, or opinion expressed, by Stephens

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The Stephens opinion was necessarily based upon market, economic, and other circumstances and conditions existing and can be evaluated on, and on the information made available to Stephens as of March 10, 2017. It should be understood that subsequent developments may affect the opinion of Stephens and that we do not have any obligation to update, revise or reaffirm our opinion. Stephens has assumed that the transaction will be consummated on the terms of the latest draft of the merger agreement provided to it, without material waiver or modification. Stephens has also assumed that in the course of obtaining the necessary regulatory, lending or other consents or approvals (contractual or otherwise) for the transaction, no restrictions, including any divestiture requirements or amendments or modifications, will be imposed that would have a material adverse effect on the contemplated benefits of the transaction to the unaffiliated stockholders of Mid Illinois.

Mid Illinois has agreed to pay Stephens a fee for advisory services in connection with the merger transaction equal to 1.25% of the merger consideration upon the closing of the transaction. Mid Illinois has also paid Stephens a retainer fee in connection with its engagement as Mid Illinois' financial advisor. For services rendered in connection with the delivery of its opinion, Mid Illinois paid Stephens a fee upon delivery of its opinion. Mid Illinois has also agreed to reimburse Stephens for its expenses incurred in connection with its services, including the fees and expenses of its counsel, and will indemnify Stephens against certain liabilities arising out of its engagement. Except as described above, Mid Illinois has paid Stephens no other fees or commissions for other services during the last two years.

During the two years preceding the issuance of its fairness opinion, Stephens received fees from First Busey in connection with investment banking services provided to First Busey in a separate transaction relating to First Busey's acquisition of First Community, which was publicly disclosed on February 6, 2017 and closed on July 2, 2017. Additionally, Stephens is entitled to receive fees in connection with First Busey's offerings of senior and subordinated debt which were publicly disclosed on May 18, 2017 and closed on May 25, 2017.

Stephens is actively involved in the investment banking business and regularly undertakes the valuation of investment securities in connection with public offerings, private placements, business combinations and similar transactions. In the ordinary course of business, Stephens makes a market in the stock of First Busey and may trade in the securities of Mid Illinois and First Busey for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities. Stephens may provide investment banking, financial advisory and other financial services to Mid Illinois and/or First Busey or other participants in the merger transaction in the future, for which Stephens may receive compensation.

**Prospective financial information of Mid Illinois**

Mid Illinois does not as a matter of course make public projections as to future sales, earnings, or other results. However, the management of Mid Illinois has prepared the prospective financial information set forth in this proxy statement/prospectus to present certain unaudited prospective financial information regarding Mid Illinois' future operations for the years 2017 - 2021 (which we refer to in this proxy statement/prospectus as the "Mid Illinois projections"). The accompanying prospective financial information was not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the Mid Illinois' 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 Mid Illinois. 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.

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Neither Mid Illinois' 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 Mid Illinois projections, which were prepared by management of Mid Illinois, were prepared solely for internal use and are subjective in many respects. The Mid Illinois 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 Mid Illinois, all of which are difficult to predict and many of which are beyond the control of Mid Illinois. The Mid Illinois 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. Mid Illinois can give no assurance that the Mid Illinois projections and the underlying estimates and assumptions will be realized. In addition, because the Mid Illinois 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 Mid Illinois projections not to be realized include, but are not limited to, risks and uncertainties relating to the business of Mid Illinois, 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 Mid Illinois projections do not take into account any circumstances or events occurring after the date they were prepared. Mid Illinois can give no assurance that, had the Mid Illinois projections been prepared as of the date of this proxy statement/prospectus, similar estimates and assumptions would be used. Neither First Busey nor Mid Illinois intend to, and each disclaims any obligation to, make publicly available any update or other revision to the Mid Illinois 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 Mid Illinois 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 Mid Illinois 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 Mid Illinois projections do not take into account the effect of any possible failure of the merger to occur. None of Mid Illinois, 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 shareholder of Mid Illinois or First Busey, or any other person, regarding First Busey's actual performance compared to the information contained in the Mid Illinois projections or that projected results will be achieved.

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

Mid Illinois projected total assets to grow to \$757 million at December 31, 2021 a rate of approximately 3% annually. Both loans and deposits were projected to grow approximately 3% annually during this period. All projections are based solely on organic growth. Net income was expected to grow approximately 2% annually based on projected balance sheet growth.

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**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 Mid Illinois provides an attractive opportunity to enhance First Busey's existing deposit, commercial banking and trust and investment presence in the greater Peoria area;

Mid Illinois' 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 Mid Illinois operates, including existing and potential competition and history of the market areas with respect to financial institutions;

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

anticipated efficiencies to come from integrating certain of Mid Illinois' operations into First Busey's existing operations in the greater Peoria area;

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

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 March 13, 2017, of Sandler, 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 Mid Illinois' 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.

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**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 Mid Illinois 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 Mid Illinois.

**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 Mid Illinois 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 Mid Illinois common stock that hold their Mid Illinois 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 Mid Illinois common stock in light of their individual circumstances or to holders of Mid Illinois 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; dealers in securities or currencies; traders in securities that elect to use a mark-to-market method of accounting; persons that hold Mid Illinois 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 Mid Illinois 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 Mid Illinois 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 July 7, 2017, 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) Mid Illinois 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 Mid Illinois' stockholders upon receipt of First Busey common stock in exchange for their shares of Mid Illinois 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 Mid Illinois' obligation to complete the merger that Mid Illinois 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 Mid Illinois 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 Mid Illinois and upon customary factual assumptions. Neither First Busey nor Mid Illinois 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 Mid Illinois. 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.

If you are a participant in the ESOP please also refer to the ESOP Participant Voting Instruction Statement that will be provided to you by the trustee of the ESOP, for a discussion of the tax consequences of the merger to you.

The following discussion summarizes the material U.S. federal income tax consequences of the merger to U.S. holders.

*Tax consequences of the merger for U.S. holders of Mid Illinois common stock.* The U.S. federal income tax consequences of the merger to a U.S. holder will depend on whether such U.S. holder receives cash, shares of First Busey common stock or a combination of cash and stock in exchange for such U.S. holder's Mid Illinois common stock. At the time a Mid Illinois stockholder makes a cash or stock election pursuant to the terms of the merger agreement, such stockholder will not know whether, and to what extent, the proration provisions of the merger agreement will alter the mix of consideration such stockholder will receive. As a result, the tax consequences to such stockholder will not be ascertainable with certainty until such stockholder knows the precise amount of cash and shares of First Busey common stock that such stockholder will receive pursuant to the merger.

*Exchange of Mid Illinois common stock solely for First Busey common stock.* Except as discussed below, see "Cash in Lieu of Fractional Shares of First Busey Common Stock," a U.S. holder who exchanges all of its shares of Mid Illinois common stock solely for shares of First Busey common stock pursuant to the merger will not recognize gain or loss in connection with such exchange. A U.S. holder's aggregate tax basis in the First Busey common stock received in the merger in exchange for its Mid Illinois common stock, including any fractional shares deemed received by the U.S. holder under



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the treatment discussed below in " Cash in lieu of fractional shares of First Busey common stock," generally will equal such U.S. holder's aggregate tax basis in the Mid Illinois common stock surrendered by such U.S. holder in the merger. The holding period for the shares of First Busey common stock received by such U.S. Holder in the merger in exchange for its Mid Illinois 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," generally will include the holding period for the shares of Mid Illinois common stock exchanged therefor.

*Exchange of Mid Illinois common stock solely for cash.* A U.S. holder who exchanges all of its shares of Mid Illinois common stock solely for cash pursuant to the merger generally will recognize capital gain or loss equal to the difference between the amount of cash received by such U.S. holder and the U.S. holder's adjusted tax basis in the Mid Illinois common stock exchanged therefor. Any capital gain or loss generally will be long-term capital gain or loss if the U.S. holder held the shares of Mid Illinois common stock for more than one year at the effective time of the merger.

*Exchange of Mid Illinois common stock for a combination of First Busey common stock and cash.* Except as discussed below, a U.S. holder who exchanges its shares of Mid Illinois common stock for a combination of First Busey common stock and cash pursuant to the merger will recognize gain (but not loss) 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 Mid Illinois 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).

For purposes of this calculation, 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 Mid Illinois 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.

In addition, Treasury regulations under Section 358 of the Internal Revenue Code provide that where a stockholder surrenders shares of target stock in an exchange and receives cash and shares of acquiror stock, then, to the extent the terms of the exchange specify that shares of acquirer stock or cash are received in exchange for a particular share of target stock surrendered, the terms of the exchange shall control for the purpose of determining the gain to the extent the terms of the exchange are economically reasonable. Therefore, a U.S. holder might be permitted to calculate the amount of taxable gain separately for each share of Mid Illinois common stock surrendered in the merger based on the specific consideration received for such share. This result might be permitted if the stockholder designates, on the election form (and as specifically authorized by the merger agreement), specific shares of Mid Illinois common stock to be exchanged for cash or to be exchanged for First Busey common stock, as the case may be. Such a designation might result in less taxable gain to a U.S. holder even if the holder holds a single block of Mid Illinois common stock with a uniform tax basis. However, it is unclear whether a designation described in this paragraph will be treated as satisfying the requirements of the Treasury regulations, and whether the proration provisions of the merger agreement may affect such designation, and therefore there can be no assurance that the Internal Revenue Service would not successfully challenge a U.S. holder that reports taxable gain on the basis of such a designation. U.S. holders therefore should consult with their tax advisors with respect to the advisability, including any benefits or risks, of making an express designation in their election form.

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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 Mid Illinois 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 Mid Illinois common stock surrendered in the merger, increased by the 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 Mid Illinois common stock exchanged therefor.

Any capital gain generally will be long-term capital gain if the U.S. holder held the shares of Mid Illinois 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 Mid Illinois 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 Mid Illinois 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 Mid Illinois 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 \$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 Mid Illinois common stock pursuant to the merger may, under certain circumstances, be subject to information reporting and backup withholding (currently at a rate of 28%) unless the holder provides proof of an applicable exemption satisfactory to First Busey and the exchange agent or, in the case of backup

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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 Mid Illinois 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 Mid Illinois 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 Mid Illinois 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 Mid Illinois common stock who, immediately before the merger, owned at least 5% of the vote or value of the outstanding stock of Mid Illinois or securities of Mid Illinois 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 Mid Illinois 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 Mid Illinois 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.**

**Regulatory approvals**

The merger cannot proceed without obtaining all requisite regulatory approvals. First Busey and Mid Illinois have agreed to take all appropriate actions necessary to obtain the required approvals. The merger of First Busey and Mid Illinois is subject to prior approval of the Federal Reserve. First Busey submitted an application with the Federal Reserve Bank of Chicago on June 29, 2017 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

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banking and community factors, which includes an evaluation of:

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

management expertise;

internal control and risk management systems;

the capital of Mid Illinois;

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

the effectiveness of Mid Illinois 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 South Side Bank 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 June 29, 2017 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 Mid Illinois and South Side Bank may have interests in the merger that are different from, or are in addition to, the interests of Mid Illinois' stockholders generally. Mid Illinois' board of directors was aware of these interests and considered them, among other matters, in approving the merger agreement and determining to recommend to Mid Illinois' stockholders to vote for adoption of the merger agreement.

*Stock Ownership.* As of [ • ], 2017, Mid Illinois' directors and executive officers owned, in the aggregate, [ • ] shares of Mid Illinois' common stock, representing approximately [ • ]% of the outstanding shares of common stock. See "Security Ownership of Certain Beneficial Owners and Management of Mid Illinois."

*Appointment to the Board of Directors of Busey Bank.* First Busey has agreed to take all appropriate action to appoint one individual serving on the Mid Illinois board of directors and mutually agreeable to the parties to the Busey Bank board of directors, effective immediately upon the effective time of the bank merger.

*Management Continuity Agreements.* South Side Bank has previously entered into management continuity agreements with each of Mark Joseph, President and Chief Executive Officer of Mid Illinois and South Side Bank, Greg Rice, Executive Vice President of Mid Illinois of South Side Bank, and Jeff Ward, a director of Mid Illinois and a director and Vice President of South Side Bank, all effective as of July 11, 2014. Under each agreement, if the officer remains employed upon the effective date of a change in control of Mid Illinois or South Side Bank, the management continuity agreement provides for a one-time cash payment in an amount equal to 75% of the officer's annual base salary as of the



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change in control. Base salary does not include any bonus payments, employer contributions to a 401(k) plan or the value of any other employee benefits. Pursuant to the management continuity agreements, each of Messrs. Joseph, Rice, and Ward would be entitled to cash payments of \$180,000, \$135,671 and \$68,861, respectively, upon the effective date of the merger.

If the change in control payments due to Messrs. Joseph, Rice and Ward under the management continuity agreements or any other benefits or payments would trigger liability under the Internal Revenue Code as an excise tax on payments constituting "excess parachute payments," then the change in control payments will be reduced to the largest portion of the change in control payment that results in no portion of the change in control payment constituting a "parachute payment" as defined by Section 280G of the Internal Revenue Code. Under applicable law, the excise tax is triggered by the executive's receipt of payments that are contingent on a change in control that equal or exceed three times the executive's average annual taxable compensation over the five years preceding the change in control, or such lesser time if the executive has not been employed by the employer for five years. The excise tax equals 20% of the amount of the payment in excess of the executive's average compensation over the preceding five-year period, or such lesser period. Per the merger agreement, Mid Illinois agreed to take necessary steps to ensure that payments to Messrs. Joseph, Rice and Ward will not trigger any such excise taxes.

*Deferred Compensation Agreements.* South Side Bank has previously entered into incentive deferred compensation agreements with select current and former employees, including each of Mark Joseph, Greg Rice, Jeff Ward and Tim Ward, a director of Mid Illinois and a director and Vice President of South Side Bank, which provide non-qualified deferred compensation. Per the terms of incentive deferred compensation agreements, South Side Bank has established a deferral account with respect to each officer. The deferral accounts are credited with deferral contributions made by each officer, employer contributions made by South Side Bank and interest crediting. Per the terms of the agreements, the deferral account balances will be distributed in accordance with the officer's election on the earliest to occur of the officer's separation from service, attainment of age 65, death or disability. In the event of the officer's death, the distribution amount would be the greater of the projected deferral account balance (assuming continued deferrals and interest through age 65) or the present value of a specified 15 year annuity.

First Busey intends to have Mid Illinois and South Side Bank terminate the incentive deferred compensation agreements and distribute the deferral account balances prior to the effective time of the merger. As of December 31, 2016, the deferral account balances of Messrs. Joseph, Rice, J. Ward and T. Ward were \$608,005, \$931,527, \$62,584 and \$335,364, respectively. In connection with such termination, Mid Illinois intends to pay an additional aggregate amount of \$445,000 to certain parties to the incentive deferred compensation agreements, of which Messrs. Joseph, Rice, J. Ward and T. Ward will receive \$89,312, \$133,945, \$3,471, and \$40,050, respectively.

*Mark Joseph Employment Agreement.* On March 13, 2017, First Busey and Busey Bank, in connection with execution of the merger agreement, entered into a new employment agreement with Mark Joseph, President and Chief Executive Officer of Mid Illinois and South Side Bank, contingent upon the closing, and to become effective upon the effective time, of the merger. Under the terms of his employment agreement, Mr. Joseph will receive an annual base salary of \$240,000 in connection with his role as President and Chief Executive Officer of South Side Bank from the effective time of the merger through the date of the bank merger, and then as Executive Vice President/Commercial Market President, Peoria Region, of Busey Bank. Mr. Joseph will also be eligible to participate in First Busey's long-term equity incentive program and will be recommended for a grant of restricted stock or restricted stock units on or around July 1, 2017 with a grant date fair value of \$300,000, which will vest on the earliest to occur of (i) the fifth anniversary of the grant date, or (ii) a change in control of First Busey. If Mr. Joseph's employment is terminated for any reason other than cause, death or disability between the second and fifth anniversaries of the grant date, Mr. Joseph will be entitled to a cash

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payment of \$200,000 in lieu of such restricted stock or restricted stock units. In addition, Mr. Joseph will be entitled to a retention bonus of \$250,000 to be paid on the first payroll period following the effective time of the merger. Such retention bonus will be in full satisfaction of all amounts due under Mr. Joseph's management continuity agreement described above. The employment agreement also addresses participation in incentive compensation and other benefits plans, plans providing retirement, medical, dental, disability and group life benefits and other fringe benefits, including a minimum annual discretionary performance bonus of \$50,000 for each of 2017 and 2018, and participation in First Busey's key life insurance program with a death benefit in the amount of \$1,000,000.

Mr. Joseph's employment agreement has an initial term of one year commencing upon the effective time of the merger. The term will automatically renew for one additional year at the end of the then-existing term unless either party provides written notice 30 days prior to the end of the then-existing term that such party does not intend to extend the term.

Under his employment agreement, if Mr. Joseph voluntarily terminates his employment or his employment is terminated for "cause," as that term is defined in his employment agreement, he will receive his base salary and any other earned amounts through the date on which the termination of employment becomes effective. If Mr. Joseph is terminated without cause or voluntarily terminates with "good reason," as that term is defined in the agreement, he will receive a cash payment in an amount equal to the then applicable base salary plus the amount of his most recent performance bonus and will be entitled to 12 months of continuing health insurance coverage at active employee rates. In addition, in connection with the above referenced payments, Mr. Joseph agreed to a one year non-competition restriction within a 50 mile radius of each banking and other office of First Busey, Busey Bank, Mid Illinois, South Side Bank and their respective affiliates, and a one year non-solicitation restriction with respect to employees and known customers of First Busey, Busey Bank, Mid Illinois, South Side Bank and their respective affiliates.

*Retention Agreements.* On April 3, 2017, South Side Bank and Busey Bank, in connection with the merger, entered into retention agreements with Greg Rice, Executive Vice President of Mid Illinois of South Side Bank, and Jeff Ward, Director of Mid Illinois and Director and Vice President of South Side Bank. Under the terms of the retention agreements, in addition to benefits under the management continuity agreements described above, Messrs. Rice and Ward shall receive: (i) initial bonuses of \$10,000 to be paid by South Side Bank within 30 days of the execution of the retention agreement; and (ii) retention bonuses of \$60,000 and \$30,000, respectively, to be paid by Busey Bank and contingent on Messrs. Rice and Ward remaining employed by South Side Bank and/or Busey Bank through the period ending 60 days following the effectiveness of the bank merger (which we refer to as the "Post-Closing Transition Period"). The retention bonuses will also be paid in the event that Messrs. Rice or Ward are terminated by Busey Bank prior to the end of the Post-Closing Transition Period for any reason other than disciplinary or unsatisfactory performance reasons. In addition, in connection with the above referenced payments, Messrs. Rice and Ward each agreed to a one-year non-solicitation restriction with respect to employees of South Side Bank, Mid Illinois, Busey Bank and First Busey, and certain customer and other business relationships of Messrs. Rice and Ward.

*Severance Payments.* In connection with the merger, First Busey has agreed to cover any employee of Mid Illinois or South Side Bank immediately prior to the effective time of the merger, who is not otherwise entitled to contractual severance or change in control 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 Mid Illinois or, when such employee becomes an employee of First Busey, First Busey (or their respective subsidiaries), subject to a minimum payment equal to twelve weeks of base salary and a maximum 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 Mid Illinois, First Busey, and their respective affiliates.

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Any employee who is a party to an employment, severance, change in control 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. Joseph, Rice, J. Ward and T. Ward 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 \$240,000, \$180,194, \$77,689 and \$83,677, respectively.

*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 Mid Illinois 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 Mid Illinois 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 Mid Illinois 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, 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. 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.

**Mid Illinois stockholder dissenters' rights**

*General.* Dissenters' rights with respect to Mid Illinois common stock are governed by Sections 11.65 and 11.70 of the Illinois Business Corporation Act of 1983, as amended (which we refer to as the "IBCA"). Mid Illinois stockholders have the right to dissent from the merger and to obtain payment of the fair value of their shares in the event the merger is completed. Strict compliance with the dissent procedures is mandatory. Subject to the terms of the merger agreement, the parties could elect to terminate the merger agreement even if it is approved by Mid Illinois stockholders, thus terminating dissenters' rights available to Mid Illinois stockholders.

Mid Illinois urges any Mid Illinois stockholder who contemplates exercising his, her or its right to dissent to read carefully the provisions of Sections 11.65 and 11.70 of the IBCA, which are attached to this proxy statement/prospectus as *Appendix B*. A more detailed discussion of the provisions of the statute is included below. This discussion describes the steps that each Mid Illinois stockholder must take to exercise his, her or its right to dissent. Each Mid Illinois stockholder who wishes to dissent should read both the summary and the full text of the law. Mid Illinois cannot give any Mid Illinois stockholder legal advice. To completely understand this law, each Mid Illinois stockholder may want, and Mid Illinois encourages any Mid Illinois stockholder seeking to dissent, to consult with his, her or its legal counsel.

If you comply with the provisions of Sections 11.65 and 11.70 of the IBCA, then upon completion of the sale, you are entitled to receive payment in cash from First Busey, as successor to Mid Illinois, for the fair value of your shares as of the closing date, with accrued interest. The term "fair value" means the proportionate interest of the stockholder in Mid Illinois, without discount for minority status or, absent extraordinary circumstances, lack of marketability, immediately before the closing of the sale excluding any appreciation or depreciation in anticipation of the sale, unless the exclusion would be



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inequitable. If First Busey and you cannot agree on the fair value of your shares or the accrued interest, then the IBCA provides for a judicial determination of these amounts. The value determined by an Illinois court may be more or less than the value you might ultimately receive in cash distributions from First Busey after the closing of the sale. If you desire to exercise dissenters' rights, you should refer to the statute in its entirety and should consult with legal counsel before taking any action to ensure that you comply strictly with the applicable statutory provisions.

If you desire to submit the written objection required by Sections 11.65 and 11.70 of the IBCA prior to the Mid Illinois special meeting, send or deliver such objection to Mid Illinois Bancorp, Inc., Corporate Secretary, 2119 S.W. Adams Street, Peoria, Illinois 61602. Mid Illinois urges any stockholder who wishes to dissent to act carefully. Mid Illinois cannot and does not accept the risk of late or undelivered written objections. Mid Illinois' stockholders bear the risk of non-delivery and of untimely delivery.

*Summary of Sections 11.65 and 11.70 of the IBCA.* To exercise dissenters' rights under Sections 11.65 and 11.70 of the IBCA and be entitled to appraisal and payment of the fair value of his, her or its shares under the IBCA, a Mid Illinois stockholder must:

before the vote on the sale is taken, deliver to Mid Illinois a written demand for payment of your shares;

not vote in favor of the sale (note, however, that solely a vote, in person or by proxy, against approval of the merger agreement will not constitute a written demand for appraisal); and

continue to hold your shares of Mid Illinois common stock through the effective time of the merger.

Your failure to vote against the proposal to approve the merger agreement will constitute a waiver of your dissenters' rights under the IBCA. However, a vote against approval of the merger agreement will not by itself be sufficient to satisfy your obligations if you are seeking an appraisal. You must follow the procedures set forth in Sections 11.65 and 11.70 of the IBCA to obtain dissenters' rights.

Each outstanding share of Company common stock for which a legally sufficient demand in accordance with Sections 11.65 and 11.70 of the IBCA has been made and that was not voted in favor of approval of the sale will, after the effective time of the sale, represent only the rights of a dissenting stockholder under the IBCA. This includes the right to obtain payment for the fair value of those shares as provided under the IBCA.

If you make a legally sufficient demand, within 10 days after the effective date of the merger or 30 days after you have delivered your written demand for payment, whichever is later, First Busey, as the surviving corporation, will send to you a statement setting forth its opinion as to the fair value of your shares, as well as certain financial statements and a commitment to pay to you the estimated fair value for your shares. If you do not agree with the opinion of First Busey as to the estimated fair value of the shares, then within 30 days of your receipt of First Busey's valuation statement, you must notify First Busey of your estimated fair value of your shares and demand the difference between your estimated fair value and the amount of the proposed payment by First Busey.

If within 60 days from delivery of First Busey's notice to the dissenting stockholders you and First Busey have not agreed in writing to the fair value of your shares, First Busey either will pay the difference in value demanded by you, or file a petition in the circuit court requesting the court to determine the fair value of the shares. First Busey will be required to then make all dissenters to the merger a party to this proceeding. If First Busey does not commence the action, you are permitted by law to commence an action.

In a proceeding brought by First Busey to determine value, the court will determine the costs of the proceeding, including the reasonable compensation of expenses of the appraisers appointed by the

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court and excluding fees and expenses of counsel and experts for the respective parties. If the fair value of the shares as determined by the court materially exceeds the price that First Busey estimated to be the fair value of the shares or if no estimate was given, then all or any part of the costs may be assessed against First Busey. If the amount that any dissenter estimated to be the fair value of the shares materially exceeds the fair value of the shares as determined by the court, then all or any part of the costs may be assessed against that dissenter. The costs may also be awarded to the dissenter if the court finds that First Busey did not substantially comply with the procedure to dissent in the statute. In addition, costs can be assessed against either party if the court finds that that party acted arbitrarily, vexatiously or not in good faith with respect to the dissenter's rights.

A share for which you have properly exercised your dissenters' rights and followed the correct procedures in the IBCA will no longer constitute a share of the common stock of Mid Illinois. None of these dissenting shares after the effective time of the sale will be entitled to vote for any purpose or receive any dividends or other distributions. If, however, you, as the holder of the shares fail to properly perfect, effectively withdraw, waive or lose or otherwise become ineligible to exercise dissenters' rights under the IBCA, then at that time the shares held by you will again constitute issued and outstanding shares of Mid Illinois' common stock.

The foregoing does not purport to be a complete statement of the provisions of IBCA relating to statutory dissenters' rights and is qualified in its entirety to the dissenters rights provisions, which are reproduced in full in *Appendix B* to this proxy statement/prospectus and which are incorporated herein by reference. **If any Mid Illinois stockholder intends to dissent, or if such stockholder believes that dissenting might be in his, her or its best interests, such stockholder should read *Appendix B* carefully.**

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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 Mid Illinois 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 merger agreement provides for the merger of Mid Illinois with and into First Busey, with First Busey as the surviving company. The merger is anticipated to be completed in the fourth quarter of 2017. At a date following the completion of the merger, First Busey intends to merge South Side Bank, Mid Illinois' wholly-owned bank subsidiary, with and into Busey Bank, with Busey Bank as the surviving bank. At such time, South Side Bank's banking offices will become banking offices of Busey Bank. Until the banks are merged, First Busey will own and operate South Side Bank and Busey Bank as separate bank subsidiaries.

**Closing and effective time**

*Closing.* The closing of the merger will take place on the fifth business day following the satisfaction or waiver of the conditions to closing set forth in the merger agreement, or at another time that both parties mutually agree upon. See "Description of the Merger Agreement Conditions to completion of the merger" for a more complete description of the conditions that must be satisfied prior to closing. The date of the completion of the merger sometimes is referred to in this proxy statement/prospectus as the closing date.

*Completion of the Merger.* The merger will become effective as of the date and time specified in the articles of merger that will be filed with the Nevada Secretary of State. The time at which the merger becomes effective is sometimes referred to in this proxy statement/prospectus as the effective time.

**Consideration to be received in the merger**

If the merger is completed, each share of Mid Illinois common stock issued and outstanding immediately prior to the effective time (other than any shares owned by First Busey or Mid Illinois, and other than any dissenting shares) will be converted into the right to receive, at the election of the stockholder, the following consideration:

*Cash electing shares.* Each share for which an election is made to receive only cash consideration (which we refer to as a "cash electing share") will be converted into the right to receive \$227.94 in cash (which we refer to as the "per share value"). However, if the aggregate cash consideration payable in respect of cash electing shares and mixed consideration electing shares (as defined below) would exceed \$40,498,165 (which we refer to as the "available cash"), then

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each cash electing share will instead be converted into the right to receive (i) an amount in cash equal to the quotient (rounded to the nearest hundredth of a cent) determined by dividing (A) an amount equal to the available cash minus the aggregate amount of cash payable in respect of mixed consideration electing shares, by (B) the number of cash electing shares (which we refer to as the "pro-rated cash amount"), and (ii) a number of shares of First Busey common stock equal to the product (rounded to the nearest ten-thousandth of a share) of (A) the exchange ratio and (B) one minus the quotient obtained by dividing the pro-rated cash amount by the per share value.

*Stock electing shares.* Each share for which an election is made to receive only stock consideration (which we refer to as a "stock electing share") will be converted into the right to receive 7.5149 shares of First Busey common stock (which we refer to as the "exchange ratio"). However, if the aggregate number of shares of First Busey common stock issuable in respect of stock electing shares and mixed consideration electing shares would exceed 3,115,503 shares of First Busey common stock (which we refer to as the "available shares"), then each stock electing share will instead be converted into the right to receive (i) a number of shares of First Busey common stock equal to the quotient (rounded to the nearest ten-thousandth of a share) determined by dividing (A) an amount equal to the number of available shares minus the aggregate number of shares of First Busey common stock issuable in respect of mixed consideration electing shares, by (B) the number of stock electing shares (which fraction we refer to as the "pro-rated share amount"), and (ii) an amount in cash equal to the product (rounded to the nearest hundredth of a cent) of (A) the per share value and (B) one minus the quotient obtained by dividing the pro-rated share amount by the exchange ratio;

*Mixed consideration electing shares.* Each share for which an election is made to receive shares of First Busey common stock and cash (which we refer to as a "mixed consideration electing share") will be converted into the right to receive \$68.38 in cash and 5.2604 shares of First Busey common stock.

*Non-electing shares.* Each share for which no election is made (which we refer to as a "non-electing share") will be converted into the right to receive (i) an amount in cash equal to the quotient (rounded to the nearest hundredth of a cent) determined by dividing (A) the amount, if any, by which the available cash exceeds the aggregate amount of cash (excluding cash payable in lieu of fractional shares) payable in respect of cash electing shares, stock electing shares and mixed consideration electing shares, by (B) the number of non-electing shares, and (ii) a number of shares of First Busey common stock equal to the quotient (rounded to the nearest ten-thousandth of a share) determined by dividing (A) the amount, if any, by which the number of available shares exceeds the aggregate number of shares (including fractional shares that would otherwise be payable in cash) deliverable in respect of cash electing shares, stock electing shares and mixed consideration electing shares, by (B) the number of non-electing shares.

Notwithstanding the foregoing, no fractional shares of First Busey common stock will be issued in the merger. Instead, First Busey will pay to each holder of Mid Illinois common stock who would otherwise be entitled to a fractional share of First Busey common stock an amount in cash (without interest) rounded to the nearest whole cent, determined by multiplying the fraction of a share to which such Mid Illinois stockholder would otherwise be entitled by the weighted average closing price of First Busey common stock as reported on the NASDAQ Global Select Market over the five consecutive trading day period ending immediately preceding the closing date.

The exchange ratio is subject to the following adjustments:

*Significant decrease in market price of First Busey common stock.* If on the determination date (which is date on which all required regulatory approvals have been received, disregarding any

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regulatory waiting period) weighted average daily closing sales price of a share of First Busey common stock for the 20 consecutive trading days immediately preceding the determination date (which we refer to as the "First Busey market value") is less than \$24.5953 and represents a percentage change, relative to a base value of \$30.7441 per share of First Busey common stock, that is more than 20% below the percentage change in the SNL Mid Cap U.S. Bank Index, measured by comparing the average daily closing value of that index over that 20-day period to a base value of 428.36, then Mid Illinois will have the right to terminate the merger agreement unless First Busey elects to increase the exchange ratio within five business days of Mid Illinois' notice of termination. First Busey may elect to increase the exchange ratio to equal the lesser of (i) a quotient, the numerator of which is equal to the product of (A) \$30.7441, (B) the exchange ratio and (C) the quotient of the average of the daily closing value of the SNL Mid Cap U.S. Bank Index for the 20 consecutive trading days immediately preceding the determination date divided by 428.36 minus 0.20, and the denominator of which is equal to the First Busey market value; or (ii) the quotient determined by dividing \$30.7441 by the First Busey market value, and multiplying the quotient by the product of the exchange ratio and 0.80. If First Busey elects to increase the exchange ratio, the merger agreement will remain in effect in accordance with its terms, except that the consideration for the merger will be increased to reflect the revised exchange ratio. If First Busey or any company belonging to the SNL Mid Cap U.S. Bank Index declares or effects a stock dividend, reclassification, recapitalization, split-up, combination, exchange of shares or similar transaction between March 13, 2017 and the determination date, the prices for the common stock of such company shall be appropriately adjusted for the purposes of adjusting the exchange ratio.

*Reclassification, recapitalization or other adjustment to First Busey common stock.* If, prior to the effective time, there is declared (with an effective time prior to the effective time) or effected a reorganization, reclassification, recapitalization, stock split (including a reverse stock split), split-up or stock dividend (including any dividend or distribution of securities convertible into First Busey common stock), combination, exchange or readjustment of shares with respect to, or rights issued in respect of, First Busey common stock, the exchange ratio shall be proportionately adjusted to provide to the holders of Mid Illinois common stock the same economic effect as contemplated by the merger agreement prior to such event.

The market price of First Busey common stock will fluctuate before the completion of the merger and before holders of Mid Illinois common stock receive the merger consideration to which they are entitled. Holders of Mid Illinois common stock should obtain current stock price quotations for First Busey common stock and Mid Illinois common stock before voting on the merger and before making an election for merger consideration.

Except for Mid Illinois stockholders who elect to receive mixed consideration, holders of Mid Illinois common stock will not know or be able to calculate until after the completion of the merger whether and to what extent they will be subject to the proration and adjustment procedures described above, and to what extent they will receive cash consideration or stock consideration in accordance with their election.

**Voting and support agreement**

On March 13, 2017, the directors and certain officers of Mid Illinois entered into a voting and support agreement with First Busey. Under this agreement, these stockholders have each agreed to vote, subject to their fiduciary duties, their respective shares of Mid Illinois common stock:

in favor of the merger and the transactions contemplated by the merger agreement;

against (i) any tender or exchange offer to acquire more than 15% of the voting power of Mid Illinois or South Side Bank, (ii) any proposal for a merger, consolidation or other business

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combination involving Mid Illinois or South Side Bank, or (iii) any other proposal or offer to acquire more than 15% of the business, assets or deposits of Mid Illinois or South Side Bank; and

against any action or agreement that would reasonably be expected to result in a material breach of any covenant, representation or warranty or any other obligation of Mid Illinois under the merger agreement.

Furthermore, each of these stockholders has also agreed not to sell, assign or transfer any shares of Mid Illinois common stock that they own. The shares subject to the voting and support agreement represent approximately [ • ]% of Mid Illinois' outstanding shares of common stock as of [ • ], 2017. The voting obligations under the voting and support agreement will automatically terminate upon the earlier of (i) the date of the termination of the merger agreement, (ii) the favorable vote of Mid Illinois stockholders with respect to the approval of the merger agreement, (iii) the date, if any, on which First Company publicly discloses that the board of directors of Mid Illinois has determined in good faith, after consultation with outside counsel, that to, or continue to, recommend the merger agreement to Mid Illinois' stockholders would result in a violation of its fiduciary duties under applicable law, or (iv) February 1, 2019. A copy of the form of voting and support agreement is attached to this proxy statement/prospectus as *Appendix C*.

**Election and exchange procedures**

First Busey has engaged Computershare Trust Company, N.A. to act as its exchange agent to handle the exchange of Mid Illinois common stock for the merger consideration and the payment of cash for any fractional share interests.

On a date that is expected to be between 30 and 45 days prior to the closing date of the merger (which we refer to as the "mailing date"), Mid Illinois will mail to each record holder of Mid Illinois common stock an election form with instructions for making an election as to the form of consideration that each holder of Mid Illinois common stock prefers to receive in the merger with respect to each share of Mid Illinois common stock held by such holder. Mid Illinois will also use reasonable best efforts to send an election form to persons who become record holders of Mid Illinois common stock after the record date for the mailing of the election forms (which is five business days prior to the mailing date) and prior to the election deadline.

Each holder of Mid Illinois common stock who wishes to make an election to receive stock consideration, cash consideration or mixed consideration in the merger must submit a properly completed and signed election form to the exchange agent at its designated office by the election deadline. The deadline for making an election will be 5:00 p.m., central time, on the 25th day following the mailing date, or such other time as First Busey and Mid Illinois may agree. First Busey and Mid Illinois will publicly announce the anticipated election deadline at least three business days prior to the anticipated election deadline. Neither First Busey, Mid Illinois nor the exchange agent will be under any obligation to notify any person of any defects in an election form.

The election form also serves as a letter of transmittal. Although the merger agreement provides that a separate letter of transmittal will be mailed to Mid Illinois stockholders after the completion of the merger for such stockholders to exchange their stock certificates for merger consideration, Mid Illinois and First Busey have subsequently agreed to combine the election form with the letter of transmittal, which should be returned to the exchange agent by the election deadline. The election form and letter of transmittal, along with any Mid Illinois stock certificates, should be returned to the exchange agent by the election deadline. Mid Illinois stockholders who do not return their stock certificates with their election form prior to the election deadline will receive transmittal materials and instructions from the exchange agent after the merger is complete. Mid Illinois stock certificates

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submitted for exchange must be in a form that is acceptable for transfer (as explained in the election form).

Holders of Mid Illinois common stock who cannot locate their stock certificates should follow the instructions set forth in the election form for lost or stolen stock certificates. Holders of Mid Illinois common stock who hold their shares in book-entry form should follow the instructions set forth in the election form with respect to shares of Mid Illinois common stock held in book-entry form.

Following the closing date of the merger, as soon as reasonably practicable after its receipt of properly completed and signed election forms and letters of transmittal and accompanying Mid Illinois stock certificates, the exchange agent will issue shares of First Busey common stock or cash representing the merger consideration, together with cash in lieu of fractional share interests. No interest will be paid on any cash payment.

Until the certificates representing Mid Illinois capital stock are surrendered for exchange, holders of such certificates will not receive the merger consideration or dividends or distributions on the shares of First Busey capital stock into which such shares of Mid Illinois capital stock have been converted. When the certificates are surrendered to the exchange agent, any unpaid dividends or other distribution will be paid without interest. In no event will First Busey, the exchange agent, or any other person be liable to any former holder of shares of Mid Illinois common stock for any amount delivered in good faith to a public official pursuant to applicable abandoned property, escheat or similar laws.

**Holders of Mid Illinois common stock should follow the instructions in the election form for sending their stock certificates to the exchange agent.**

**Conduct of business pending the merger**

*Conduct of Business of Mid Illinois.* Under the merger agreement, Mid Illinois has agreed to certain restrictions on its activities and the activities of its subsidiaries until the merger is completed or the merger agreement is terminated. In general, Mid Illinois is required to (i) conduct its business in the ordinary course of business, (ii) use commercially reasonable efforts to maintain and preserve intact its business organization and advantageous business relationships, and (iii) take no action that is intended to or would reasonably be expected to adversely affect or materially delay the ability of First Busey or Mid Illinois to obtain any of the requisite regulatory approvals, to perform its covenants and agreements under the merger agreement or to consummate the contemplated transactions.

The following is a summary of the more significant restrictions imposed upon Mid Illinois, subject to the exceptions set forth in the merger agreement. Mid Illinois will not, without First Busey's prior written consent or as otherwise provided in the merger agreement:

issue, sell or otherwise permit to become outstanding, or dispose of or encumber or pledge, or authorize or propose the creation of, any shares of its capital stock or any security convertible into its capital stock;

permit its common stock to become subject to new grants, including issuances under Mid Illinois benefit plans;

grant any registration rights with respect to its common stock;

make, declare, pay or set aside for payment any dividend on or in respect of, or declare or make any distribution on its common stock outside of past practice or as specifically contemplated in the merger agreement;

adjust, split, combine, redeem, reclassify, purchase or otherwise acquire, any shares of its common stock;

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amend the terms of, waive any rights under, terminate, knowingly violate the terms of or enter into any contract material to Mid Illinois;

enter into loan transactions not in accordance with, or consistent with, past practices of South Side Bank or that are on terms and conditions that, to the knowledge of Mid Illinois, are materially more favorable than those available to the borrower from competitive sources in arm's-length transactions;

enter into any new credit or new lending relationships greater than \$1.0 million that would require an exception to South Side Bank's formal loan policy or that are not in strict compliance with such loan policy;

other than incident to a reasonable loan restructuring, extend additional credit to any existing borrower if it is the obligor under any indebtedness to South Side Bank that constitutes a nonperforming loan or against any part of such indebtedness that South Side Bank has established loss reserves or any part of which has been charged-off by South Side Bank;

maintain an allowance for loan and lease losses which is not adequate in all material respects under the requirements of GAAP to provide for possible losses, net of recoveries relating to loans previously charged off, on Mid Illinois' outstanding loans and leases;

fail to charge-off any loans or leases that would be deemed uncollectible in accordance with GAAP or place on non-accrual any loans or leases that are past due greater than 90 days;

sell, transfer, encumber or otherwise dispose of or discontinue any of its assets, deposits, business or properties, except for the dispositions in the ordinary course of business or of financial assets or investments or of obsolete assets in transactions that are not material to Mid Illinois;

acquire all or any portion of the assets, business, deposits or properties of any other entity, except in the ordinary course of business in transactions that are not material to Mid Illinois;

amend the articles of incorporation or bylaws of Mid Illinois, or similar governing documents of its subsidiaries;

implement or adopt any change in its accounting principles, practices or methods, other than as may be required by GAAP or applicable regulatory accounting requirements;

increase in any manner the compensation or benefits of any of the current or former directors, officers, employees, consultants, independent contractors or other service providers of Mid Illinois or its subsidiaries, other than increases in the ordinary course of business consistent with past practices in timing, metrics and amount;

establish, amend or terminate any employee benefit plan, accelerate the vesting of or lapsing of restrictions with respect to any stock-based compensation or other long-term incentive compensation under employee benefit plan, cause the funding of any rabbi trust or similar arrangement or take any action to fund or in any other way secure the payment of compensation or benefits under employee benefit plan, or materially change any actuarial assumptions used to calculate funding obligations with respect to any employee benefit plan or change the manner in which contributions to such plans are made or the basis on which such contributions are determined;



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incur or guarantee any indebtedness for borrowed money other than in the ordinary course of business;

enter into any new line of business or materially change its lending, investment, underwriting, risk and asset liability management and other banking and operating policies;

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settle any action, suit, claim or proceeding against it or any of its subsidiaries in excess of \$100,000;

make application for the opening, relocation or closing of any, or open, relocate or close any, branch office, loan production office or other significant office or operations facility;

make or change any material tax elections, change or consent to any change in it or its subsidiaries' method of accounting for tax purposes, take any material position on any material tax return filed on or after the date of the merger agreement, settle or compromise any material tax liability, claim or assessment, enter into any closing agreement, waive or extend any statute of limitations with respect to a material amount of taxes, surrender any right to claim a refund for a material amount of taxes, or file any material amended tax return; or

hire any employee with an annual salary in excess of \$100,000; or

agree to take, make any commitment to take, or adopt any resolutions of the board of directors of Mid Illinois in support of, any of the actions prohibited by the merger agreement.

*Conduct of Business of First Busey.* Under the merger agreement, First Busey has agreed to certain restrictions on its activities and the activities of its subsidiaries until the merger is completed or the merger agreement is terminated. In general, First Busey is required not to take any action that is intended to or would reasonably be expected to adversely affect or materially delay the ability of First Busey or Mid Illinois to obtain any of the requisite regulatory approvals, to perform its covenants and agreements under the merger agreement or to consummate the contemplated transactions.

The following is a summary of the more significant restrictions imposed upon First Busey, subject to the exceptions set forth in the merger agreement. First Busey will not, without Mid Illinois' prior written consent or as otherwise provided in the merger agreement:

amend the articles of incorporation or bylaws of First Busey, or similar governing documents of any of its subsidiaries, in a manner that would materially and adversely affect the benefits of the merger to the stockholders of Mid Illinois; or

agree to take, make any commitment to take, or adopt any resolutions of the board of directors of First Busey in support of, any of the actions prohibited by the merger agreement.

**Certain covenants of the parties**

Both parties have agreed to cooperate with the other in connection with obtaining the regulatory approvals for the transactions contemplated by the merger agreement. Both parties agree, among other things:

to cooperate and use all reasonable best efforts in the preparation and filing of all applications, notices and documents required to obtain regulatory approval and/or consents from governmental authorities for the merger;

to exercise good faith and use reasonable best efforts to satisfy the covenants and conditions required to close the merger and to complete the merger as soon as practicable;

that neither will intentionally act in a manner that would cause a breach of the merger agreement;

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to coordinate any disclosure of nonpublic information to third parties concerning the transactions contemplated by the merger agreement; and

to provide one another reasonable opportunity to consult concerning the defense of any stockholder litigation against the Mid Illinois or First Busey, as applicable, or any of their respective directors or officers relating to the transactions contemplated by the merger agreement.

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Mid Illinois has also agreed to the following:

to notify First Busey of any fact, event or circumstance known to it that is reasonably likely, individually or taken together with all other facts, events and circumstances known to it, to result in a material adverse effect on Mid Illinois;

to notify First Busey of any fact, event or circumstance known to it that would cause or constitute a material breach of any of Mid Illinois' representations, warranties, covenants or agreements contained in the merger agreement that reasonably could be expected to give rise, individually or in the aggregate, to the failure of a closing condition;

to duly call, give notice of, convene and hold a meeting of its stockholders for the purpose of obtaining approval of the merger agreement and the transactions contemplated therein; and

to amend or terminate, as requested by First Busey, any of its employee benefit plans.

**No solicitation of or discussions relating to an acquisition proposal**

The merger agreement contains provisions prohibiting Mid Illinois from initiating, soliciting, encouraging or knowingly facilitating an alternative proposal to the merger. Mid Illinois agreed to immediately cease and terminate any activities, discussions or negotiations conducted before the date of the merger agreement with any persons other than First Busey with respect to any acquisition proposal. Moreover, Mid Illinois has agreed that it will not, and will cause each of its subsidiaries and its subsidiaries' officers, directors, agents, advisors and affiliates not to, initiate, solicit, encourage or knowingly facilitate any inquiry or proposal or enter into any negotiations or discussions with any person or entity concerning any proposed acquisition of Mid Illinois or its subsidiaries, or furnish any confidential or nonpublic information to any person or entity proposing or seeking such an acquisition.

However, the merger agreement provides that Mid Illinois may furnish such information pursuant to a customary confidentiality agreement and engage in such negotiations or discussions in response to an unsolicited acquisition proposal, if the board of directors of Mid Illinois determines in good faith and after consultation with outside counsel that such proposal constitutes or is reasonably likely to result in a superior proposal, and the failure to take action with respect to such proposal is reasonably likely to result in a breach of the board of directors' fiduciary duties. If the board of directors of Mid Illinois determines that it is necessary to pursue a superior proposal in order to act in a manner consistent with its fiduciary duties, the board may withhold, withdraw, qualify or adversely modify the board's recommendation to Mid Illinois stockholders with respect to the approval and adoption of the merger agreement and the transaction contemplated thereby, and/or terminate the merger agreement. However, the Mid Illinois board of directors may not terminate the merger agreement for a superior proposal unless it has first notified First Busey and otherwise negotiated with First Busey so that the merger may be effected.

Under the merger agreement, a "superior proposal" means any written acquisition proposal which the board of directors of Mid Illinois concludes in good faith to be more favorable from a financial point of view to its stockholders than the merger, after (i) receiving the advice of its financial advisors, (ii) taking into account the likelihood and timing of consummation of the proposed transaction on its terms, and (iii) taking into account all legal, financial, regulatory and other aspects of such proposal. If First Busey terminates the merger agreement because Mid Illinois breaches its covenant not to solicit an acquisition proposal from a third party or if Mid Illinois terminates the merger agreement in order to enter into an agreement for a superior proposal, Mid Illinois will pay to First Busey a termination fee equal to \$5.0 million. See "Description of the Merger Agreement Termination fees."

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**Representations and warranties**

The merger agreement contains representations and warranties made by Mid Illinois and First Busey. These include, among other things, representations relating to:

valid corporate organization and existence;

ownership of their respective subsidiaries;

corporate power and authority to enter into the merger and the merger agreement;

absence of any breach of organizational documents or law as a result of the merger;

capitalization;

financial statements;

filing of necessary reports with regulatory authorities;

books of account, minutes and stock records;

loans and allowance for loan losses;

certain tax matters;

employee matters and employee benefits;

compliance with laws;

absence of certain litigation or orders;

absence of material adverse changes;

broker/finder fees;

absence of any reason why the granting of any of the required regulatory approvals would be denied or unduly delayed; and

compliance with the Community Reinvestment Act;

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Mid Illinois made additional representations and warranties to First Busey in the merger agreement relating to, among other things:

real property, personal property and other material assets;

absence of any breach of material contracts as a result of the merger;

compliance with, absence of default under and information regarding, material contracts;

insurance matters;

environmental matters;

affiliate transactions;

labor matters;

intellectual property;

investment securities; and

fiduciary accounts.

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**Conditions to completion of the merger**

*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 Mid Illinois in the merger agreement as of the closing date, except as otherwise set forth in the merger agreement;

performance by Mid Illinois 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 Mid Illinois 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 Mid Illinois certifying (i) the accuracy of the representations and warranties of Mid Illinois in the merger agreement and (ii) performance by Mid Illinois 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 Mid Illinois 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 Mid Illinois common stock upon the receipt of shares of First Busey common stock in exchange for their shares of Mid Illinois 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 Mid Illinois since the date of the merger agreement.

*Closing Conditions for the Benefit of Mid Illinois.* Mid Illinois' obligations are subject to fulfillment of certain conditions, including:

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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;



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approval of the merger agreement and the transactions contemplated therein at the meeting of Mid Illinois 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 Mid Illinois 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 Mid Illinois common stock upon the receipt of shares of First Busey common stock in exchange for their shares of Mid Illinois 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.

**Termination**

First Busey and Mid Illinois 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 Mid Illinois 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;

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failure to receive approval by Mid Illinois stockholders for the merger agreement and the transactions contemplated therein following the meeting held for such purpose;

the merger is not completed by December 31, 2017, 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 Mid Illinois 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;

Mid Illinois may terminate in order to enter into an agreement with respect to an unsolicited superior proposal from a third party;

First Busey may terminate if Mid Illinois' board of directors makes an adverse recommendation to Mid Illinois' stockholders; or

Mid Illinois may terminate if on the determination date, the weighted average daily closing sales price of a share of First Busey common stock for the 20 consecutive trading days immediately preceding the determination date is less than \$24.5953 and represents a percentage change, relative to a base value of \$30.7441 per share of First Busey common stock, that is more than 20% below the percentage change in the SNL Mid Cap U.S. Bank Index, measured by comparing the average daily closing value of that index over that 20-day period to a base value of 428.36, unless First Busey elects to cure either of these deficiencies by increasing the stock portion of the merger consideration as described in the section entitled "Description of the Merger Agreement Consideration to be received in the merger."

Any termination of the merger agreement will not relieve the breaching party from liability resulting from its fraud or any willful and material breach by that party of the merger agreement.

**Termination fees**

*Termination Fees Payable by Mid Illinois.* Mid Illinois has agreed to pay First Busey a termination fee of \$2.0 million if First Busey terminates the merger agreement because Mid Illinois 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 First Busey's failure to comply in all material respects with any of its obligations under the merger agreement.

Mid Illinois has agreed to pay First Busey a termination fee of \$5.0 million if the merger agreement is terminated under the following circumstances:

First Busey terminates the merger agreement because Mid Illinois 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;

Mid Illinois 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 Mid Illinois, has been made directly to Mid Illinois' stockholders or is publically announced, and (i) thereafter the merger agreement is terminated by First Busey upon Mid Illinois' material breach of its obligations

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under the merger agreement and (ii) within six months after such termination Mid Illinois enter into a definitive written agreement with respect to such acquisition proposal.

*Termination Fees Payable by First Busey.* First Busey has agreed to pay Mid Illinois a termination fee of \$2.0 million if Mid Illinois terminates the merger agreement because First Busey 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 Mid Illinois' failure to comply in all material respects with any of its obligations under the merger agreement.

**Management of First Busey and Mid Illinois after the merger**

First Busey has agreed to take all appropriate action to appoint one individual serving on the Mid Illinois board of directors and mutually agreeable to the parties to the Busey Bank board of directors, effective immediately upon the effective time of the bank merger. The First Busey and the Busey Bank boards of directors will otherwise remain the same after the mergers.

**Expenses**

All expenses incurred in connection with the merger agreement will be paid by the party incurring the expenses.

**NASDAQ stock listing**

First Busey common stock currently is listed on the NASDAQ Global Select Market under the symbol "BUSE." The shares to be issued to Mid Illinois' stockholders as merger consideration also will be eligible for trading on the NASDAQ Global Select Market.

**Amendment**

The merger agreement may be amended in writing by the parties.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT OF MID ILLINOIS**

The following table set forth, as of July 6, 2017, the shares of common stock beneficially owned by Mid Illinois' executive officers and directors individually, by all executive officers and directors as a group, and by each shareholder known by Mid Illinois to beneficially own in excess of five percent of Mid Illinois' outstanding common stock. The percentages below are based on 592,256 common shares outstanding as of July 6, 2017.

In accordance with Rule 13d-3 under the Exchange Act, a person is deemed to be the beneficial owner for purposes of this table, of any shares of our common stock if he or she has or shares voting or investment power with respect to such security, or has a right to acquire beneficial ownership at any time within 60 days from July 6, 2017. As used herein, "voting power" is the power to vote or direct the voting of shares, and "investment power" is the power to dispose or direct the disposition of shares. The nature of beneficial ownership for shares shown in this column, unless otherwise noted, represents sole voting and investment power.

The address for each shareholder listed in the table below is: c/o Mid Illinois Bancorp, Inc., 2119 S.W. Adams Street, Peoria, Illinois 61602.

Name and Address of Beneficial Owners	Amount of Shares Owned and Nature of Beneficial Ownership(1)		Percent of Shares of Common Stock Outstanding
	Total	ESOP	
<b>Directors and Executive Officers:</b>			
David Bettinghaus	1,056		*
Kevin Colgan	600		*
Steven Fawley	400		*
David Golwitzer	8,600		1.45%
Karen Jensen	400		*
Mark Joseph(2)	6,676	6,326	1.12%
Mark Matuszak	100		*
Greg Rice(3)	4,453	4,313	0.75%
William Schwab	1,795		*
Michael Stone	2,650		*
Jeff Ward(4)	2,543	2,043	0.42%
Tim Ward(5)	23,817	7,501	4.02%
John Waugh	250		*
All Directors and Executive Officers as a Group (13 persons)(6)	53,330		9.00%
<b>5% Owners:</b>			
Mid Illinois Bancorp, Inc. Employee Stock Ownership Plan(7)	149,472		25.24%

\*

Less than 1%.

(1)

Under the terms of the ESOP, all shares held by the ESOP are voted by the ESOP trustee, but each participant in the ESOP may direct the trustee how to vote the shares of Mid Illinois common stock allocated to his or her account. Allocated shares for which no timely voting instructions are received will not be voted by the ESOP trustee.

(2)

Includes 6,326 shares held for the account of Mr. Joseph in the ESOP and 301 shares held directly.

(3)

Includes 4,313 shares held for the account of Mr. Rice in the ESOP and 140 shares held directly.



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- (4) Includes 103 shares held in an individual retirement account maintained for the benefit of Mr. Ward as to which he maintains voting power, 2,043 shares held for the account of Mr. Ward in the ESOP and 397 shares held directly.
- (5) Includes 180 shares held in an individual retirement account maintained for the benefit of Mr. Ward as to which he maintains voting power, 7,501 shares held for the account of Mr. Ward in the ESOP and 16,136 shares held directly.
- (6) Total of 53,330 includes 20,466 shares in accounts for the benefit of directors and executive officers in the Mid Illinois Bancorp, Inc. Employee Stock Ownership Plan and 283 shares held in individual retirement accounts of directors and executive officers
- (7) Includes 20,183 held for the account of directors and executive officers.



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**COMPARISON OF RIGHTS OF FIRST BUSEY STOCKHOLDERS AND MID ILLINOIS STOCKHOLDERS**

*As a stockholder of Mid Illinois, your rights are governed by Mid Illinois' articles of incorporation, as amended, and its bylaws, as amended, each as currently in effect. Upon completion of the merger, the rights of Mid Illinois stockholders who receive shares of First Busey common stock in exchange for their shares of Mid Illinois common stock will be governed by First Busey's amended and restated articles of incorporation and amended and restated bylaws, as well as the rules and regulations applying to public companies. First Busey is incorporated in Nevada and subject to the Nevada Revised Statutes and Mid Illinois is incorporated in Illinois and is subject to the IBCA.*

*The following discussion summarizes material similarities and differences between the rights of Mid Illinois stockholders and First Busey stockholders and is not a complete description of all of the differences. This discussion is qualified in its entirety by reference to the Nevada Revised Statutes and the IBCA and First Busey's and Mid Illinois' respective, articles of incorporation and bylaws, each as amended and restated from time to time.*

	<b>First Busey Stockholder Rights</b>	<b>Mid Illinois Stockholder Rights</b>
<i>Authorized Capital Stock:</i>	<p>First Busey is authorized to issue 66,666,667 shares of common stock, par value \$0.001 per share, and one million shares of preferred stock, par value \$0.001 per share (which we refer to as "First Busey preferred stock").</p> <p>As of March 31, 2017, First Busey had 38,243,111 shares of common stock outstanding and no shares of preferred stock outstanding. Issuances of shares of First Busey's preferred stock may affect the relative rights of the holders of its common stock, depending upon the exact terms, qualifications, limitations and relative rights and preferences, if any, of the shares of the preferred stock as determined by First Busey's board of directors.</p>	<p>Mid Illinois is authorized to issue 4,000,000 shares of common stock, par value \$2.50 per share, and 250,000 shares of preferred stock, no par value.</p> <p>As of March 31, 2017, Mid Illinois had 592,256 shares of common stock outstanding and no shares of preferred stock outstanding.</p>
<i>Dividends:</i>	<p>Subject to any rights of holders of First Busey preferred stock, First Busey may pay dividends if, as and when declared by its board of directors.</p>	<p>Mid Illinois' bylaws provide that, periodically, when the undivided profits of Mid Illinois warrant such action, and in accordance with the IBCA, Mid Illinois' board of directors shall declare a dividend and order the payment thereof to the stockholders.</p>
<i>Voting Limitations:</i>	<p>First Busey's articles of incorporation and bylaws do not impose voting restrictions on shares held in excess of a beneficial ownership threshold.</p>	<p>Mid Illinois' articles of incorporation and bylaws do not impose voting restrictions on shares held in excess of a beneficial ownership threshold.</p>

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<i>Number of Directors; Classification:</i>	<b>First Busey Stockholder Rights</b> First Busey's board of directors currently consists of 13 members. First Busey's bylaws provide that the number of directors constituting the entire board of directors shall be determined by the board of directors or by First Busey's stockholders at an annual meeting and shall be not less than five no	<b>Mid Illinois Stockholder Rights</b>
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