SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended 6/30/2004 Commission File No. 0-15950

FIRST BUSEY CORPORATION

(Exact name of registrant as specified in its charter)

Nevada	37-1078406
(State or other jurisdiction of Incorporation or organization)	(I.R.S. Employer Identification No.)
201 W. Main St., Urbana, Illinois	61801
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (217) 365-4556

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined by Rule 12b-2 of the Act)

Yes [X] No [ ]

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of the latest practicable date.

Class	Outstanding at August 4, 2004
Common Stock, without par value	20,544,001

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2004 AND DECEMBER 31, 2003
(UNAUDITED)

	June 30, 2004	December 31, 2003
	(Dollars in thousands)	
ASSETS		
Cash and due from banks	$ 47,242	$ 52,397
Federal funds sold	5,850	-
Securities available for sale (amortized cost 2004, $271,685; 2003, $209,482)	284,533	224,733
Loans	1,451,460	1,192,396
Allowance for loan losses	(18,313)	(16,228)
Net loans	$ 1,433,147	$ 1,176,168
Premises and equipment	26,228	22,223
Cash surrender value of bank owned life insurance	17,251	16,836
Goodwill	31,730	7,380
Other intangible assets	4,514	2,100
Other assets	24,563	20,247
Total assets	$ 1,875,058	$ 1,522,084
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits:		
Noninterest bearing	$ 181,599	$ 160,578
Interest bearing	1,301,598	1,096,017
Total deposits	$ 1,483,197	$ 1,256,595
Federal funds purchased	-	8,500
Securities sold under agreements to repurchase	35,480	7,500
Short-term borrowings	14,250	-
Long-term debt	165,167	92,853
Junior subordinated debt owed to unconsolidated trust	40,000	25,000
Other liabilities	8,341	6,459
Total liabilities	$ 1,746,435	$ 1,396,907
STOCKHOLDERS' EQUITY		
Preferred stock	$ -	$ -
Common stock	6,291	6,291
Surplus	21,071	20,968
Retained earnings	108,036	102,288
Accumulated other comprehensive income	7,757	9,191
Total stockholders' equity before treasury stock, unearned ESOP shares and deferred compensation for stock grants	$ 143,155	$ 138,738
Treasury stock, at cost	(11,651)	(10,667)
Unearned ESOP shares and deferred compensation for stock grants	(2,881)	(2,894)
Total stockholders' equity	$ 128,623	$ 125,177
Total liabilities and stockholders' equity	$ 1,875,058	$ 1,522,084
Common shares outstanding at period end*	20,483,103	20,516,215

*Share and per share data have been retroactively adjusted to effect a three-for-two common stock split declared on July 23, 2004, as if it had occurred on January 1, 2003.

See accompanying notes to unaudited consolidated financial statements.

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2004 AND 2003
(UNAUDITED)

	2004	2003
	(Dollars in thousands, except per share amounts)	
INTEREST INCOME:		
Interest and fees on loans	$34,716	$32,839
Interest and dividends on investment securities:		
Taxable interest income	2,371	3,149
Non-taxable interest income	925	1,031
Dividends	128	76
Interest on Federal funds sold	28	77
Total interest income	$38,168	$37,172
INTEREST EXPENSE:		
Deposits	$ 8,897	$10,600
Short-term borrowings	163	97
Long-term debt	2,231	1,671
Junior subordinated debt owed to unconsolidated trust	1,221	1,125
Total interest expense	$12,512	$13,493
Net interest income	$25,656	$23,679
Provision for loan losses	1,080	930
Net interest income after provision for loan losses	$24,576	$22,749
OTHER INCOME:		
Trust	$ 2,791	$ 2,291
Commissions and brokers fees, net	1,196	976
Service charges on deposit accounts	3,740	3,529
Other service charges and fees	981	955
Security gains, net	688	299
Gain on sales of loans	1,281	4,474
Increase in cash surrender value of life insurance	415	327
Other operating income	636	495
Total other income	$11,728	$13,346
OTHER EXPENSES:		
Salaries and wages	$ 9,124	$ 9,636
Employee benefits	2,236	1,884
Net occupancy expense of premises	1,817	1,529
Furniture and equipment expenses	1,123	1,310
Data processing	888	879
Stationery, supplies and printing	454	519
Amortization of intangible assets	234	206
Other operating expenses	3,787	4,403
Total other expenses	$19,663	$20,366
Income before income taxes	$16,641	$15,729
Income taxes	5,740	5,531
NET INCOME	$10,901	$10,198
BASIC EARNINGS PER SHARE*	$ 0.54	$ 0.50
DILUTED EARNINGS PER SHARE*	$ 0.53	$ 0.50
DIVIDENDS DECLARED PER SHARE OF COMMON STOCK*	$ 0.253	$ 0.227

*Per share have been retroactively adjusted to effect a three-for-two common stock split declared on July 23, 2004, as if it had occurred on January 1, 2003.

See accompanying notes to unaudited consolidated financial statements.

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE QUARTERS ENDED JUNE 30, 2004 AND 2003
(UNAUDITED)

	2004	2003
	(Dollars in thousands, except per share amounts)	
INTEREST INCOME:		
Interest and fees on loans	$18,077	$16,354
Interest and dividends on investment securities:		
Taxable interest income	1,228	1,554
Non-taxable interest income	472	514
Dividends	108	38
Interest on federal funds sold	27	44
Total interest income	$19,912	$18,504
INTEREST EXPENSE:		
Deposits	$ 4,650	$ 5,176
Short-term borrowings	95	52
Long-term debt	1,215	860
Junior subordinated debt owed to unconsolidated trust	658	562
Total interest expense	$ 6,618	$ 6,650
Net interest income	$13,294	$11,854
Provision for loan losses	655	330
Net interest income after provision for loan losses	$12,639	$11,524
OTHER INCOME:		
Trust	$ 1,396	$ 1,184
Commissions and brokers' fees, net	604	511
Service charges on deposit accounts	2,012	1,836
Other service charges and fees	513	505
Security gains, net	497	116
Gains on sales of loans	459	2,239
Increase in cash surrender value of life insurance	206	167
Other operating income	347	313
Total other income	$ 6,034	$ 6,871
OTHER EXPENSES:		
Salaries and wages	$ 4,583	$ 4,947
Employee benefits	1,213	922
Net occupancy expense of premises	933	714
Furniture and equipment expenses	588	628
Data processing	450	370
Stationary, supplies and printing	234	226
Amortization of intangible assets	129	103
Other operating expenses	2,066	2,074
Total other expenses	$10,196	$ 9,984
Income before income taxes	$ 8,477	$ 8,411
Income taxes	2,936	3,055
NET INCOME	$ 5,541	$ 5,356
BASIC EARNINGS PER SHARE*	$ 0.27	$ 0.26
DILUTED EARNINGS PER SHARE*	$ 0.27	$ 0.26
DIVIDENDS DECLARED PER SHARE OF COMMON STOCK*	$ 0.127	$ 0.113

*Per share have been retroactively adjusted to effect a three-for-two common stock split declared on July 23, 2004, as if it had occurred on January 1, 2003.

See accompanying notes to unaudited consolidated financial statements.

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2004 AND 2003
(UNAUDITED)

	2004	2003
	(Dollars in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 10,901	$ 10,198
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock-based compensation	13	28
Depreciation and amortization	1,599	1,940
Provision for loan losses	1,080	930
Provision for deferred income taxes	(163)	(646)
Stock dividends	(201)	(275)
Amortization of investment security discounts	(41)	(158)
Gain on sales of investment securities, net	(688)	(299)
Gain on sales of loans	(1,281)	(4,474)
Loss (gain) on sale and disposition of premises and equipment	20	(420)
Market valuation adjustment on OREO property	-	694
Change in assets and liabilities:		
Decrease (increase) in other assets	427	(2,493)
Increase in accrued expenses	509	1,554
Increase (decrease) in interest payable	372	(460)
Increase in income taxes receivable	(476)	-
Decrease in income taxes payable	-	(116)
NET CASH PROVIDED BY OPERATING ACTIVITIES BEFORE LOAN ORIGINATIONS AND SALES	$ 12,071	$ 6,003
Loans originated for sale	(86,104)	(224,162)
Proceeds from sales of loans	91,992	241,803
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 17,959	$ 23,644
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of securities classified available for sale	8,638	12,832
Proceeds from maturities of securities classified available for sale	36,397	119,908
Purchase of securities classified available for sale	(57,024)	(145,571)
Increase in federal funds sold	(4,257)	(33,300)
Increase in loans	(113,055)	(27,256)
Proceeds from sale of premises and equipment	2	1,644
Purchases of premises and equipment	(1,909)	(988)
Increase in investment in bank owned life insurance	-	(5,000)
Increase in cash surrender value of bank owned life insurance	(415)	(327)
Purchase of subsidiary, net of cash and due from banks acquired	(35,990)	-
NET CASH USED IN INVESTING ACTIVITIES	$ (167,613)	$ (78,058)

(continued on next page)

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE SIX MONTHS ENDED JUNE 30, 2004 AND 2003
(UNAUDITED)

	2004	2003
	(Dollars in thousands)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase (decrease) in certificates of deposit	$ 48,172	$ (4,438)
Net increase in demand, money market and saving deposits	31,346	48,115
Cash dividends paid	(5,153)	(4,612)
Purchase of treasury stock	(1,886)	(416)
Proceeds from sale of treasury stock	1,005	2,296
Net (decrease) increase in Federal funds purchased and securities sold under agreement to repurchase	(5,977)	5,695
Proceeds from short-term borrowings	15,250	-
Principal payments on short-term borrowings	(2,250)	-
Proceeds from issuance of long-term debt	61,000	6,000
Principal payments on long-term borrowings	(12,008)	-
Proceeds from issuance of junior subordinated debt owed to unconsolidated trust	15,000	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	$ 144,499	$ 52,640
NET (DECREASE) INCREASE IN CASH AND DUE FROM BANKS	$ (5,155)	$ (1,774)
Cash and due from banks, beginning	52,397	$ 47,645
Cash and due from banks, ending	$ 47,242	$ 45,871
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
OTHER REAL ESTATE ACQUIRED IN SETTLEMENT OF LOANS	$ -	$ 265
PURCHASE OF SUBSIDIARY:		
Purchase price	$ 42,072	$ -
Assets acquired:	-	
Cash and due from other banks	$ 6,082	-
Federal funds sold	1,593	-
Securities available for sale	49,285	-
Loans held for sale	1,853	-
Loans	147,758	-
Premises and equipment	3,483	-
Goodwill	24,350	
Other intangible assets	2,648	
Other assets	4,267	-
Liabilities assumed:		
Deposits	(147,084)	-
Securities sold under agreements to repurchase	(26,707)	-
Long-term debt	(23,322)	-
Other liabilities	(2,134)	-
	$ 42,072	$ -

See accompanying notes to unaudited consolidated financial statements

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2004 AND 2003
(UNAUDITED)

	2004	2003
	(Dollars in thousands)	
Net income	$ 10,901	$ 10,198
Other comprehensive income, before tax:		
Unrealized gains on securities:		
Unrealized holding (losses) gains arising during period	$ (1,716)	$ 1,735
Less reclassification adjustment for gains included in net income	(688)	(299)
Other comprehensive (loss) income, before tax	$ (2,404)	$ 1,436
Income tax expense related to items of other comprehensive income	(970)	570
Other comprehensive (loss) income, net of tax	$ (1,434)	$ 866
Comprehensive income	$ 9,467	$ 11,064

See accompanying notes to unaudited consolidated financial statements

FIRST BUSEY CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: INTERIM FINANCIAL STATEMENTS

The consolidated interim financial statements of First Busey Corporation and Subsidiaries are unaudited, but in the opinion of management reflect all necessary adjustments, consisting only of normal recurring accruals, for a fair presentation of results as of the dates and for the periods covered by the financial statements. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted within the United States of America for interim financial data and with the instructions to Form 10-Q and Article 10 of Regulation S-X. The results for the interim periods are not necessarily indicative of the results of operations that may be expected for the fiscal year.

In preparing the consolidated financial statements, the Corporation's management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates.

NOTE 2: LOANS

The major classifications of loans as of June 30, 2004 and December 31, 2003 were as follows:

	June 30, 2004	December 31, 2003
	(Dollars in thousands)	
Commercial	$ 213,124	$ 138,272
Real estate construction	222,054	168,141
Real estate - farmland	10,460	11,890
Real estate - 1-4 family residential mortgage	451,678	406,102
Real estate - multifamily mortgage	97,688	91,325
Real estate - non-farm nonresidential mortgage	362,379	292,169
Installment	69,666	61,323
Agricultural	23,574	22,300
	$ 1,450,623	$1,191,522
Plus net deferred loan costs	837	874
	1,451,460	1,192,396
Less:		
Allowance for loan losses	18,313	16,228
Net loans	$ 1,433,147	$1,176,168

The real estate-mortgage category includes loans held for sale with carrying values of $28,089,000 at June 30, 2004 and $30,529,000 at December 31, 2003.

NOTE 3: EARNINGS PER SHARE*

Net income per common share has been computed as follows:

	Three Months Ended June 30, 2004	Three Months Ended June 30, 2003	Six Months Ended June 30, 2004	Six Months Ended June 30, 2003
Net income	$ 5,541,000	$ 5,356,000	$ 10,90	$ 10,198,000
Shares:				
Weighted average common shares outstanding	20,334,312	20,358,036	20,345,961	20,342,037
Dilutive effect of outstanding options, as determined by the application of the treasury stock method	143,809	181,399	144,420	176,139
Weighted average common shares outstanding, as adjusted for diluted earnings per share calculation	20,478,121	20,539,435	20,490,381	20,518,176
Basic earnings per share	$ 0.27	$ 0.26	$ 0.54	$ 0.50
Diluted earnings per share	$ 0.27	$ 0.26	$ 0.53	$ 0.50

* Share and per share data have been retroactively adjusted to effect a three-for-two stock split declared on July 23, 2004, as if it had occurred on January 1, 2003.

NOTE 4: STOCK-BASED COMPENSATION*

First Busey Corporation applies Accounting Principles Board Opinion No. 25 in accounting for stock options and discloses the fair value of options granted as permitted by SFAS No. 123. The Corporation has recorded no compensation expense associated with stock options as all options granted under its plan had an exercise price equal to the market value of the common stock when granted.

The following summarizes the pro-forma effects assuming compensation expense had been recorded based upon the estimated fair value:

	Three Months Ended June 30,		Six Months Ended June 30,	
	(dollars in thousands except per share data)			
	2004	2003	2004	2003
NET INCOME AS REPORTED	$ 5,541	$5,356	$10,901	$ 10,198
Less compensation expense determined under fair value method for all options granted, net of related tax effects	88	64	145	128
Pro-forma net income	$ 5,453	$5,292	$10,756	$ 10,070
BASIC EARNINGS PER SHARE				
Reported net income	$ 0.27	$ 0.26	$ 0.54	$ 0.50
Less compensation expense	-	-	0.01	-
Pro-forma net income	$ 0.27	$ 0.26	$ 0.53	$ 0.50
DILUTED EARNINGS PER SHARE				
Reported net income	$ 0.27	$ 0.26	$ 0.53	$ 0.50
Less compensation expense	-	-	0.01	0.01
Pro-forma net income	$ 0.27	$ 0.26	$ 0.52	$ 0.49

In April, 2004, the Corporation granted 54,000 stock options (retroactively adjusted to effect a three-for-two common stock split declared on July 23, 2004, as if it had occurred prior to issuance of options). The fair value of the stock options granted has been estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

Number of options granted*	54,000
Risk-free interest rate	1.41%
Expected life, in years	4.67
Expected volatility	18.20%
Expected dividend yield	2.80%
Estimated fair value per option*	$ 2.04

*Share and per share data have been retroactively adjusted to effect a three-for-two common stock split declared on July 23, 2004, as if it had occurred prior to issuance of options.

NOTE 5: JUNIOR SUBORDINATED DEBT OWED TO UNCONSOLIDATED TRUST

In June 2001, First Busey Corporation issued $25 million in cumulative trust preferred securities through a newly formed Delaware business trust, First Busey Capital Trust I. The proceeds of the offering were invested by First Busey Capital Trust I in junior subordinated deferrable interest debentures of the Corporation. The trust is a wholly-owned subsidiary of the Corporation, and its sole assets are the junior subordinated deferrable interest debentures. Distributions are cumulative and are payable quarterly at a rate of 9.00% per annum. Interest expense on the trust preferred securities was $1,125,000 for the six-month periods ended June 30, 2004 and June 30, 2003. Prior redemption is permitted under certain circumstances such as changes in tax and investment company regulations. The obligations of the trust are fully and unconditionally guaranteed, on a subordinated basis, by the Corporation. The trust preferred securities qualify as Tier 1 capital for regulatory purposes.

The trust preferred securities are mandatorily redeemable upon the maturity of the debentures on June 18, 2031, and are callable beginning June 18, 2006.

Issuance costs of $1,340,000 related to the trust preferred debentures were deferred and are being amortized over the period until mandatory redemption of the debentures in June 2031.

Prior to the implementation of a new accounting standard in the first quarter of 2004, the financial statements of the Trust were included in the consolidated financial statements of the Corporation because First Busey owns all of the outstanding common equity securities of the Trust. However, because First Busey is not the primary beneficiary of the Trust, in accordance with the new accounting standard the financial statements of the Trust are no longer included in the consolidated financial statements of the Corporation. The Corporation's prior financial statements have been reclassified to de-consolidate the Corporation's investment in the Trust. There was no cumulative effect on stockholders' equity as a result of this adoption.

In April 2004, First Busey Corporation, through First Busey Statutory Trust II, issued $15 million of trust preferred securities ("Securities") in a private placement. The Securities were issued at an initial coupon rate of 3.82875%, pay cumulative cash distributions quarterly, and are subject to repricing on a quarterly basis (3-month LIBOR plus 2.65%). The proceeds of the offering were invested by First Busey Statutory Trust II in junior subordinated deferrable interest debentures of First Busey Corporation which represents all of the assets of the Trust. The Securities are subject to mandatory redemption, in whole or in part, upon repayment of the junior subordinated debentures at the stated maturity or their earlier redemption, in each case at a redemption price equal to the aggregate liquidation preference of the Securities plus any accumulated and unpaid distributions thereon to the date of redemption. Prior redemption is permitted under certain circumstances, such as changes in tax and investment company regulations, and is subject to payment of premium above par value if made within five years of issuance. The obligations of the trust are fully and unconditionally guaranteed, on a subordinated basis, by the Corporation. The trust preferred securities qualify as Tier 1 capital for regulatory purposes.

First Busey Corporation used the proceeds of these debentures for general corporate purposes and to partially fund the acquisition of First Capital Bankshares, Inc. On January 6, 2004, the Board of Directors of First Busey Corporation entered into an agreement with the Board of Directors of First Capital Bankshares, Inc. to acquire all of the issued and outstanding stock of First Capital for approximately $42 million or $5,750 per share. The acquisition closed on June 1, 2004.

NOTE 6: OUTSTANDING COMMITMENTS

The Corporation is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers in the way of commitments to extend credit. They involve, to varying degrees, elements of credit risk in excess of the amount recognized in the balance sheets.

The Corporation's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit is represented by the contractual amount of those instruments. The corporation uses the same credit policies in making commitments and conditional obligations as they do for on-balance-sheet instruments.

A summary of the contractual amount of the Corporation's exposure to off-balance sheet risk follows:

	June 30, 2004	December 31, 2003
	(Dollars in thousands)	
Financial instruments whose contract amounts represent credit risk:		
Commitments to extend credit	$ 347,556	$ 286,037
Standby letters of credit	13,050	11,682

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. These commitments are generally at variable interest rates and generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The customer's credit worthiness is evaluated on a case-by-case basis. The amount of collateral obtained, if it is deemed necessary by the Corporation upon extension of credit, is based on management's credit evaluation of the counterparty. Collateral held varies but may include accounts receivable, inventory, property and equipment and income-producing commercial properties.

Standby letters of credit are conditional commitments issued by the Corporation to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to support public and private borrowing arrangements, including bond financing and similar transactions, and primarily have terms of one year or less. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The Corporation holds collateral, which may include accounts receivable, inventory, property and equipment, income producing properties, supporting those commitments if deemed necessary. In the event the customer does not perform in accordance with the terms of the agreement with the third party, the Corporation would be required to fund the commitment. The maximum potential amount of future payments the Corporation could be required to make is represented by the contractual amount shown in the summary above. If the commitment is funded, the Corporation would be entitled to seek recovery from the customer. As of June 30, 2004, and December 31, 2003, no amounts have been recorded as liabilities for the Corporation's potential obligations under these guarantees.

NOTE 7: SUBSEQUENT EVENT

On July 23, 2004, First Busey Corporation's Board of Directors approved a three-for-two stock split. The stock split will be effected in the form of a 50% dividend to be issued on August 3, 2004, for shareholders of record at the close of business on August 2, 2004. Fractional share amounts resulting from the split will be paid to shareholders in cash. Share and per share data have been retroactively adjusted as if the stock split had occurred on January 1, 2003.

NOTE 8: BUSINESS COMBINATION

On June 1, 2004, First Busey Corporation acquired all the outstanding common stock of First Capital Bankshares, Inc. and its subsidiary First Capital Bank, a $239,000,000 bank headquartered in Peoria, Ilinois. This acquisition expands the Corporation's banking presence in central Illinois into Peoria and surrounding communities. The transaction has been accounted for as a purchase and the results of operations of both entities since the acquisition date have been included in the consolidated financial statements. The purchase price of $42,072,000 was allocated based upon the fair value of the assets acquired. The excess of the total acquisition cost over the fair value of the net assets acquired has been allocated to core deposit intangible and goodwill. The core deposit intangible of $2,648,000 is being amortized over a period of ten years.

Pro forma unaudited operating results for the six months ended June 30, 2004 and 2003, giving effect to the First Capital Bankshares acquisition as if it had occurred as of January 1, 2003 are as follows:

	2004	2003
	(Dollars in thousands except per share data)	
Interest income	$ 43,441	$ 42,528
Interest expense	14,523	16,121
Provision for loan losses	1,595	1,530
Noninterest income	12,696	14,483
Noninterest expense	22,238	22,471
Income before income taxes	$ 17,781	$ 16,889
Income taxes	6,183	5,870
Net income	$ 11,598	$ 11,019
Earnings per share - basic*	$ 0.57	$ 0.54
Earnings per share - diluted*	$ 0.57	$ 0.54

* Per share data has been retroactively adjusted to effect a three-for-two common stock split declared on July 23, 2004, as if it had occurred on January 1, 2003.

FORWARD LOOKING STATEMENTS

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

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

These risks, uncertainties and other factors include the general state of the economy, both on a local and national level, the ability of the Corporation to successfully complete acquisitions, the continued growth of geographic regions served by the Corporation, and the retention of key individuals in the Corporation's management structure.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is management's discussion and analysis of the financial condition of First Busey Corporation and Subsidiaries ("Corporation") at June 30, 2004 (unaudited), as compared with December 31, 2003 and the results of operations for the six months ended June 30, 2004 and 2003 (unaudited), and the results of operations for the three months ended June 30, 2004 and 2003 (unaudited). This discussion and analysis should be read in conjunction with the Corporation's consolidated financial statements and notes thereto appearing elsewhere in this quarterly report.

Certain reclassifications have been made to the balances, with no effect on net income, as of and for the three and six months ending June 30, 2003, to be consistent with the classifications adopted as of and for the three and six months ending June 30, 2004. Share and per share data have been retroactively adjusted to effect a three-for-two common stock split declared on July 23, 2004, as if it had occurred on January 1, 2003.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates are those that are critical to the portrayal and understanding of the Corporation's financial condition and results of operations and require management to make assumptions that are difficult, subjective or complex. These estimates involve judgments, estimates and uncertainties that are susceptible to change. In the event that different assumptions or conditions were to prevail, and depending on the severity of such changes, the possibility of materially different financial condition or results of operations is a reasonable likelihood.

ALLOWANCE FOR LOAN LOSSES

First Busey Corporation has established an allowance for loan losses which represents the Corporation's estimate of the probable losses that have occurred as of the date of the consolidated financial statements.

Management has established an allowance for loan losses which reduces the total loans outstanding by an estimate of uncollectible loans. Loans deemed uncollectible are charged against and reduce the allowance. Periodically, a provision for loan losses is charged to current expense. This provision acts to replenish the allowance for loan losses and to maintain the allowance at a level that management deems adequate.

There is no precise method of predicting specific loan losses or amounts which ultimately may be charged off on segments of the loan portfolio. The determination that a loan may become uncollectible, in whole or in part, is a matter of judgment. Similarly, the adequacy of the allowance for loan losses can be determined only on a judgmental basis, after full review, including (a) consideration of economic conditions and their effect on particular industries and specific borrowers; (b) a review of borrowers' financial data, together with industry data, the competitive situation, the borrowers' management capabilities and other factors; (c) a continuing evaluation of the loan portfolio, including monitoring by lending officers and staff credit personnel of all loans which are identified as being of less than acceptable quality; (d) an in-depth evaluation, on a monthly basis, of all impaired loans (loans are considered to be impaired when based on current information and events, it is probable the Corporation will not be able to collect all amounts due); and (e) an evaluation of the underlying collateral for secured lending, including the use of independent appraisals of real estate properties securing loans.

Periodic provisions for loan losses are determined by management based upon the size and the quality of the loan portfolio measured against prevailing economic conditions and historical loan loss experience and also based on specific exposures in the portfolio. Management has instituted a formal loan review system supported by an effective credit analysis and control process. The Corporation will maintain the allowance for loan losses at a level sufficient to absorb estimated uncollectible loans and, therefore, expects to make periodic additions to the allowance for loan losses.

REVENUE RECOGNITION

Income on interest-earning assets is accrued based on the effective yield of the underlying financial instruments. A loan is considered to be impaired when, based on current information and events, it is probable the Corporation will not be able to collect all amounts due. The accrual of interest income on impaired loans is discontinued when there is reasonable doubt as to the borrower's ability to meet contractual payments of interest or principal.

FINANCIAL CONDITION AT JUNE 30, 2004 AS COMPARED TO DECEMBER 31, 2003

Total assets increased $352,974,000 or 23.2%, to $1,875,058,000 at June 30, 2004 from $1,522,084,000 at December 31, 2003. Of the increase in total assets, $241,319,000 is attributable to the acquisition of First Capital Bank. Securities available for sale increased $59,800,000, or 26.6%, to $284,533,000 at June 30, 2004 from $224,733,000 at December 31, 2003. The First Capital Bank acquisition contributed $49,285,000 to the increase in securities available for sale. Loans increased $259,064,000, or 21.7%, to $1,451,460,000 at June 30, 2004 from $1,192,396,000 at December 31, 2003, primarily due to increases in commercial, real estate construction, 1-4 family residential mortgage, and non-farm non residential mortgage loans. Of the increase in total loans, $149,611,000 is attributable to the acquisition of First Capital Bank.

Total deposits increased $226,602,000, or 18.0%, to $1,483,197,000 at June 30, 2004 from $1,256,595,000 at December 31, 2003. Noninterest-bearing deposits increased 13.1% to $181,599,000 at June 30, 2004 from $160,578,000 at December 31, 2003. Interest-bearing deposits increased 18.8% to $1,301,598,000 at June 30, 2004, from $1,096,017,000 at December 31, 2003. At acquisition, First Capital Bank added $147,084,000 in total deposits, $12,876,000 of which were noninterest-bearing.

Securities sold under agreements to repurchase increased to $35,480,000 as of June 30, 2004, from $7,500,000 as of December 31, 2003. At acquisition, First Capital had $26,707,000 in securities sold under agreements to repurchase. Other short-term borrowings increased to $14,250,000 with the addition of short-term advances from the Federal Home Loan Bank of Chicago. The balance of long-term debt increased $72,314,000 to $165,167,000 as of June 30, 2004, compared to $92,853,000 as of December 31, 2003. Of this increase, $30,000,000 is in the form of a note payable which matures in June 2011, the proceeds of which were used to partially fund the acquisition of First Capital Bankshares of Peoria, Illinois, and $23,322,000 was acquired with the addition of First Capital Bank.

During the first six months of 2004, the Corporation repurchased 103,650 shares of its common stock at an aggregate cost of $1,886,000. Following the purchase of these shares the corporation has repurchased 719,034 shares under its 2001 Stock Repurchase Plan. On February 27, 2004, First Busey's Board of Directors approved a stock repurchase plan for the repurchase of 750,000 shares of common stock. Through June 30, 2004, the Corporation has made no repurchases under the 2004 plan. The corporation is purchasing shares for the treasury as they become available in order to meet future issuance requirements of previously granted non-qualified stock options. As of June 30, 2004, there were 187,800 options currently exercisable. There were an additional 395,925 stock options outstanding but not currently exercisable.

ASSET QUALITY

The following table sets forth the components of non-performing assets and past due loans.

	June 30, 2004	December 31, 2003
	(Dollars in thousands)	
Non-accrual loans	$ 2,030	$ 2,638
Loans 90 days past due, still accruing	1,121	581
Restructured loans	-	-
Other real estate owned	4,886	4,781
Non-performing other assets	25	10
Total non-performing assets	$ 8,062	$ 8,010
Total non-performing assets as a percentage of total assets	0.43%	0.53%
Total non-performing assets as a percentage of loans plus non-performing assets	0.55%	0.67%

Loans 90 days past due and still accruing were $1,121,000 or 0.08% of total loans as of June 30, 2004, compared to $581,000 or 0.05% of total loans as of December 31, 2003. The balance of other real estate owned increased to $4,886,000 as of June 30, 2004, compared to $4,781,000 as of December 31, 2003.

In September, 2003, upon completion of foreclosure proceedings, Busey Bank became owner of a hotel property in Bloomington, Illinois. In December, 2003, ownership of this property was transferred to First Busey Resources, Inc., a nonbank subsidiary of First Busey Corporation. The carrying value of this hotel property, included in other real estate owned, was $4,013,000 as of June 30, 2004 and $4,006,000 as of December 31, 2003.

POTENTIAL PROBLEM LOANS

Potential problem loans are those loans which are not categorized as impaired, non-accrual, past due or restructured, but where current information indicates that the borrower may not be able to comply with present loan repayment terms. Management assesses the potential for loss on such loans as it would with other problem loans and has considered the effect of any potential loss in determining its provision for loan losses. Potential problem loans totaled $8,048,000 at June 30, 2004, as compared to $10,566,000 as of December 31, 2003. There are no other loans identified which management believes represent or result from trends or uncertainties which management reasonably expects will materially impact future operating results, liquidity or capital resources. There are no other credits identified about which management is aware of any information which causes management to have serious doubts as to the ability of such borrower(s) to comply with the loan repayment terms.

RESULTS OF OPERATIONS

SIX MONTHS ENDED JUNE 30, 2004, AS COMPARED TO JUNE 30, 2003

SUMMARY

Net income for the six months ended June 30, 2004, increased 6.9% to $10,901,000 as compared to $10,198,000 for the comparable period in 2003. Year-to-date diluted earnings per share increased 6.0% to $0.53 for the six months ending June 30, 2004, as compared to $0.50 for the same period in 2003. As a result of the common stock split announced on July 23, 2004, and payable on August 2, 2004, all share and per share data have been retroactively adjusted to effect a three-for-two stock split as if it had occured on January 1, 2003.

The Corporation's return on average assets was 1.38% for the six months ended June 30, 2004, as compared to 1.43% for the comparable period in 2003. The Corporation's return on average shareholders' equity was 17.26% for the six months ended June 30, 2004, as compared to 17.23% for the same period in 2003.

EARNING ASSETS, SOURCES OF FUNDS, AND NET INTEREST MARGIN

Average earning assets increased $138,287,000 or 10.3% to $1,484,228,000 for the six months ending June 30, 2004, as compared to $1,345,941,000 for the same period last year. This growth is due primarily to growth in the average balance of loans offset partially by declines in the average balances of Federal funds sold and investment securities.

Interest-bearing liabilities averaged $1,283,096,000 during the first six months of 2004, an increase of $116,751,000 or 10.0% from the average balance of $1,166,345,000 for the same period in 2003. This growth is due primarily to growth in the average balances of money market deposits, short-term borrowings, and long-term debt.

Income on interest-earning assets is accrued on the effective yield of the underlying financial instruments. A loan is considered to be impaired when, based on current information and events, it is probable the Corporation will not be able to collect all amounts due. The accrual of interest income on impaired loans is discontinued when there is reasonable doubt as to the borrower's ability to meet contractual payments of interest or principal.

Net interest income, on a fully taxable equivalent basis, increased $1,940,000 or 8.0% to $26,262,000 for the six months ended June 30, 2004, compared to $24,322,000 for the comparable period in 2003. Net interest margin, the Corporation's net interest income, expressed as a percentage of average earning assets stated on a fully taxable equivalent basis, was 3.56% for the six months ended June 30, 2004, as compared to 3.64% for the comparable period in 2003. The net interest margin expressed as a percentage of average total assets, also on a fully taxable equivalent basis, was 3.33% for the six months ended June 30, 2004, compared to 3.41% for the comparable period in 2003.

Interest income, on a tax equivalent basis, for the six months ended June 30, 2004, was $38,774,000, which is $959,000 or 2.5% higher than the $37,815,000 earned during the comparable period in 2003. The average yield on interest-earning assets declined 41 basis points to 5.25% for the six months ended June 30, 2004, compared to 5.66% for the comparable period in 2003. Growth in the average balance of loans was partially offset by the declines in yield on loans and U.S. Government obligation investments.

Interest expense for the six months ended June 30, 2004, was $12,512,000, which is $981,000 or 7.3% lower than the $13,493,000 for the comparable period in 2003. The average rate paid on interest-bearing liabilities declined 37 basis points to 1.96% for the six months ended June 30, 2004, compared to 2.33% for the comparable period in 2003. The average rate paid on all categories of interest-bearing liabilities were lower during the first six months of 2004 than in the comparable period in 2003.

PROVISION FOR LOAN LOSSES

The Corporation's provision for loan losses of $1,080,000 during the six months ended June 30, 2004, is $150,000 more than the $930,000 recorded during the comparable period in 2003. The provision and net charge-offs of $1,064,000 for the six-month period ending June 30, 2004, resulted in the allowance representing 1.26% of total loans and 581% of non-performing loans as of June 30, 2004, as compared to the allowance representing 1.36% of outstanding loans and 504% of non-performing loans as of December 31, 2003. Net charge-offs for the first six months of 2004 were $1,064,000 compared to $63,000 for the comparable period in 2003. The net chargeoff ratio (net charge-offs as a percentage of average loans) was 0.17% for the six-month period ending June 30, 2004, reflecting an increase from 0.01% for the same period in 2003. Of the net chargeoffs recognized during the first six months of 2004, $850,000 was related to one commercial customer. Busey Bank has an additional balance o $560,000 included in nonaccrual loans to this customer as of June 30, 2004. This remaining balance represents the expected net realizable value of outstanding accounts receivable which have been pledged as collateral on these loans. The adequacy of the allowance for loan losses is consistent with management's consideration of the composition of the portfolio, non-performing asset levels, recent credit quality experience, historic charge-off trends, and prevailing economic conditions among other factors.

OTHER INCOME, OTHER EXPENSE, AND INCOME TAXES

Total other income, excluding security gains, decreased $2,007,000 or 15.4% to $11,040,000 for the six months ended June 30, 2004, compared to $13,047,000 for the same period in 2003. The decrease is primarily due to a decline in gains on the sale of mortgage loans which was only partially offset by growth in trust fees, commissions and brokers' fees, service charges, and other operating income.

During the first six months of 2004 the Corporation recognized $1,281,000 on the sale of $90,711,000 in mortgage loans compared to $4,474,000 on the sale of $237,329,000 of loans during the prior year period. The interest-rate and debt markets have strong influence on the level of mortgage loan origination and sales volumes. As interest rates have risen, origination and sales activity related to home purchases has remained strong while refinancing activity has slowed considerably. While mortgage loan originations and sales volumes are down considerable from 2003, management anticipates continued sales from current production. The Corporation may realize gains and/or losses on these sales dependent upon interest-rate movements and upon how receptive the debt markets are to mortgage-backed securities.

Income recognized on service charges, trust fees, commissions, and loan gains is recognized based on contractual terms and are accrued based on estimates, or are recognized as transactions occur or services are provided. Income from the servicing of sold loans is recognized based on estimated asset valuations and transaction volumes. While these estimates and assumptions may be considered complex, First Busey has implemented controls and processes to ensure the accuracy of these accruals.

During the second quarter of 2003, the Corporation recorded a valuation allowance of $215,000 to the carrying value of its mortgage servicing assets as loans in the Corporation's sold loan portfolio were prepaying more rapidly than anticipated when the loans were sold. Mortgage servicing asset amortization of $851,000 and the valuation allowance of $215,000 were recorded as charges against the servicing income on sold mortgage loans and were included in other operating income. The Corporation recorded no such adjustment in 2004, but has recognized amortization expense of $588,000 during the six months ended June 30, 2004.

During the six months ending June 30, 2004, the Corporation recognized security gains of approximately $415,000 after income taxes, representing 3.8% of net income. During the same period in 2003, security gains of approximately $180,000 after income taxes were recognized, representing 1.8% of net income. The Corporation owns a position in a qualified equity security with substantial appreciated value. First Busey's Board of Directors has authorized an orderly liquidation of this asset.

Total other expenses decreased $703,000 or 3.5% to $19,663,000 for the six months ending June 30, 2004, compared to $20,366,000 for the comparable period in 2003.

Salaries and wage expense decreased $512,000 or 5.3% to $9,124,000 for the six months ended June 30, 2004, as compared to $9,636,000 during the same period last year. The decline in salary expense is due primarily to lower commission payments and other incentive compensation programs for associates involved in originating, processing, and selling mortgage loans held for sale.

Other operating expenses decreased $616,000 or 14.0% to $3,787,000 for the six months ending June 30, 2004, as compared to $4,403,000 for the comparable period in 2003. During the first six months of 2003, Busey Bank recorded valuation adjustments of $637,000 on the carrying value of properties held in its other real estate owned inventory but has recorded no such adjustments in 2004.

Income taxes for the six months ended June 30, 2004, increased to $5,740,000 as compared to $5,531,000 for the comparable period in 2003. As a percentage of income before taxes, the provision for income taxes decreased slightly to 34.5% for the six months ended June 30, 2004, from 35.2% for the comparable period in 2003.

RESULTS OF OPERATIONS
THREE MONTHS ENDED JUNE 30, 2004, AS COMPARED TO JUNE 30, 2003

SUMMARY

Net income for three months ended June 30, 2004, increased $185,000 or 3.5% to $5,541,000 as compared to $5,356,000 for the three months ending June 30, 2003. Diluted earnings per share increased $.01 or 3.8% to $0.27 for the three months ending June 30, 2004, as compared to $0.26 for the comparable period in 2003. As a result of the common stock split announced on July 23, 2004, and payable on August 3, 2004, all share and per share data have been retroactively adjusted to effect a three-for-two stock split as if it had occured on January 1, 2003.

The Corporation's return on average assets was 1.35% for the three-month period ending June 30, 2004, compared to 1.48% for the comparable period in 2003. The return on average shareholders' equity was 17.40% for the three-month period ending June 30, 2004, compared to 17.71% for the comparable period in 2003.

EARNING ASSETS, SOURCES OF FUNDS, AND NET INTEREST MARGIN

Average earning assets increased $186,298,000 or 13.7% to $1,545,837,000 for the three months ended June 30, 2004, as compared to $1,359,539,000 for the comparable period last year. This is due primarily to growth in the average balance of outstanding loans.

Interest-bearing liabilities averaged $1,345,681,000 during the three months ended June 30, 2004, an increase of $170,966,000 or 14.6% from the average balance of $1,174,715,000 for the comparable period in 2003. This growth is due to increases in the average balances of money market deposits, time deposits, long-term debt, and trust preferred securities.

Net interest income on a fully taxable equivalent basis, increased $1,438,000 or 11.8% to $13,611,000 for the three months ended June 30, 2004, compared to $12,173,000 for the comparable period in 2003. Net interest margin, the Corporation's net interest income, expressed as a percentage of average earning assets stated on a fully taxable equivalent basis, was 3.53% for the three months ended June 30, 2004, as compared to 3.59% for the comparable period in 2003. The net interest margin expressed as a percentage of average total assets, also on a fully taxable equivalent basis, was 3.30% for the three months ended June 30, 2004, compared to 3.37% for the comparable period in 2003.

Interest income, on a tax equivalent basis, for the three months ended June 30, 2004, was $20,229,000, which is $1,406,000 or 7.5% higher than the $18,823,000 earned during the comparable period in 2003. The average yield on interest-earning assets declined 30 basis points to 5.25% for the three months ended June 30, 2004, compared to 5.55% for the three months ended June 30, 2003. The decline in yields is due primarily to declines in the average yield earned on U.S. Government obligations and loans.

Interest expense for the three months ended June 30, 2004, was $6,618,000, which is $32,000 or 0.5% lower than the $6,650,000 for the comparable period in 2003. The average rate paid on interest-bearing liabilities declined 30 basis points to 1.97% for the three months ended June 30, 2004, compared to 2.27% for the comparable period in 2003. Declines in the average rate paid on all categories of interest-bearing liabilities offset growth in the average balances of deposits, long-term debt, and junior subordinated debt owed to unconsolidated trust.

OTHER INCOME, OTHER EXPENSE, AND INCOME TAXES

Total other income, excluding security transactions, declined $1,218,000 or 18.0% to $5,537,000 for the three months ended June 30, 2004, compared to $6,755,000 for the same period in 2003. A large decline in gains on the sales of loans was only partially offset by growth in trust fees, commissions and brokers' fees. Gains of $459,000 were recognized on the sale of $47,029,000 of mortgage loans during the three months ending

June 30, 2004, compared to gains of $2,239,000 on the sale of $118,783,000 in mortgage loans during the prior year period.

During the three-month period ending June 30, 2004, the Corporation recognized security gains of approximately $299,000, after income taxes, representing 5.4% of net income. During the comparable period in 2003, security gains of approximately $70,000, after income taxes, were recognized, representing 1.3% of net income.

Total other expenses increased $212,000 or 2.1% to $10,196,000 for the three months ending June 30, 2004, compared to $9,984,000 for the comparable period in 2003.

Salaries and wage expense decreased $364,000 or 7.4% to $4,583,000 for the three months ended June 30, 2004, as compared to $4,947,000 during the same period last year. Again, the decline in salary and wage expense is due to reduced levels of compensation due to reduced mortgage production.

Occupancy and furniture and equipment expenses increased $179,000 or 13.3% to $1,521,000 for the three-month period ending June 30, 2004, compared to $1,342,000 during the comparable period in 2003. Net occupancy expenses increased $219,000 or 30.7% to $933,000 for the three months ended June 30, 2004 compared to $714,000 for the comparable period in 2003 due to increased rent expense for temporary office space during branch remodeling combined with reduced receipts on property leased to non-related entities.

Income taxes for the three-month period ending June 30, 2004, decreased to $2,936,000 as compared to $3,055,000 for the comparable period in 2003. As a percentage of income before taxes, the provision for income taxes decreased moderately to 34.6% for the three months ended June 30, 2004, from 36.3% for the comparable period in 2003.

REPORTABLE SEGMENTS AND RELATED INFORMATION

First Busey Corporation has four reportable segments, Busey Bank, Busey Bank Florida, First Capital Bank, and Busey Investment Group. Busey Bank provides a full range of banking services to individual and corporate customers through its branch network in Champaign, McLean and Ford Counties in Illinois, through its branch in Indianapolis, Indiana, and through its loan production office in Fort Myers, Florida. Busey Bank Florida provides a full range of banking services to individual and corporate customers in Fort Myers and Cape Coral, Florida. First Capital Bank, acquired June 1, 2004, provides a full range of banking services to individual and corporate customers in Peoria and Pekin, Illinois. Busey Investment Group is a wholly-owned subsidiary of First Busey Corporation and owns three subsidiaries: First Busey Trust & Investment Co. which provides trust and asset management services to individual and corporate customers throughout Central Illinois; First Busey Securities, Inc., a full-service broker/dealer subsidiary; and Busey Insurance Services, Inc., an insurance agency which provides personal insurance products and specializes in long-term healthcare insurance.

In prior periods, First Busey has reported First Busey Trust & Investment Co. as a separate segment. Over time, the three subsidiaries of Busey Investment Group have converged and are now directed by a common management team in a similar operating style, share similar marketing strategies, and share common office locations. Likewise, the financial results of these three subsidiaries are reviewed and monitored on a consolidated basis. Therefore, management of First Busey Corporation has identified Busey Investment Group as the more appropriate reportable segment.

The Corporation's four reportable segments are strategic business units that are separately managed as they offer different products and services and have different marketing strategies.

The segment financial information provided below has been derived from the internal profitability reporting system used by management to monitor and manage the financial performance of the Corporation. The accounting policies of the four segments are the same as those described in the summary of significant accounting policies in the annual report. The Corporation accounts for intersegment revenue and transfers at current market value.

Following is a summary of selected financial information for the Corporation's business segments for the six-month periods ended June 30, 2004, and June 30, 2003:

	Six Months Ended June 30, 2004	2003
	(dollars in thousands)	
Interest Income:		
Busey Bank	$ 33,748	$ 35,069
Busey Bank Florida	3,430	1,988
First Capital Bank	848	-
Busey Investment Group	72	76
All Other	-	39
Total Interest Income	$ 38,168	$ 37,172
Interest Expense:		
Busey Bank	$ 9,752	$ 11,357
Busey Bank Florida	1,125	1,010
First Capital Bank	311	-
Busey Investment Group	-	-
All Other	1,324	1,126
Total Interest Expense	$ 12,512	$ 13,493
Other Income:		
Busey Bank	$ 7,754	$ 10,081
Busey Bank Florida	222	335
First Capital Bank	113	-
Busey Investment Group	3,752	3,183
All Other	(113)	(253)
Total Other Income	$ 11,728	$ 13,346
Net Income:		
Busey Bank	$ 10,157	$ 10,503
Busey Bank Florida	573	55
First Capital Bank	150	-
Busey Investment Group	1,064	760
All Other	(1,043)	(1,120)
Total Net Income	$ 10,901	$ 10,198
Goodwill:		
Busey Bank	$ 5,832	$ 5,832
Busey Bank Florida	-	-
First Capital Bank	24,350	-
Busey Investment Group	-	-
All Other	1,548	1,548
Total Goodwill	$ 31,730	$ 7,380
Net Assets:		
Busey Bank	$ 1,469,209	$ 1,395,252
Busey Bank Florida	136,663	87,758
First Capital Bank	254,003	-
Busey Investment Group	5,870	5,053
All Other	9,313	12,149
Total Assets	$ 1,875,058	$ 1,500,212

LIQUIDITY

Liquidity management is the process by which the Corporation ensures that adequate liquid funds are available to meet the present and future cash flow obligations arising in the daily operations of the business. These financial obligations consist of needs for funds to meet commitments to borrowers for extensions of credit, funding capital expenditures, withdrawals by customers, maintaining deposit reserve requirements, servicing debt, paying dividends to shareholders, and paying operating expenses.

The Corporation's most liquid assets are cash and due from banks, interest-bearing bank deposits, and Federal funds sold. The balances of these assets are dependent on the Corporation's operating, investing, lending and financing activities during any given period.

The Corporation's primary sources of funds, consists of deposits, investment maturities and sales, loan principal repayment, deposits, and capital funds. Additional liquidity is provided by brokered deposits, bank lines of credit, repurchase agreements and the ability to borrow from the Federal Reserve Bank and the Federal Home Loan Bank. The Corporation has an operating line with Bank One in the amount of $10,000,000, all of which was available as of June 30, 2004. Long-term liquidity needs will be satisfied primarily through retention of capital funds.

An additional source of liquidity that can be managed for short-term and long-term needs is the Corporation's ability to securitize or package loans (primarily mortgage loans) for sale. During the first six months of 2004 the Corporation originated $86,104,000 and sold $90,711,000 in mortgage loans for sale compared to originations of $224,162,000 and sales of $237,329,000 during the first six months of 2003. As of June 30, 2004, the Corporation held $28,089,000 in loans held for sale. Management intends to sell these loans during the third quarter of 2004.

On June 1, 2004, First Busey Corporation completed the acquisition of First Capital Bankshares, Inc. of Peoria, Illinois, the holding company of First Capital Bank. In order to partially fund this transaction, First Busey issued $15,000,000 in trust preferred securities through First Busey Statutory Trust II. These securities were issued in April 2004. In order to fund the rest of the $42,070,000 purchase price, First Busey borrowed funds in the form of a note payable which requires annual principal reductions of $4,000,000 and matures in June, 2011. The Corporation intends to review various alternatives for refinancing this note on a longer-term basis and will determine its course of action in 2005.

The objective of liquidity management by the Corporation is to ensure that funds will be available to meet demand in a timely and efficient manner. Based upon the level of investment securities that reprice within 30 days and 90 days, management currently believes that adequate liquidity exists to meet all projected cash flow obligations. The Corporation achieves a satisfactory degree of liquidity through actively managing both assets and liabilities. Asset management guides the proportion of liquid assets to total assets, while liability management monitors future funding requirements and prices liabilities accordingly.

The Corporation's banking subsidiaries routinely enter into commitments to extend credit in the normal course of their business. As of June 30, 2004, and 2003, the Corporation had outstanding loan commitments including lines of credit of $347,556,000 and $233,745,000, respectively. The balance of commitments to extend credit represents future cash requirement and some of these commitments may expire without being drawn upon. The Corporation anticipates it will have sufficient funds available to meet its current loan commitments, including loan applications received and in process prior to the issuance of firm commitments.

The Corporation has entered into certain contractual obligations and other commitments. Such obligations generally relate to funding of operations through deposits, debt issuance, and property and equipment leases.

The following table summarizes significant contractual obligations and other commitments as of June 30, 2004:

Due Within	Certificates of Deposit	Securities Sold under Agreements to Repurchase and Short- and Long-term Borrowings	Leases	Junior Subordinated Debt Owed to Unconsolidated Trust	Total
		(Dollars in thousands)			
1 year	$ 374,979	$ 87,596	$ 862	$ -	$ 463,437
2 years	95,938	20,418	804	-	117,160
3 years	95.013	28,223	782	-	124,018
4 years	35,660	35,373	661	-	71,694
5 years	24,661	22,373	356	-	47,390
Thereafter	253	20,914	319	40,000	61,486
Total	$ 626,504	$ 214,897	$ 3,784	$ 40,000	$ 885,185
Commitments to extend credit					$ 347,556

Net cash flows provided by operating activities totaled $17,959,000 during the six months ended June 30, 2004, compared to $23,644,000 during the prior year period. Significant items affecting the cash flows provided by operating activities are net income, depreciation and amortization expense, the provision for loan losses, and activities related to the origination and sale of loans held for sale. Operating cash flow decreased during the first six months of 2004 compared to the same period in 2003 due primarily to lower mortgage loan sale activity. During the first six months of 2004 the Corporation originated $86,104,000 in loans held for sale and generated $91,992,000 from the sale of held-for-sale loans resulting in net cash provided by loan originations and sale of $5,888,000. During the comparable period in 2003, the Corporation originated $224,162,000 in held-for-sale loans and generated $241,803,000 from the sale of held-for-sale loans leading to net cash provided by loan originations and sale of $17,641,000.

Net cash used in investing activities was $167,613,000 for the six months ended June 30, 2004, compared to $78,058,000 for the comparable period in 2003. Significant activities affecting cash flows from investing activities are those activities associated with managing the Corporation's investment portfolio, loans held in the Corporation's portfolio, and subsidiary or business unit acquisition activities. During the six months ended June 30, 2004, proceeds from the sales and maturities of securities classified as available for sale totaled $45,035,000, and the Corporation purchased $57,024,000 in securities resulting in net cash used by securities activity of $11,989,000. In the comparable period of 2003 proceeds from the sales and maturities of securities classified as available for sale totaled $132,740,000, and the Corporation purchased $145,571,000 in securities resulting in net cash used by securities activity of $12,831,000. The Corporation's loan portfolio increased $113,055,000 during the first six months of 2004, compared to an increase of $27,256,000 in the comparable period of 2003. During June, 2004, the Corporation purchased the outstanding shares of First Capital Bankshares resulting in the net use of $35,990,000.

Net cash provided by financing activities was $144,499,000 during the first six months of 2004 compared to $52,640,000 for the comparable period in 2003. Significant items affecting cash flows from financing activities are deposits, short-term borrowings, and long-term debt. Deposits, which are the Corporation's primary funding source, grew $78,518,000 during the first six months of 2004, compared to a net increase of $43,677,000 during the comparable period in 2003. The Corporation has increased its use of short-term and long-term advances from the Federal Home Loan Banks of Chicago and Atlanta to partially fund loan growth. The Corporation issued junior subordinated debt and increased long-term debt to fund the acquisition of First Capital Bankshares in June, 2004.

CAPITAL RESOURCES

Other than from the issuance of common stock, the Corporation's primary source of capital is retained net income. During the six months ended June 30, 2004, the Corporation earned $10,901,000 and paid dividends of $5,153,000 to stockholders, resulting in a retention of current earnings of $5,748,000. The Corporation's dividend payout for the six months ended June 30, 2004 was 47.3%.

The Corporation and the Banks are subject to regulatory capital requirements administered by federal and state banking agencies. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Corporation and the Banks must meet specific capital guidelines that involve the quantitative measure of their assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. Quantitative measures established by regulation to ensure capital adequacy require the Corporation and the Banks to maintain minimum amounts and ratios (set forth in the table below) of total and Tier I capital (as defined in the regulations) to risk-weighted assets (as defined), and Tier 1 capital (as defined) to average assets (as defined). Management believes, as of June 30, 2004, that the Corporation and the Banks meet all capital adequacy requirements to which they are subject.

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
	(Dollars in thousands)					
AS OF JUNE 30, 2004:						
TOTAL CAPITAL (TO RISK WEIGHTED ASSETS)						
Consolidated	$ 147,181	10.44%	$ 112,823	8.00%	N/A	N/A
Busey Bank	$ 122,646	10.92%	$ 89,835	8.00%	$ 112,293	10.00%
Busey Bank Florida	$ 13,022	12.36%	$ 8,429	8.00%	$ 10,536	10.00%
First Capital Bank	$ 16,683	10.31%	$ 12,952	8.00%	$ 16,189	10.00%
TIER I CAPITAL (TO RISK WEIGHTED ASSETS)						
Consolidated	$ 124,388	8.82%	$ 56,412	4.0%	$ N/A	N/A
Busey Bank	$ 104,295	9.29%	$ 44,918	4.0%	$ 67,376	6.00%
Busey Bank Florida	$ 11,890	11.29%	$ 4,215	4.0%	$ 6,322	6.00%
First Capital Bank	$ 14,679	9.07%	$ 6,476	4.0%	$ 9,714	6.00%
TIER I CAPITAL (TO AVERAGE ASSETS)						
Consolidated	$ 124,388	7.76%	$ 64,107	4.0%	N/A	N/A
Busey Bank	$ 104,295	7.36%	$ 56,667	4.0%	$ 70,834	5.00%
Busey Bank Florida	$ 11,890	9.61%	$ 4,949	4.0%	$ 6,186	5.00%
First Capital Bank	$ 14,679	6.44%	$ 9,111	4.0%	$ 11,389	5.00%

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
	(Dollars in thousands)					
AS OF DECEMBER 31, 2003:						
TOTAL CAPITAL (TO RISK WEIGHTED ASSETS)						
Consolidated	$ 150,545	13.33%	$ 90,350	8.0%	N/A	N/A
Busey Bank	$ 117,133	11.30%	$ 82,934	8.0%	$ 103,667	10.0%
Busey Bank Florida	$ 12,402	15.50%	$ 6,402	8.0%	$ 8,003	10.0%
TIER I CAPITAL (TO RISK WEIGHTED ASSETS)						
Consolidated	$ 131,277	11.62%	$ 45,175	4.0%	N/A	N/A
Busey Bank	$ 99,920	9.64%	$ 41,467	4.0%	$ 62,201	6.00%
Busey Bank Florida	$ 11,514	14.39%	$ 3,201	4.0%	$ 4,802	6.00%
TIER I CAPITAL (TO AVERAGE ASSETS)						
Consolidated	$ 131,277	8.85%	$ 59,363	4.0%	N/A	N/A
Busey Bank	$ 99,920	7.33%	$ 54,543	4.0%	$ 68,179	5.00%
Busey Bank Florida	$ 11,514	10.16%	$ 4,533	4.0%	$ 5,666	5.00%

FIRST BUSEY CORPORATION AND SUBSIDIARIES
AVERAGE BALANCE SHEETS AND INTEREST RATES
SIX MONTHS ENDED JUNE 30, 2004 AND 2003

	2004			2003		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
	(Dollars in thousands)					
ASSETS						
Federal funds sold	$ 5,631	$ 28	1.00%	$ 13,485	$ 77	1.15%
Investment securities						
U.S. Government obligations	142,304	1,890	2.67%	163,840	2,821	3.47%
Obligations of states and political subdivisions (1)	47,392	1,423	6.04%	51,789	1,586	6.18%
Other securities	32,666	609	3.75%	25,539	404	3.19%
Loans (net of unearned interest) (1) (2)	1,256,235	34,824	5.57%	1,091,288	32,927	6.08%
Total interest earning assets	$ 1,484,228	$ 38,774	5.25%	$ 1,345,941	$ 37,815	5.66%
Cash and due from banks	43,237			37,563		
Premises and equipment	23,166			26,668		
Allowance for loan losses	(16,897)			(15,881)		
Other assets	50,604			42,495		
Total Assets	$ 1,584,338			$ 1,436,786		
LIABILITIES AND STOCKHOLDERS' EQUITY						
Interest-bearing transaction deposits	$ 22,519	$ 54	0.48%	$ 18,008	$ 51	0.57%
Savings deposits	111,669	320	0.58%	104,325	429	0.83%
Money market deposits	475,380	1,546	0.65%	428,157	1,828	0.86%
Time deposits	503,290	6,977	2.79%	504,663	8,292	3.31%
Short-term borrowings:						
Federal funds purchased	9,074	55	1.22%	3,513	26	1.49%
Repurchase agreements	14,374	62	0.87%	7,308	71	1.96%
Other	6,391	46	1.45%	-	-	-
Long-term debt	108,970	2,231	4.12%	75,371	1,671	4.47%
Junior subordinated debt owed To unconsolidated trust	31,429	1,221	7.81%	25,000	1,125	9.07%
Total interest-bearing liabilities	$ 1,283,096	$ 12,512	1.96%	$ 1,166,345	$ 13,493	2.33%
Net interest spread			3.29%			3.33%
Demand deposits	165,565			141,413		
Other liabilities	8,636			9,681		
Stockholders' equity	127,041			119,347		
Total Liabilities and Stockholders' Equity	$ 1,584,338			$ 1,436,786		
Interest income / earning assets (1)	$ 1,484,228	$ 38,774	5.25%	$ 1,345,941	$ 37,815	5.66%
Interest expense / earning assets	$ 1,484,228	$ 12,512	1.69%	$ 1,345,941	$ 13,493	2.02%
Net interest margin (1)		$ 26,262	3.56%		$ 24,322	3.64%

(1) On a tax-equivalent basis, assuming a federal income tax rate of 35% for 2004 and 2003.

(2) Non-accrual loans have been included in average loans, net of unearned interest.

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CHANGES IN NET INTEREST INCOME
SIX MONTHS ENDED JUNE 30, 2004 AND 2003

	Change due to(1) Average Volume	Average Yield/Rate	Total Change
	(Dollars in thousands)		
Increase (decrease) in interest income:			
Federal funds sold	$ (40)	$ (9)	$ (49)
Investment securities:			
U.S. Government obligations	(338)	(593)	(931)
Obligations of states and political subdivisions (2)	(129)	(34)	(163)
Other securities	109	96	205
Loans (2)	4,257	(2,360)	1,897
Change in interest income (2)	$ 3,859	$(2,900)	$ 959
Increase (decrease) in interest expense:			
Interest-bearing transaction deposits	$ 8	$ (5)	$ 3
Savings deposits	33	(142)	(109)
Money market deposits	239	(521)	(282)
Time deposits	(22)	(1,293)	(1,315)
Short-term borrowings:			
Federal funds purchased	33	(4)	29
Repurchase agreements	50	(59)	(9)
Other	46	-	46
Long-term debt	681	(121)	560
Junior subordinated debt owed to unconsolidated trust	209	(113)	96
Change in interest expense	$ 1,277	$(2,258)	$ (981)
Increase in net interest income (2)	$ 2,582	$ (642)	$ 1,940

(1) Changes due to both rate and volume have been allocated proportionally.

(2) On a tax-equivalent basis, assuming a federal income tax rate of 35% for 2004 and 2003.

FIRST BUSEY CORPORATION AND SUBSIDIARIES
AVERAGE BALANCE SHEETS AND INTEREST RATES
QUARTERS ENDED JUNE 30, 2004 AND 2003

	2004			2003		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
	(Dollars in thousands)					
ASSETS						
Federal funds sold	$ 10,652	$ 27	1.02%	$ 15,257	$ 44	1.16%
Investment securities						
U.S. Government obligations	142,862	934	2.62%	166,544	1,377	3.32%
Obligations of states and political subdivisions (1)	48,002	726	6.07%	52,693	791	6.02%
Other securities	37,784	401	4.26%	25,944	215	3.32%
Loans (net of unearned interest) (1) (2)	1,306,537	18,141	5.57%	1,099,101	16,396	5.98%
Total interest earning assets	$ 1,545,837	$ 20,229	5.25%	$ 1,359,539	$ 18,823	5.55%
Cash and due from banks	45,882			38,070		
Premises and equipment	23,873			25,868		
Allowance for loan losses	(17,410)			(16,167)		
Other assets	53,811			43,046		
Total Assets	$ 1,651,993			$ 1,450,356		
LIABILITIES AND STOCKHOLDERS' EQUITY						
Interest-bearing transaction deposits	$ 24,037	$ 34	0.57%	$ 18,219	$ 26	0.57%
Savings deposits	113,418	162	0.57%	106,876	217	0.81%
Money market deposits	491,086	832	0.68%	430,678	912	0.85%
Time deposits	528,603	3,622	2.75%	502,258	4,021	3.21%
Short-term borrowings:						
Federal funds purchased	5,355	16	1.20%	5,300	20	1.51%
Repurchase agreements	18,419	45	0.98%	8,625	32	1.49%
Other	9,036	34	1.51%	-	-	-
Long-term debt	119,477	1,215	4.08%	77,759	860	4.44%
Junior subordinated debt owed to unconsolidated trust	36,250	658	7.28%	25,000	562	9.02%
Total interest-bearing liabilities	$ 1,345,681	$ 6,618	1.97%	$ 1,174,715	$ 6,650	2.27%
Net interest spread			3.28%			3.28%
Demand deposits	169,587			144,432		
Other liabilities	9,003			9,921		
Stockholders' equity	127,722			121,288		
Total Liabilities and Stockholders' Equity	$ 1,651,993			$ 1,450,356		
Interest income / earning assets (1)	$ 1,545,837	$ 20,229	5.25%	$ 1,359,539	$ 18,823	5.55%
Interest expense / earning assets	$ 1,545,837	$ 6,618	1.72%	$ 1,359,539	$ 6,650	1.96%
Net interest margin (1)		$ 13,611	3.53%		$ 12,173	3.59%

(1) On a tax-equivalent basis, assuming a federal income tax rate of 35% for 2004 and 2003.

(2) Non-accrual loans have been included in average loans, net of unearned interest.

FIRST BUSEY CORPORATION AND SUBSIDIARIES
CHANGES IN NET INTEREST INCOME
QUARTERS ENDED JUNE 30, 2004 AND 2003

	Change due to(1)		
	Average Volume	Average Yield/Rate	Total Change
	(Dollars in thousands)		
Increase (decrease) in interest income:			
Federal funds sold	$ (12)	$ (5)	$ (17)
Investment securities:			
U.S. Government obligations	(180)	(263)	(443)
Obligations of states and political subdivisions (2)	(74)	9	(65)
Other securities	107	79	186
Loans (2)	2,698	(953)	1,745
Change in interest income (2)	$ 2,539	$(1,133)	$ 1,406
Increase (decrease) in interest expense:			
Interest-bearing transaction deposits	$	-	$ 8
Savings deposits	14	(69)	(55)
Money market deposits	195	(275)	(80)
Time deposits	234	(633)	(399)
Short-term borrowings:			
Federal funds purchased	-	(4)	(4)
Repurchase agreements	18	(5)	13
Other	34	-	34
Long-term debt	415	(60)	355
Junior subordinated debt owed to unconsolidated trust	166	(70)	96
Change in interest expense	$ 1,084	$(1,116)	$ (32)
Increase in net interest income (2)	$ 1,455	$ (17)	$ 1,438

(1) Changes due to both rate and volume have been allocated proportionally.

(2) On a tax-equivalent basis, assuming a federal income tax rate of 35% for 2004 and 2003.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

MARKET RISK

Market risk is the risk of change in asset values due to movements in underlying market rates and prices. Interest rate risk is the risk to earnings and capital arising from movements in interest rates. Interest rate risk is the most significant market risk affecting the Corporation as other types of market risk, such as foreign currency exchange rate risk and commodity price risk, do not arise in the normal course of the Corporation's business activities.

The Corporation's subsidiary banks, Busey Bank, Busey Bank Florida, and First Capital Bank have asset-liability committees which meet at least quarterly to review current market conditions and attempt to structure the banks' balance sheets to ensure stable net interest income despite potential changes in interest rates with all other variables constant.

The asset-liability committees use gap analysis to identify mismatches in the dollar value of assets and liabilities subject to repricing within specific time periods. The Funds Management Policies established by the asset-liability committees and approved by the Corporation's Board of Directors establish guidelines for maintaining the ratio of cumulative rate-sensitive assets to rate-sensitive liabilities within prescribed ranges at certain intervals.

Interest-rate sensitivity is a measure of the volatility of the net interest margin as a consequence of changes in market rates. The rate-sensitivity chart shows the interval of time in which given volumes of rate-sensitive earning assets and rate-sensitive interest-bearing liabilities would be responsive to changes in market interest rates based on their contractual maturities or terms for repricing. It is, however, only a static, single-day depiction of the Corporation's rate sensitivity structure, which can be adjusted in response to changes in forecasted interest rates.

The following table sets forth the static rate-sensitivity analysis of the Corporation as of June 30, 2004:

	Rate Sensitive Within					
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
			(Dollars in thousands)			
Interest-bearing deposits	$ 1,442	$ -	$ -	$ -	$ -	$ 1,442
Federal funds sold	5,850	-	-	-	-	5,850
Investment securities						
U.S. Governments	4,931	20,531	20,061	23,343	102,551	171,417
Obligations of states and political subdivisions	2,237	-	6,493	4,880	38,032	51,642
Other securities	16,588	1,750	2,450	7,530	33,156	61,474
Loans (net of unearned int.)	578,643	140,309	90,659	158,057	483,792	1,451,460
Total rate-sensitive assets	$ 609,691	$ 162,590	$ 119,663	$ 193,810	$657,531	$1,743,285
Interest bearing transaction deposits	$ 58,745	$ -	$ -	$ -	$ -	58,745
Savings deposits	114,230	-	-	-	-	114,230
Money market deposits	502,119	-	-	-	-	502,119
Time deposits	89,012	52,025	109,424	151,626	224,417	626,504
Short-term borrowings:						
Repurchase agreements	35,480	-	-	-	-	35,480
Other	-	3,000	-	11,250	-	14,250
Long-term debt	5,074	2,000	6,000	27,248	124,845	165,167
Junior subordinated debt owed to unconsolidated trust	-	15,000	-	-	25,000	40,000
Total rate-sensitive liabilities	$ 804,660	$ 72,025	$ 115,424	$ 190,124	$374,262	$1,556,495
Rate-sensitive assets less rate-sensitive liabilities	$ (194,969)	$ 90,565	$ 4,239	$ 3,686	$283,269	$ 186,790
Cumulative Gap	$ (194,969)	$ (104,404)	$ (100,165)	$ (96,479)	$186,790	
Cumulative amounts as a percentage of total rate-sensitive assets	- 11.18%	-5.99%	-5.75%	-5.53%	10.71%	
Cumulative ratio	0.76	0.88	0.90	0.92	1.12	

The funds management policy of First Busey Corporation require the banks to maintain a cumulative rate-sensitivity ratio of .75 - 1.25 in the 90-day, 180-day, and 1-year time periods. As of June 30, 2004, the Banks and the Corporation, on a consolidated basis, are within those guidelines.

The foregoing table shows a negative (liability-sensitive) rate-sensitivity gap of $195 million in the 1-30 day repricing period as there were more liabilities subject to repricing during that time period than there were assets subject to repricing within that same time period. The volume of assets subject to repricing exceeds the volume of liabilities subject to repricing for all time periods beyond 30 days. On a cumulative basis, however, the gap remains liability sensitive through 180 days. The composition of the gap structure at June 30, 2004 indicates the Corporation would benefit more if interest rates decrease during the next 180 days by allowing the net interest margin to grow as the volume of interest-bearing liabilities subject to repricing would be greater than the volume of interest-earning assets subject to repricing during the same period.

The committees do not rely solely on gap analysis to manage interest-rate risk as interest rate changes do not impact all categories of assets and liabilities equally or simultaneously. The asset-liability committees supplement gap analysis with balance sheet and income simulation analysis to determine the potential impact on net interest income of changes in market interest rates. In these simulation models the balance sheet is projected over a one-year period and net interest income is calculated under current market rates, and then assuming permanent instantaneous shifts of +/-100 basis points and +200 basis points. Management measures such changes assuming immediate and sustained shifts in the Federal funds rate and the corresponding shifts in other rate indices based on their historical changes relative to changes in the Federal funds rate. The model assumes asset and liability remain constant at June 30, 2004, balances. The model uses repricing frequency on all variable-rate assets and liabilities. The model also uses a historical decay rate on all fixed-rate core deposit balances. Prepayment speeds on loans have been adjusted up and down to incorporate expected prepayment in both a declining and rising rate environment. Utilizing this measurement concept the interest rate risk of the Corporation, expressed as a change in net interest income as a percentage of the net income calculated in the constant base model, due to an immediate and sustained change in interest rates at June 30, 2004, and December 31, 2003 was as follows:

	Basis Point Changes		
	-100	+100	+200
June 30, 2004	(4.29%)	1.11%	1.87%
December 31, 2003	(5.57%)	3.05%	6.06%

ITEM 4: CONTROLS AND PROCEDURES

Within the 90-day period prior to the filing of this report, an evaluation was carried out under the supervision and with the participation of the Corporation's management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Corporation's disclosure controls and procedures (as defined in Rule 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934). Based on their evaluation, the Corporation's Chief Executive Officer and Chief Financial Officer have concluded that the Corporation's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Corporation in reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms.

In addition, since their evaluation, there have been no significant changes to the Corporation's internal controls or in other factors that could significantly affect these controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II - OTHER INFORMATION

ITEM 1: Legal Proceedings
Not Applicable

ITEM 2: Changes in Securities, Use of Proceeds and Issuer Purchases of Equity Securities

The following table presents for the periods indicated a summary of the purchases made by or on behalf of First Busey Corporation of shares of its common stock.

	Total Number of Shares Purchased(2)	Average Price Paid per Share(2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(2)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (1),(2)
January 1 - 31, 2004	-	$ -	-	134,616
February 1 - 29, 2004	-	-	-	884,616
March 1 - 31, 2004	33,750	18.07	33,750	850,866
April 1 - 30, 2004	9,900	18.47	9,900	840,966
May 1 - 31, 2004	30,000	18.15	30,000	810,966
June 1 - 30, 2004	30,000	18.28	30,000	780,966
Total	103,650	$ 18.19	103,650	

(1) First Busey Corporation's Board of Directors approved a stock purchase plan on March 20, 2001, for the repurchase of up to 750,000 shares of common stock. The Corporation's 2001 repurchase plan has no expiration date. First Busey Corporation's board of directors approved a stock purchase plan on February 17, 2004 for the repurchase of up to 750,000 shares of common stock. The Corporation's 2004 repurchase plan has no expiration date.

(2) Share and per share amounts have been retroactively adjusted to effect a three-for-two common stock split declared on July 23, 2004, as if it had occurred on January 1, 2004.

ITEM 3: Defaults Upon Senior Securities
Not Applicable

ITEM 4: Submission of Matters to a Vote of Security Holders The annual meeting of the stockholders of First Busey Corporation was held on April 13, 2004. The shareholders approved the election of Directors with votes casted as follows:

ELECTION OF DIRECTORS

DIRECTOR	FOR	WITHHELD
Joseph M. Ambrose	18,367,563	411,720
David L. Ikenberry	18,749,793	29,479
E. Phillips Knox	18,734,620	45,102
V. B. Leister, Jr.	18,771,532	7,740
Douglas C. Mills	18,771,553	7,729
Joseph E. O'Brien	18,584,037	192,145
Arthur R. Wyatt	18,581,095	195,087

The shareholders approved the First Busey Corporation 2004 stock option plan with 14,115,412 shares voted in favor, 393,399 voted against, 446,506 abstaining and 2,089,833 broker non-votes. Share amounts have been retroactively adjusted to effect a three-for-two common stock split declared on July 23, 2004, as if it had occurred on January 1, 2004.

ITEM 5: Other Information

Not Applicable

ITEM 6: Exhibits and Reports on Form 8-K

(a.) Exhibits

31.1 Certification of Principal Executive Officer

31.2 Certification of Principal Financial Officer

32.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, from the Corporation's Chief Executive Officer.

32.2 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, from the Corporation's Chief Financial Officer.

(b.) Reports on Form 8-K
On April 20, 2004, First Busey Corporation filed a report on Form 8-K (Item 7) dated April 19, 2004, releasing its financial results for the three months ending March 31, 2004.

On May 4, 2004, First Busey Corporation filed a report on Form 8-K (Item 7) dated May 4, 2004, announcing the issuance of $15 million in cumulative trust preferred securities through a newly formed business trust, First Busey Statutory Trust II.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FIRST BUSEY CORPORATION
(REGISTRANT)

By: /s/ //Douglas C. Mills//

Douglas C. Mills
Chairman of the Board and Chief Executive Officer

By: /s/ //Barbara J. Harrington//

Barbara J. Harrington
Chief Financial Officer
(Principal financial and accounting officer)

Date: August 9, 2004

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Douglas C. Mills, Chairman of the Board and Chief Executive Officer of First Busey Corporation, certify that:

1) I have reviewed this quarterly report on Form 10-Q of First Busey Corporation;

2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3) Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize, and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6) The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

//Douglas C. Mills//

Douglas C. Mills
Chairman of the Board and Chief
Executive Officer

Date: August 9, 2004

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Barbara J. Harrington, Chief Financial Officer of First Busey Corporation, certify that:

1) I have reviewed this quarterly report on Form 10-Q of First Busey Corporation;

2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3) Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

    d) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

    e) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

    f) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

    c) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize, and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

    d) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6) The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

// Barbara J. Harrington//

Barbara J. Harrington
Chief Financial Officer

Date: August 9, 2004

EXHIBIT 32.1

The following certification is provided by the undersigned Chief Executive Officer of First Busey Corporation on the basis of such officer's knowledge and belief for the sole purpose of complying with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

CERTIFICATION

I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the accompanying Report of First Busey Corporation on Form 10-Q for the quarter ended June 30, 2004, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Report fairly presents, in all material respects, the financial condition and results of operations of First Busey Corporation as of and for the periods covered by the Report.

//Douglas C. Mills//

Douglas C. Mills
Chairman of the Board and Chief
Executive Officer

Date: August 9, 2004

A signed original of this written statement required by Section 906 has been provided to First Busey Corporation and will be retained by First Busey Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

The following certification is provided by the undersigned Chief Financial Officer of First Busey Corporation on the basis of such officer's knowledge and belief for the sole purpose of complying with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

CERTIFICATION

I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the accompanying Report of First Busey Corporation on Form 10-Q for the quarter ended June 30, 2004, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Report fairly presents, in all material respects, the financial condition and results of operations of First Busey Corporation as of and for the periods covered by the Report.

//Barbara J. Harrington//

Barbara J. Harrington
Chief Financial Officer

Date: August 9, 2004

A signed original of this written statement required by Section 906 has been provided to First Busey Corporation and will be retained by First Busey Corporation and furnished to the Securities and Exchange Commission or its staff upon request.