

The Banc Ed Corp. (Private: Edwardsville, IL) has agreed to merge with First Busey Corporation (NASDAQ: BUSE; Champaign, IL)

Deal Value: Approximately \$304.9 Million

Sandler O'Neill acted as sole financial advisor and rendered a fairness opinion to The Banc Ed Corp. in this transaction. This transaction represents Sandler O'Neill's 188th bank or thrift transaction nationwide since January 1, 2015 representing \$61.5 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions and for a greater aggregate deal value than any other investment bank during that time period.¹

Since January 1, 2015, Sandler O'Neill has advised on 37 bank or thrift Midwest deals, representing over \$19.4 billion in aggregate transaction value, more than any other investment bank during that time period.¹

First Busey Corporation ("Busey") (NASDAQ:BUSE), the holding company for Busey Bank, and The Banc Ed Corp. ("Banc Ed"), the holding company for TheBANK of Edwardsville ("TheBANK"), today jointly announced the signing of a definitive agreement pursuant to which Busey will combine Banc Ed through a merger transaction. The partnership will enhance Busey's existing deposit, commercial banking and wealth management presence in the greater St. Louis MO-IL Metropolitan Statistical Area (MSA). Through this transaction, Busey's deposit share ranking improves from #18 to #7 in this MSA. St. Louis is the largest MSA in Missouri and the 27th largest MSA in North America. The STL MSA includes St. Louis County, the independent City of St. Louis, the Missouri counties of St. Charles, Jefferson, Franklin, Lincoln and Warren, and the Illinois counties of Madison, St. Clair, Clinton, Monroe and Jersey.

Under the terms of the merger agreement, Banc Ed stockholders will have the right to receive 8.2067 shares of common stock of First Busey and \$111.53 in cash for each share of common stock of Banc Ed, with total consideration to consist of approximately 70% stock and 30% cash. Based upon Busey's closing share price of \$31.89 on August 21, 2018, the implied per share purchase price is \$373.24 with an aggregate transaction value of approximately \$304.9 million. The transaction is expected to close in Q4 2018 or early Q1 2019, subject to customary closing conditions and required approvals.

It is anticipated that TheBANK will be merged with and into Busey's bank subsidiary, Busey Bank, at a date following the completion of the holding company merger. At the time of the bank merger, TheBANK banking centers will become branches of Busey Bank. The combined pro forma franchise would serve customers through 82 full-service locations, including 62 branches across Illinois, as well as 14 in Missouri, five in Florida and one in Indiana and will have combined assets of \$9.6B, \$6.4B in gross loans, \$7.7B in deposits and over \$8.6B in assets under management.

Busey President and Chief Executive Officer Van A. Dukeman said, "Being a strong, local community bank for the communities we serve is important to both Busey and TheBANK. Combining our like-minded, 150-year organizations together as one will allow us to build upon and further strengthen our shared beliefs, community focus and commitment to service excellence. Further, this business combination supports our strategic intention of increasing market share through partnerships with organizations whom have strong core deposit funding, solid commercial banking and credit practices, and a tradition of serving wealth management clients for generations."

Mark Shashek, Chairman of Banc Ed's Board, and R.L. Plummer, Chairman of TheBANK's Board on behalf of both Boards of Directors said, "The senior leadership of TheBANK and Busey have admired each other's institutions for decades. Each of us have very talented associates for which we are very grateful. While Banc Ed was not actively seeking a partnership, when Busey CEO Van Dukeman approached us about a possible business combination we listened on behalf of our employees, customers, communities and shareholders. Our admiration of the Busey team and franchise has only grown as we learned more about them during this process; we are confident our fellow stakeholders will agree as they learn more about the many benefits of this partnership."

Financial Highlights

(Dollars in millions)

	Busey	Banc Ed
Total Assets	\$7,776	\$1,853
Gross Loans (Ex. HFS)	\$5,555	\$887
Total Deposits	\$6,164	\$1,571
Tangible Common Equity	\$653	\$186

Financial data as of June 30, 2018

1) Majority and Minority transactions; Excludes terminated transactions and self-advisory roles

Source: S&P Global Market Intelligence, Company documents, Press Release

Pro Forma Map



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