

FIRST BUSEY CORP /NV/  
Form 10-Q  
August 07, 2014

# UNITED STATES 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 6/30/2014

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File No. 0-15950

## FIRST BUSEY CORPORATION

(Exact name of registrant as specified in its charter)

**Nevada**  
(State or other jurisdiction of  
incorporation or organization)

**37-1078406**  
(I.R.S. Employer Identification No.)

**100 W. University Ave.**  
**Champaign, Illinois**  
(Address of principal  
executive offices)

**61820**  
(Zip code)

Registrant's telephone number, including area code: **(217) 365-4544**

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N/A

(Former name, former address and former fiscal year, if changed since last report)

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  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

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

Class	Outstanding at August 7, 2014
Common Stock, \$.001 par value	86,831,027

**PART I - FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

## FIRST BUSEY CORPORATION and Subsidiaries

## CONSOLIDATED BALANCE SHEETS

June 30, 2014 and December 31, 2013

(Unaudited)

	June 30, 2014	December 31, 2013
	(dollars in thousands)	
<b>Assets</b>		
Cash and due from banks (interest-bearing 2014 \$74,361; 2013 \$118,228)	\$ 182,032	\$ 231,603
Securities available for sale, at fair value	840,112	841,310
Securities held to maturity, at amortized cost	1,850	834
Loans held for sale	20,286	13,840
Loans (net of allowance for loan losses 2014 \$47,428; 2013 \$47,567)	2,256,354	2,233,893
Premises and equipment	64,562	65,827
Goodwill	20,686	20,686
Other intangible assets	8,092	9,571
Cash surrender value of bank owned life insurance	40,752	40,674
Other real estate owned (OREO)	1,622	2,133
Deferred tax asset, net	26,157	35,642
Other assets	44,944	43,562
Total assets	\$ 3,507,449	\$ 3,539,575
<b>Liabilities and Stockholders Equity</b>		
<b>Liabilities</b>		
Deposits:		
Noninterest-bearing	\$ 605,346	\$ 547,531
Interest-bearing	2,256,182	2,321,607
Total deposits	\$ 2,861,528	\$ 2,869,138
Securities sold under agreements to repurchase	140,563	172,348
Junior subordinated debt owed to unconsolidated trusts	55,000	55,000
Other liabilities	23,591	27,725
Total liabilities	\$ 3,080,682	\$ 3,124,211
<b>Stockholders Equity</b>		
Series C Preferred stock, \$.001 par value, 72,664 shares authorized, issued and outstanding, \$1,000.00 liquidation value per share	\$ 72,664	\$ 72,664
Common stock, \$.001 par value, authorized 200,000,000 shares; shares issued 88,287,132	88	88
Additional paid-in capital	593,279	593,144
Accumulated deficit	(217,906)	(225,722)
Accumulated other comprehensive income	7,420	4,456
Total stockholders equity before treasury stock	\$ 455,545	\$ 444,630
Common stock shares held in treasury at cost 2014 1,456,105; 2013 1,482,777	(28,778)	(29,266)
Total stockholders equity	\$ 426,767	\$ 415,364
Total liabilities and stockholders equity	\$ 3,507,449	\$ 3,539,575
Common shares outstanding at period end	86,831,027	86,804,355

See accompanying notes to unaudited consolidated financial statements.



## FIRST BUSEY CORPORATION and Subsidiaries

## CONSOLIDATED STATEMENTS OF INCOME

For the Six Months Ended June 30, 2014 and 2013

(Unaudited)

	2014		2013	
	(dollars in thousands, except per share amounts)			
<b>Interest income:</b>				
Interest and fees on loans	\$	44,970	\$	46,161
Interest and dividends on investment securities:				
Taxable interest income		6,275		6,454
Non-taxable interest income		1,662		1,960
Total interest income	\$	52,907	\$	54,575
<b>Interest expense:</b>				
Deposits	\$	2,668	\$	3,921
Securities sold under agreements to repurchase		74		84
Short-term borrowings				15
Long-term debt				125
Junior subordinated debt owed to unconsolidated trusts		587		602
Total interest expense	\$	3,329	\$	4,747
Net interest income	\$	49,578	\$	49,828
Provision for loan losses		2,000		4,000
Net interest income after provision for loan losses	\$	47,578	\$	45,828
<b>Other income:</b>				
Trust fees	\$	10,697	\$	9,921
Commissions and brokers' fees, net		1,347		1,109
Remittance processing		4,726		4,183
Service charges on deposit accounts		5,806		5,750
Other service charges and fees		3,106		2,966
Gain on sales of loans		2,215		6,260
Security gains, net		40		
Other		2,061		2,235
Total other income	\$	29,998	\$	32,424
<b>Other expense:</b>				
Salaries and wages	\$	24,827	\$	26,341
Employee benefits		5,279		6,174
Net occupancy expense of premises		4,298		4,285
Furniture and equipment expense		2,357		2,476
Data processing		5,499		5,207
Amortization of intangible assets		1,480		1,566
Regulatory expense		1,056		1,263
OREO expense		71		601
Other		8,574		9,455
Total other expense	\$	53,441	\$	57,368
Income before income taxes	\$	24,135	\$	20,884
Income taxes		8,063		7,011
<b>Net income</b>	\$	16,072	\$	13,873
Preferred stock dividends		363		1,816
<b>Net income available to common stockholders</b>	\$	15,709	\$	12,057
<b>Basic earnings per common share</b>	\$	0.18	\$	0.14
<b>Diluted earnings per common share</b>	\$	0.18	\$	0.14
<b>Dividends declared per share of common stock</b>	\$	0.09	\$	0.04

See accompanying notes to unaudited consolidated financial statements.

## FIRST BUSEY CORPORATION and Subsidiaries

## CONSOLIDATED STATEMENTS OF INCOME

For the Three Months Ended June 30, 2014 and 2013

(Unaudited)

	2014		2013	
	(dollars in thousands, except per share amounts)			
<b>Interest income:</b>				
Interest and fees on loans	\$	22,437	\$	23,200
Interest and dividends on investment securities:				
Taxable interest income		3,395		3,283
Non-taxable interest income		824		977
Total interest income	\$	26,656	\$	27,460
<b>Interest expense:</b>				
Deposits	\$	1,306	\$	1,824
Securities sold under agreements to repurchase		35		40
Short-term borrowings				6
Long-term debt				44
Junior subordinated debt owed to unconsolidated trusts		294		301
Total interest expense	\$	1,635	\$	2,215
Net interest income	\$	25,021	\$	25,245
Provision for loan losses		1,000		2,000
Net interest income after provision for loan losses	\$	24,021	\$	23,245
<b>Other income:</b>				
Trust fees	\$	5,080	\$	4,713
Commissions and brokers' fees, net		676		569
Remittance processing		2,376		2,085
Service charges on deposit accounts		3,111		3,023
Other service charges and fees		1,618		1,527
Gain on sales of loans		1,234		2,763
Security losses, net		(3)		
Other		920		1,103
Total other income	\$	15,012	\$	15,783
<b>Other expense:</b>				
Salaries and wages	\$	12,578	\$	12,781
Employee benefits		2,386		2,947
Net occupancy expense of premises		2,055		2,103
Furniture and equipment expense		1,153		1,222
Data processing		2,687		2,568
Amortization of intangible assets		733		783
Regulatory expense		501		617
OREO expense		51		58
Other		4,679		4,722
Total other expense	\$	26,823	\$	27,801
Income before income taxes	\$	12,210	\$	11,227
Income taxes		4,025		3,787
<b>Net income</b>	\$	8,185	\$	7,440
Preferred stock dividends		181		908
<b>Net income available to common stockholders</b>	\$	8,004	\$	6,532
<b>Basic earnings per common share</b>	\$	0.09	\$	0.08
<b>Diluted earnings per common share</b>	\$	0.09	\$	0.08
<b>Dividends declared per share of common stock</b>	\$	0.05	\$	0.04



See accompanying notes to unaudited consolidated financial statements.

**FIRST BUSEY CORPORATION and Subsidiaries**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

**For the Three and Six Months Ended June 30, 2014 and 2013**

**(Unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
	(dollars in thousands)			
Net income	\$ 8,185	\$ 7,440	\$ 16,072	\$ 13,873
Other comprehensive income (loss), before tax:				