FIRST BUSEY CORP /NV/
Form 11-K
June 26, 2006

FORM 11-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ANNUAL REPORT
Pursuant to Section 15(d) of the
Securities Exchange Act of 1934

For the fiscal year ended December 31, 2005

Commission File No. 0-15950 (First Busey Corporation)

Commission File No. 33-30095 (First Busey Corporation Profit Sharing Plan and Trust)

Commission File No. 33-60402 (First Busey Corporation Employee Stock Ownership Plan and Trust)

A. Full Title of the plans and the address of the plans, if different from that of the issuer named before:

FIRST BUSEY CORPORATION PROFIT SHARING PLAN AND TRUST

FIRST BUSEY CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

B. Name of the issuer of the securities held pursuant to the plans and the address of its principle executive officer:

FIRST BUSEY CORPORATION
201 WEST MAIN STREET
URBANA, IL 61801

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 33-60402 on Form S-8 of the First Busey Corporation Employee Stock Ownership Plan, of our report dated June 8, 2006, appearing in this Annual Report on Form 11-K of the First Busey Corporation Employee Stock Ownership Plan for the year ended December 31, 2005.

/s/ Crowe Chizek and Company LLC

Oak Brook, Illinois
June 26, 2005

FIRST BUSEY CORPORATION
EMPLOYEES' STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS

December 31, 2005 and 2004

FIRST BUSEY CORPORATION EMPLOYEES' STOCK OWNERSHIP PLAN
Urbana, Illinois

FINANCIAL STATEMENTS
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Benefit Committee and Participants
First Busey Corporation Employees' Stock Ownership Plan
Urbana, Illinois

We have audited the accompanying statements of net assets available for benefits of the First Busey Corporation Employees' Stock Ownership Plan ("the Plan") as of December 31, 2005 and 2004, and the related statement of changes in net assets available for benefits for the year ended December 31, 2005. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2005 and 2004, and the changes in net assets available for benefits for the year ended December 31, 2005 in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) and schedule of reportable transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic 2005 financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic 2005 financial statements taken as a whole.

/s/ Crowe Chizek and Company LLC

Oak Brook, Illinois
June 8, 2005

FIRST BUSEY CORPORATION EMPLOYEES' STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2005 and 2004

	2 0 0 5			
	Allocated	Unallocated	Total	Alloc
ASSETS				
Investment in First Busey Corporation common stock, at fair value (Note 5)	$24,565,052	$ 2,569,470	$27,134,522	$24,49
Money market fund	25,059	--	25,059	
Total investments	24,590,111	2,569,470	27,159,581	24,49
RECEIVABLES				
Accrued interest receivable	131	--	131	
Employer contributions receivable	--	--	--	
	131	--	131	
Total assets	24,590,242	2,569,470	27,159,712	24,49
LIABILITIES				
Interest payable	--	21,747	21,747	
Notes payable (Note 6)	--	2,058,200	2,058,200	
NET ASSETS AVAILABLE FOR BENEFITS	$24,590,242	$ 489,523	$25,079,765	$24,49

See accompanying notes to financial statements.

2.

FIRST BUSEY CORPORATION EMPLOYEES' STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year ended December 31, 2005

	Allocated	Unallocated	To
ADDITIONS TO NET ASSETS ATTRIBUTED TO:			
Investment income:			
Net unrealized appreciation in market value of investments	$ 12,983	$ 2,970	$
Interest	654	--	
Dividends	651,975	83,385	7
Employer contributions	81,176	401,824	4
Allocation of 25,500 shares of First Busey Corporation common stock, at market value	532,695	--	5
	1,279,483	488,179	1,7
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:			
Interest expense	--	109,306	1
Administrative expenses	55,969	--	
Distributions to participants:			
Cash	1,223	--	
Stock (23,432 shares)	479,019	--	4
Dividend distributions to participants	651,975	--	6
Allocation of 25,500 shares of First Busey Corporation common stock, at market value	--	532,695	5
	1,188,186	642,001	1,8
NET INCREASE (DECREASE)	91,297	(153,822)	(
NET ASSETS AVAILABLE FOR BENEFITS:			
Beginning of year	24,498,945	643,345	25,1
End of year	$ 24,590,242	$ 489,523	$ 25,0

See accompanying notes to financial statements.

FIRST BUSEY CORPORATION EMPLOYEES' STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

NOTE 1 - PLAN DESCRIPTION AND BASIS OF PRESENTATION

The following brief description of the First Busey Corporation Employees' Stock Ownership Plan (the Plan) is provided for general information purposes only. Participants should refer to the plan agreement for complete information.

General: First Busey Corporation (the Corporation) established the Plan effective as of January 1, 1984. The Plan operates as a leveraged employee stock ownership plan (ESOP), and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (the

Code), and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by the Corporation. First Busey Trust & Investment Co., a subsidiary of the Corporation, is the Plan's Trustee.

The Plan purchased Corporation common shares using the proceeds of bank borrowings (see Note 6) guaranteed by the Corporation and holds the stock in a trust established under the Plan. The borrowings are to be repaid over a five- to ten-year period by fully deductible corporation contributions to the trust fund. As the Plan makes each payment of principal, an appropriate percentage of stock are allocated to eligible employees' accounts in accordance with applicable regulations under the Code.

The bank borrowings are collateralized by the unallocated shares of stock and are guaranteed by the Corporation. The lender has no rights against shares once they are allocated under the ESOP. Accordingly, the financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to the accounts of employees with vested rights in allocated stock (Allocated) and stock not yet allocated to employees (Unallocated).

Eligibility: Employees of the Corporation and its participating subsidiaries are generally eligible to participate in the Plan after attaining the minimum age of twenty-one and after one year of service, providing they worked at least 1,000 hours during such plan year. Participants who do not have at least 1,000 hours of service during such plan year or are not employed on the last working day of a plan year are generally not eligible for an allocation of Corporation contributions for such year.

Payment of Benefits: No distributions from the Plan will be made until a participant retires, dies (in which case, payment shall be made to his or her beneficiary or, if none, his or her legal representatives), or otherwise terminates employment with the Corporation and its participating subsidiaries. Participants whose vested account balance is less than $1,000 are paid through a lump sum. Distributions of all other participant balances are made in the form of corporation common stock plus cash for any fractional share.

(Continued)

NOTE 1 - PLAN DESCRIPTION AND BASIS OF PRESENTATION (Continued)

Voting Rights: Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised. If the Trustee does not timely receive voting directions from a participant, the Trustee votes in the same proportions as the participants voted the allocated shares. The Trustee is required, however, to vote any unallocated shares on behalf of the collective best interests of plan participants and beneficiaries.

Termination: The Corporation reserves the right to terminate the Plan at any time, subject to the Plan's provisions. Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan and the Code. Upon termination of the Plan, the Corporation shall direct the Trustee to pay all liabilities and expenses of the trust fund and to sell shares of financed stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan. In the event of plan termination, participants would become 100 percent vested in their accounts.

Participants' Accounts: The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of the plan year, with an allocation of shares of the Corporation's common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' nonvested accounts. Only those participants who are eligible employees of the Corporation as of the last day of the plan year will receive an allocation. Allocations of common stock are based on the eligible compensation of each participant relative to total eligible compensation.

Vesting: Vesting in the participants' accounts is based on years of service with the Corporation and its subsidiaries. A participant is 100 percent vested after seven years of credited service.

Diversification: Diversification is offered to participants close to retirement age so that they may have the opportunity to move part of the value of their investment in the Corporation's stock into investments that are more diversified. Participants who are at least the age of 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25 percent of the number of post-1986 shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50 percent. Participants who elect to diversify may receive distributions in the form of corporation common stock plus cash for any fractional share, receive a cash distribution, or contribute cash from the sale of corporation common stock to another qualified defined contribution plan.

(Continued)

NOTE 1 - PLAN DESCRIPTION AND BASIS OF PRESENTATION (Continued)

Dividends: Dividends on common stock allocated to participants' accounts are distributed directly to the participant so that the dividends result in income tax deductions for the Corporation.

Dividends on common stock not allocated to participants' accounts are used by the Plan to pay interest and administrative expenses.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The financial statements of the Plan are prepared using the accrual basis of accounting.

Use of Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures, and actual results may differ from those estimates.

Investment Valuation and Income Recognition: The common stock of the Corporation is valued at fair value on December 31, 2005 and 2004. The Corporation's common stock is traded on the NASDAQ Exchange. Fair value of the common stock is determined by quoted market prices. The money market funds are valued at cost which approximates fair value.

Dividend income is accrued on the ex-dividend date.

Purchases and sales of securities are recorded on a settlement-date basis. Realized gains and losses from security transactions are reported on the specific identification cost method.

Risks and Uncertainties: The Plan invests in money market funds and in the common stock of the Corporation. These securities are exposed to various risks, such as interest rate, market, and credit risks. Because of the level of risk associated with investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

(Continued)

NOTE 3 - CONTRIBUTIONS

The Corporation is obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, are equal to the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loans.

The Corporation may also make discretionary contributions in cash to the Plan. The Corporation made no discretionary contributions for the Plan year ended December 31, 2005. Participant contributions to the Plan are not permitted under the terms of the Plan.

NOTE 4 - ADMINISTRATION OF PLAN ASSETS

The Plan's assets, which consist principally of First Busey Corporation common stock, are held by First Busey Trust & Investment Co. (the "Trustee"), the Trustee of the Plan. The Trustee of the Plan is a subsidiary of the plan sponsor.

Corporation contributions are held and managed by the Trustee, which invests cash received, interest, and dividend income and makes distributions to participants. The Trustee also administers the payment of interest and principal on the loans, which are reimbursed to the Trustee through contributions as determined by the Corporation.

Certain administrative functions are performed by officers or employees of the Corporation or its subsidiaries. No such officer or employee receives compensation from the Plan. Administrative expenses for the Trustee's fees are paid directly by the Plan.

NOTE 5 - INVESTMENTS

The Plan's investments consist solely of First Busey Corporation common stock as follows:

	2005		2004	
	Allocated	Unallocated	Allocated	Unallocated
Number of shares	1,175,924	123,000	1,173,856	148,500
Cost	$ 4,788,358	$ 1,758,800	$ 4,521,839	$ 2,070,350
Fair value	$24,565,052	$ 2,569,470	$24,498,375	$ 3,099,195

(Continued)

NOTE 6 - NOTES PAYABLE

Notes payable consist of:

Bank One, principal payment of $25,000 due annually on December 15, final payment due December 15

Bank One, principal payment of $237,000 due annually on December 15, final payment due December 1

Bank One, principal payment of $135,650 due annually on December 31, beginning in 2004, final pay due December 15, 2013.

Shares of First Busey Corporation common stock secured as collateral

As of December 31, 2005, the interest rates on the above notes payable are at one-year LIBOR plus 1.25%. The effective rate was 4.49% at December 31, 2005 and 2.75% at December 31, 2004. Interest on the above notes is paid quarterly.

As of December 31, 2005, the scheduled maturities of the notes payable are as follows:

2006	$ 397,650
2007	372,650
2008	372,650

2009	372,650
2010	135,650
Thereafter	406,950
	$2,058,200

NOTE 7 - TAX STATUS

The Internal Revenue Service has determined and informed First Busey Corporation by a letter dated May 15, 2003 that the Plan is qualified and the trust established under the Plan is tax-exempt, under the appropriate sections of the Code. The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the Plan is currently designed and is being operated in compliance with the applicable requirements of the Code. Therefore, the Plan administrator believes that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

(Continued)

NOTE 8 - PARTY-IN-INTEREST TRANSACTIONS

Parties in interest are defined under Department of Labor's regulations as any fiduciary of the plan, any party rendering service to the plan, the Corporation, and certain others. The Plan holds the Corporation's stock as assets, which qualifies as a party-in-interest investment.

The Plan paid fees to the following parties in interest for the years ended December 31, 2005:

First Busey Trust & Investment Co.	Trustee	$ 30,000
Benefit Planning Consultants, Inc.	Recordkeeper	16,219
Crowe Chizek and Company LLC	Auditor	9,750

SUPPLEMENTAL SCHEDULES

FIRST BUSEY CORPORATION EMPLOYEES' STOCK OWNERSHIP PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2005

Name of Plan Sponsor: First Busey Corporation
Employer Identification Number: 37-1078406
Three-Digit Plan Number: 001

(a)	(b) Identity of Issue, Borrower, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
*	First Busey Corporation	Common stock	$ 6,547,158	$ 27,134,522
*	Busey Bank	Money market fund	25,059	25,059
				$ 27,159,580

* Represents a party-in-interest investment.

FIRST BUSEY CORPORATION EMPLOYEES' STOCK OWNERSHIP PLAN
SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
Year ended December 31, 2005

Name of Plan Sponsor: First Busey Corporation
Employer Identification Number: 37-1078406
Three-Digit Plan Number: 001

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred With Transaction	(g) Cost of Asset	Cu o T
* First Busey Corporation (20 transactions)	Common stock	$ --	$ 479,019	$ --	$ --	$ 46,092	$

* Represents a party-in-interest transaction.

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 33-30095 on Form S-8 of the First Busey Corporation Profit Sharing Plan and Trust, of our report dated June 12, 2006, appearing in this Annual Report on Form 11-K of the First Busey Corporation Profit Sharing Plan and Trust for the year ended December 31, 2005.

/s/ Crowe Chizek and Company LLC

Oak Brook, Illinois
June 26, 2006

FIRST BUSEY CORPORATION
PROFIT SHARING PLAN AND TRUST

FINANCIAL STATEMENTS
December 31, 2005 and 2004

FIRST BUSEY CORPORATION PROFIT SHARING PLAN AND TRUST
Urbana, Illinois

FINANCIAL STATEMENTS
December 31, 2005 and 2004

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Benefit Committee and Participants
First Busey Corporation Profit Sharing Plan and Trust
Urbana, Illinois

We have audited the accompanying statements of net assets available for benefits of First Busey Corporation Profit Sharing Plan and Trust ("the Plan") as of December 31, 2005 and 2004, and the related statement of changes in net assets available for benefits for the year ended December 31, 2005. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2005 and 2004, and the changes in net assets available for benefits for the year ended December 31, 2005 in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of delinquent deposits of participant contributions and schedule of assets (held at end of year) are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic 2005 financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic 2005 financial statements taken as a whole.

/s/ Crowe Chizek and Company LLC

Indianapolis, Indiana
June 12, 2006

FIRST BUSEY CORPORATION PROFIT SHARING PLAN AND TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2005 and 2004

	2005	2004
ASSETS		
Investments		
Investments (Note 3)	$ 39,184,832	$ 37,021,946
Cash	23,401	-
Total investments	39,208,233	37,021,946
Receivables		
Employers' contributions	1,117,000	-
Participants' contributions	2,399	42,083
Accrued interest and dividends	35,564	84,308
Total receivables	1,154,963	126,391
NET ASSETS AVAILABLE FOR BENEFITS	$ 40,363,196	$ 37,148,337

See accompanying notes to financial statements.

FIRST BUSEY CORPORATION PROFIT SHARING PLAN AND TRUST
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Year ended December 31, 2005

ADDITIONS TO NET ASSETS ATTRIBUTED TO:	
Investment income	
Net appreciation in fair value of investments (Note 3)	$ 1,280,415
Interest and dividends	772,916
	2,053,331
Contributions:	
Employers	1,117,000
Participants	1,428,298
Participant rollovers	218,408
	2,763,706
Total additions	4,817,037
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:	
Benefits paid to participants	1,404,948
Administrative expenses	197,230
Total deductions	1,602,178
NET INCREASE	3,214,859
NET ASSETS AVAILABLE FOR BENEFITS	
Beginning of year	37,148,337
End of year	$ 40,363,196

See accompanying notes to financial statements.

3.

FIRST BUSEY CORPORATION PROFIT SHARING PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

NOTE 1 - PLAN DESCRIPTION

The following description of the First Busey Corporation Profit Sharing Plan and Trust ("the Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General: The Plan is a defined contribution plan covering substantially all employees of First Busey Corporation and its subsidiaries ("the Employers") who have attained the minimum age of 21, and have completed one year of service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions: Each year, participants may contribute a percentage of their pretax annual compensation, as defined in the plan, subject to limitations of the Internal Revenue Code. Participants may also contribute amounts representing distributions from other qualified plans. Eligible participants may also make catch-up contributions to the Plan.

The Employers' contributions to the Plan are determined annually by the Board of Directors. The Employers may make matching contributions to the Plan equal to a percentage of the first 6% of total compensation that a participant contributes to the Plan. The Employers may also make profit sharing contributions as determined by the Board of Directors each year. Contributions are subject to certain limitations. Beginning in 2005, any discretionary employer matching contributions or profit sharing contributions will be allocated to the plan in the following year, prior to the filing of the corporate tax return.

Participants direct the investment of the contributions into their account into the various investment options offered by the Plan, including First Busey Corporation common stock.

Participant Accounts: Each participant's account is credited with the participant's contributions and an allocation of the Employers' contributions and the Plan's earnings and is charged with an allocation of administrative expenses. Allocations are based on participant earnings, participant contributions, or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting: Participants are immediately vested in their voluntary contributions, the Employers' matching contributions, and the respective plan earnings on those contributions.

Vesting in the Employers' profit sharing contributions portion of their accounts is based on years of continuous service. A participant is 100% vested after seven years of credited service.

A participant is 100% vested upon reaching retirement age, death, or disability regardless of years of service.

(Continued)

NOTE 1 - PLAN DESCRIPTION (Continued)

Participant Loans: Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum of $50,000 or 50% of their vested account balance, whichever is less. The loans are secured by the balance in the participant's account and bear interest at the prime rate. Interest rates are fixed over the term of the loan. Principal and interest is paid ratably through payroll deductions.

Payment of Benefits: Upon termination of service, a participant is entitled to receive an amount representing the vested interest in his or her account. Participants whose vested balance is under $5,000 are paid through a lump sum. Participants whose vested account balance is over $5,000 may elect to receive their payment either as a lump-sum amount or as installments over a period not longer than the life expectancy of the participant.

Forfeitures: The non-vested portion of terminated participants accounts plus earnings thereon are forfeited and reallocated to participant accounts.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The financial statements of the Plan have been prepared using the accrual basis of accounting.

Use of Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures, and actual results may differ from those estimates.

Investment Valuation and Income Recognition: The Plan's investments are stated at fair value. Securities traded on any recognized stock exchange are valued at the last reported sales price at the valuation date. Securities not listed on an exchange and securities for which no sale has been reported on that day are valued at the closing bid price or at fair value as determined by the custodian. Certificates of deposit and participant loans are valued at cost, which approximates fair value.

Purchases and sales of securities are recorded on a settlement-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Payment of Benefits: Benefits are recorded when paid.

Concentration of Credit Risk: At December 31, 2005 and 2004, approximately 36% and 37%, respectively, of the Plan's investment assets were invested in First Busey Corporation common stock. Additionally, at December 31, 2005 and 2004, the Plan held a certificate of deposit with Busey Bank valued at $1,617,556 and $1,666,513, respectively.

(Continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risks and Uncertainties: The Plan provides for various investment options. The underlying investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

NOTE 3 - INVESTMENTS

The following investments represent 5% or more of the Plan's net assets at December 31:

	2005	2004

INVESTMENTS AT FAIR VALUE AS DETERMINED BY QUOTED MARKET PRICE		
Common stock:		
First Busey Corporation common stock (673,898 shares and 649,372 shares, respectively)	$ 14,077,729	$ 13,552,3
Shares of mutual funds:		
Northern Institutional Small Company Index A	3,657,314	3,293,1
Vanguard Index 500 Admiral Shares	4,882,592	4,550,9

During 2005, the Plan's investments (including investments bought, sold, and held during the year) appreciated in value by $1,280,415 as follows:

Common stocks	$ 148,447
Shares of mutual funds	1,162,122
Corporate bonds, notes, and commercial paper	(30,154)
	$ 1,280,415

NOTE 4 - SHORT-TERM INVESTMENTS

Short-term investments at December 31, 2005 and 2004 include certificates of deposit at Busey Bank, a subsidiary of First Busey Corporation, with an interest rate of 3.25% and 1.75%, respectively, and a 30-day maturity. These deposits include approximately $1,618,000 and $1,667,000, respectively, which are in excess of federally insured limits.

(Continued)

NOTE 5 - PARTY-IN-INTEREST TRANSACTIONS

Parties in interest are defined under Department of Labor's regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer, and certain others.

The Plan paid fees to the following parties in interest for the year ended December 31, 2005:

First Busey Trust & Investment Co.	Trustee	$ 134,225
Benefit Planning Consultants, Inc.	Recordkeeper	43,545
Crowe Chizek and Company LLC	Auditor	9,750

The Plan held the following investments with parties in interest at December 31:

		2005	2004
First Busey Corporation	Certificate of deposit	$ 1,617,556	$ 1,666,513
First Busey Corporation	Common stock	14,077,729	13,552,394
Participants	Participant loans	385,610	319,610

Certain administrative functions are performed by officers or employees of the Employers. No such officer or employee receives compensation from the Plan.

NOTE 6 - INCOME TAX STATUS

The Internal Revenue Service has determined and informed First Busey Corporation by a letter dated August 30, 2001 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since receiving the determination letter, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

NOTE 7 - PLAN TERMINATION

Although it has not expressed any intent to do so, the Employers have the right under the Plan to discontinue their contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of the Plan's termination, participants will become 100% vested in their accounts.

FIRST BUSEY CORPORATION PROFIT SHARING PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

NOTE 8 - SUBSEQUENT EVENTS

As of January 2006, the Plan has changed recordkeeping services.

FIRST BUSEY CORPORATION PROFIT SHARING PLAN AND TRUST
SCHEDULE H, LINE 4a - DELINQUENT DEPOSITS OF
PARTICIPANT CONTRIBUTIONS
December 31, 2005

SUPPLEMENTAL SCHEDULES

FIRST BUSEY CORPORATION PROFIT SHARING PLAN AND TRUST
SCHEDULE H, LINE 4a - DELINQUENT DEPOSITS OF
PARTICIPANT CONTRIBUTIONS
December 31, 2005

Name of Plan Sponsor: First Busey Corporation
Employer Identification Number: 37-1078406
Three-digit Plan Number: 002

Participant Contributions of the Current Plan Year Not Deposited Into the Plan Within the Time Period Described in 29CFR 2510.3-102	$	5,504
Amount fully corrected under the DOL's Voluntary Fiduciary Correction Program (VFC Program) and PTE 2002-51		-
Delinquent Deposits of Current Plan Year Participant Contributions Constituting Prohibited Transactions		5,504 *
Delinquent Deposits of Prior Year Participant Contributions Not Fully Corrected		-
Total Delinquent Deposits of Participant Contributions Constituting Prohibited Transactions	$	5,504

* Of this amount $5,504 has been fully corrected outside the VFC Program.

10.

FIRST BUSEY CORPORATION PROFIT SHARING PLAN AND TRUST
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2005

Name of Plan Sponsor: First Busey Corporation
Employer Identification Number: 37-1078406
Three-digit Plan Number: 002

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost		(e) Current Value
		COMMON STOCK			
	Abbott Laboratories	Common stock	#	$	42,111
	Accenture, Ltd Bermuda Class A	Common stock	#		43,334
	ADR Royal Dutch Shell PLC Sp ADR	Common stock	#		59,030
	Alcoa, Inc.	Common stock	#		51,274
	American International Group	Common stock	#		69,799
	Analog Devices, Inc.	Common stock	#		34,435
	Bank of America Corp.	Common stock	#		49,473
	Best Buy Inc.	Common stock	#		78,655
	BP PLC Sponsored ADR	Common stock	#		64,220
	Bristol Myers Squibb Co.	Common stock	#		15,626
	Burlington Resources	Common stock	#		192,226
	Century Tel, Inc.	Common stock	#		14,093
	Cisco Systems, Inc.	Common stock	#		37,664
	Citigroup, Inc.	Common stock	#		57,023
	Colgate-Palmolive Co.	Common stock	#		33,678
	Dentsply Int'l, Inc.	Common stock	#		68,294
	Disney	Common stock	#		45,447
	DuPont (E.I.) deNemours & Co.	Common stock	#		36,890

	Exelon Corp.	Common stock	#	28,855
	Expeditors International of Wash.	Common stock	#	77,704
	Exxon Mobil Corp	Common stock	#	80,548
*	First Busey Corporation	Common stock	#	14,077,729
	First Data Corp.	Common stock	#	68,601
	General Dynamics Corp.	Common stock	#	65,579
	General Electric Co.	Common stock	#	66,455
	Home Depot Inc.	Common stock	#	46,471
	International Business Machines	Common stock	#	41,100

(Continued)

FIRST BUSEY CORPORATION PROFIT SHARING PLAN AND TRUST
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2005

Name of Plan Sponsor: First Busey Corporation
Employer Identification Number: 37-1078406
Three-digit Plan Number: 002

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
		COMMON STOCK		
	ITT Industries	Common stock	#	$ 81,125
	Kohl's Corp.	Common stock	#	62,402
	Lilly (Eli) & Co.	Common stock	#	19,071
	McDonald's Corp.	Common stock	#	70,542
	Microsoft Corporation	Common stock	#	46,024
	Nike Inc. Cl 'B'	Common stock	#	53,723
	Nokie Corp (Finland) ADR	Common stock	#	16,287
	Pepsico	Common stock	#	68,474
	Pfizer, Inc.	Common stock	#	25,652
	Procter & Gamble	Common stock	#	79,180
	Sara Lee Corp	Common stock	#	44,982
	State Street Corp.	Common stock	#	61,317
	Target Corp.	Common stock	#	20,504
	Teva Pharmaceutical Ind Ltd ADR	Common stock	#	86,020
	United Technologies Corp.	Common stock	#	81,852
	Wal-Mart Stores, Inc.	Common stock	#	42,354
	Wells Fargo & Co New	Common stock	#	66,914
	Wyeth Common stock	Common stock	#	17,368
				16,490,105

(Continued)

FIRST BUSEY CORPORATION PROFIT SHARING PLAN AND TRUST
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2005

Name of Plan Sponsor: First Busey Corporation
Employer Identification Number: 37-1078406
Three-digit Plan Number: 002

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
		MUTUAL FUNDS		
	ABN AMRO Asset Management	ABN AMRO/Montag & Caldwell Growth Fund (N)	#	$ 1,057,47
	American Century	American Century International Growth Investors Fund	#	1,201,98
	Acadian	Emerging Markets Fund	#	139,41
	Dodge & Cox	Dodge & Cox Stock Fund	#	1,068,48
	Fidelity Investments	Fidelity Advisor Equity Growth Fund (Class I)	#	1,072,64
	Fidelity Investments	Fidelity Advisor Small Cap Fund (Class I)	#	114,06
	Fidelity Investments	Fidelity Diversified International Fund	#	1,204,09
	Franklin Templeton Investments	Mutual Shares Fund (Class Z)	#	1,038,44
	Northern Trust	Northern Institutional Intermediate Bond Fund (A)	#	600,44
	Northern Trust	Northern Institutional Small Company Index Fund (A)	#	3,657,31
	Rainier Investment Management	Rainier Core Equity Portfolio	#	1,078,33
	Pimco	GNMA Inst'l Fund	#	199,63
	T. Rowe Price	T. Rowe Price Mid-Cap Growth Fund	#	1,112,20
	Vanguard	Vanguard Index 500 Admiral Shares Fund	#	4,882,59
	Vanguard	Vanguard Inflation Protected Secs Securities Fund	#	594,57
				$ 19,021,70

(Continued)

FIRST BUSEY CORPORATION PROFIT SHARING PLAN AND TRUST
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2005

Name of Plan Sponsor: First Busey Corporation

Employer Identification Number: 37-1078406
Three-digit Plan Number: 002

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
		CORPORATE BONDS, NOTES, AND COMMERCIAL PAPER		
	AIG SunAmerica Global Finance	$50,000, 5.850%, due 08/01/08	#	$ 51
	Bank One Corp. Notes	$50,000, 6.875%, due 08/01/06	#	50
	Bristol-Myers Squibb	$50,000, 5.750%, due 10/01/11	#	51
	Ford Motor Credit Corp.	$50,000, 6.125%, due 01/09/06	#	49
	General Electric Capital Corp	$100,000, 4.375%, due 11/21/11	#	97
	Goldman Sachs Group Inc.	$100,000, 5.700%, due 09/01/12	#	102
	Household Finance Corp.	$50,000, 4.750%, due 05/15/09	#	49
	Lehman Brothers Holdings, Inc.	$50,000, 4.375%, due 11/30/10	#	48
	Loews Corp.	$150,000, 6.750%, due 12/15/06	#	151
	Merrill Lynch & Co. Inc.	$50,000, 4.500%, due 11/04/10	#	48
	Morgan Stanley Dean Witter	$50,000, 6.875%, due 03/01/07	#	50
	NationsBank Corp.	$75,000, 6.375%, due 02/15/08	#	77
	SBC Communications, Inc.	$50,000, 4.125%, due 09/15/09	#	48
	United Health Group, Inc.	$50,000, 3.375%, due 08/15/07	#	48
				927
		SHORT-TERM INVESTMENTS		
*	Busey Bank	Certificate of Deposit, 3.250%, due 01/09/06	#	1,617
	Northern Trust	Northern Institutional Governmental Portfolio	#	742
				2,360
		NOTES RECEIVABLE PARTICIPANTS		
*	Participant loans	Interest rates ranging from 4.000% to 8.000%		385
				$ 39,184

* Represents a party-in-interest transaction.

\# Investments are participant-directed; therefore, cost information is not disclosed.

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SIGNATURES

The Plan, pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

/s/ Aaron Sutton

First Busey Corporation Profit Sharing Plan and Trust

The Plan, pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

/s/ Aaron Sutton

First Busey Corporation Employee Stock Ownership Plan

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Comprehensive income (loss)
$23,113 $(7,157)

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Note 5

Following is condensed consolidated financial information for Wesco, by business segment:

	Three Months Ended	
	March 31, 2004	March 31, 2003
Insurance segment:		
Revenues	$ 26,770	$ 48,404
Net income	11,102	14,812
Assets at end of period	2,020,258	1,821,442
Furniture rental segment:		
Revenues	$ 85,747	$ 93,370
Net income (loss)	384	(3,022)
Assets at end of period	236,231	268,225
Industrial segment:		
Revenues	$ 14,740	$ 12,335
Net income	630	63
Assets at end of period	19,155	19,366
Goodwill of acquired businesses, included in assets at end of period	$ 266,607	$ 266,388
Realized investment gains:		
Before taxes (included in revenues)	$	$ 811
After taxes (included in net income)		527
Other items unrelated to business segments:		
Revenues	$ 986	$ 919
Net income	82	124
Assets at end of period	33,318	25,180
Consolidated totals:		
Revenues	$ 128,243	$ 155,839
Net income	12,198	12,504
Assets at end of period	2,575,569	2,400,601

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WESCO FINANCIAL CORPORATION

MANAGEMENT S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Reference is made to Item 7, Management s Discussion and Analysis of Financial Condition and Results of Operations appearing on pages 19 through 29 of the Form 10-K Annual Report filed by Wesco Financial Corporation (Wesco) for the year 2003 for information deemed generally appropriate to an understanding of the accompanying condensed consolidated financial statements. The information set forth in the following paragraphs updates such discussion. Further, in reviewing the following paragraphs, attention is directed to the accompanying unaudited condensed consolidated financial statements.

OVERVIEW

Financial Condition

Wesco continues to have an exceptionally strong balance sheet at March 31, 2004, with relatively little debt and no hedging or off-balance sheet financing. Liquidity, which has traditionally been high, is even higher than usual due principally to sales, maturities and early redemptions of fixed-maturity investments during the prior 12 months, and reinvestment of the proceeds in cash equivalents pending redeployment.

Results of Operations

Investment gains were realized in the first quarter of 2003 for the first time in three years. As is usual for Wesco, realization of these gains had little effect on shareholders equity, because the gains had essentially been reflected, net of taxes, in the unrealized appreciation component of shareholders equity. Sales of investments at Wesco are made with a view to economics, never the reporting of earnings, and the amounts and timing of realizations have no predictive or practical analytic value.

Ignoring realized investment gains, after-tax operating earnings improved slightly in the first quarter of 2004 from the comparable earnings for the 2003 quarter. Improved results of the furniture rental and industrial segments were almost entirely offset by reduced investment income of the insurance segment due to the shift from long-term to short-term fixed-maturity investments bearing lower interest rates.

FINANCIAL CONDITION

Wesco s shareholders equity at March 31, 2004 was approximately $2.10 billion ($295 per share), compared to $2.08 billion ($292 per share) at December 31, 2003. The 2004 figure included $437 million of after-tax unrealized appreciation in market value of investments, versus $427 million at December 31, 2003. Because unrealized appreciation is recorded based upon current market quotations, gains or losses ultimately realized upon sale of investments could differ substantially from recorded unrealized appreciation.

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At March 31, 2004, Wesco s consolidated cash and cash equivalents totaled $1.11 billion, up from $1.05 billion at December 31, 2003. The $53 million increase resulted primarily from maturities and early redemptions of fixed-income securities as well as operating cash flow from Wesco s insurance businesses.

Wesco s consolidated borrowings totaled $21.1 million at March 31, 2004 versus $12.7 million at December 31, 2003. The increased borrowings related to a revolving line of credit used in CORT s furniture rental business.

Wesco s management continues to believe that the Wesco group has adequate liquidity and financial resources to provide for contingent needs.

RESULTS OF OPERATIONS

The following summary sets forth the contribution to Wesco s consolidated net income of each business segment insurance, furniture rental and industrial as well as activities not considered related to such segments. (Amounts are in thousands, *all after income tax effect*.)

	Three Months Ended	
	March 31, 2004	**March 31, 2003**
Insurance segment:		
Underwriting gain	$ 5,004	$ 4,868
Investment income	6,098	9,944
Furniture rental segment	384	(3,022)
Industrial segment	630	63
Nonsegment items other than investment gains	82	124
Income before investment gains	12,198	11,977
Realized investment gains		527
Consolidated net income	$12,198	$12,504

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Insurance Segment

The insurance segment comprises Wesco-Financial Insurance Company (Wes-FIC) and The Kansas Bankers Surety Company (KBS). Following is a summary of the results of segment operations, which represent essentially the combination of underwriting results with dividend and interest income. (Amounts are in thousands.)

	Three Months Ended	
	March 31, 2004	**March 31, 2003**
Premiums written	$12,544	$21,687
Premiums earned	$18,466	$34,033
Underwriting gain	$ 7,698	$ 7,489
Dividend and interest income	8,301	14,371
Income before income taxes	15,999	21,860
Income tax provision	(4,897)	(7,048)
Segment net income	$11,102	$14,812

Premiums written for the first quarters of 2004 and 2003 included $6.9 million and $16.2 million related to Wes-FIC; its earned premiums were $13.5 million and $29.0 million. Premiums written by KBS in the first quarters of 2004 and 2003 were $5.6 million and $5.5 million, and its earned premiums were $5.0 million and $5.1 million.

At March 31, 2004, Wes-FIC s in-force reinsurance business consists of: (1) a multi-year contract covering certain multi-line property and casualty risks of a large, unaffiliated insurer, and (2) a contract under which Wes-FIC participates in various pools of aviation-related risks. Each of these arrangements is administered by a Berkshire-affiliate, which also participates with Wes-FIC in the underlying risks as an insurer.

Premiums written in the first quarter of 2004 under these contracts declined $9.1 million (42%) from 2003 levels. Prices in certain aviation markets have declined, which has resulted in fewer opportunities in 2004 to write business at prices considered acceptable. Also, a much lower level of business has been written in 2004 under the multi-line contract. Consequently, the level of reinsurance premiums written and earned over the remainder of 2004 may decline significantly from amounts in comparable 2003 periods.

The underwriting gains for the first quarters of 2004 and 2003 included $4.6 million and $6.8 million attributable to Wes-FIC, and $3.1 million and $0.7 million attributable to KBS. Wes-FIC benefited in 2004 and 2003 mainly from relatively low levels of aviation losses. KBS s underwriting results fluctuated mainly due to greater-than-usual losses in the 2003 period. KBS, like Wes-FIC, accepts volatility in its underwriting results in return for better potential aggregate results over the long term.

Dividend and interest income earned by the insurance segment declined for the first quarter of 2004 from the corresponding prior year figure principally as proceeds from sales, maturities and early redemptions of higher-yielding, long-term investments were reinvested in lower-yielding, short-term investments.

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Furniture Rental Segment

The furniture rental segment consists of CORT Business Services Corporation (CORT) and its subsidiary, Relocation Central Corporation (Relocation Central). Following is a summary of segment operating results.

(Amounts are in thousands.)

	Three Months Ended	
	March 31, 2004	March 31, 2003
Revenues:		
Furniture rentals	$66,260	$71,858
Furniture sales	16,725	17,441
Apartment locator fees	2,762	4,071
Total revenues	85,747	93,370
Cost of rentals, sales and fees	23,887	27,971
Selling, general and administrative expenses	61,399	69,513
Interest expense	163	237
	85,449	97,721
Income (loss) before income taxes and minority interest	298	(4,351)
Income tax benefit	86	769
Minority interest in net loss of Relocation Central		560
Segment net income (loss)	$ 384	$ (3,022)

Furniture rental revenues for the first quarter of 2004 declined $5.6 million, or 7.8%, from those of the first quarter of 2003, following a decline of $8.8 million, or 10.9% for the first quarter of 2003 from those of the comparable 2002 quarter. Excluding rental revenues from trade shows and locations not in operation throughout each period, rental revenues for the first quarter of 2004 declined approximately 10% from those of the comparable prior year period; there was a similar decline in the 2003 quarter from comparable revenues of the 2002 quarter; the percentage decreases would have been somewhat greater were it not for the effects of price increases of 4% to 5% in the fourth quarters of 2003 and 2002. The number of furniture leases in effect has been on a downward trend since late 2000 reflecting weakness of job growth in the economy. The number of units of furniture out on lease has also been declining, although it was up slightly (about 3%) at March 31, 2004 from the count as of yearend 2003.

Furniture sales revenues decreased 4.1% in the first quarter of 2004 from those reported in the comparable period of 2003. The decrease is attributed principally to the fact that several clearance centers have been closed during the past twelve months, and the advertising of furniture for sale has been reduced.

Apartment locator fees decreased by $1.3 million, or 32%, from those of the first quarter last year. Since late in 2003, CORT has been reorganizing Relocation Central s operations in an effort to sharply reduce the operating losses this unit had been sustaining since its start-up in 2001. Some of its walk-in facilities have been merged into CORT s, and others closed, resulting in significant cost and expense reductions. The reduction in Relocation Central s revenues was more than offset by a reduction in its costs and expenses see below.

Cost of rentals, sales and fees amounted to 27.9 % of revenues for the 2004 period versus 30.0% for the first

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quarter of 2003. The decrease in cost percentage for 2004 reflected improved rental and selling prices, as well as lower depreciation expense and lower apartment locator lead acquisition costs. Purchases of new product have been generally declining in recent years; rental furniture is depreciated under the declining balance method, whereby recorded depreciation is higher in the first year and declines in each successive year. Excluding costs incurred by Relocation Central $2.7 million in the first quarter of 2004 and $4.5 million in the comparable period of 2003 in generating apartment locator fees, segment costs in relation to furniture rentals and sales were 25.5% in the 2004 period and 26.2% in the first quarter of 2003.

Other segment operating expenses (i.e., selling, general, administrative and interest expenses) were $61.6 million for the first quarter of 2004, down 11.8% from the $69.8 million incurred in the first quarter of 2003. Excluding other operating expenses of Relocation Central $2.8 million in the first quarter of 2004 and $4.5 million in the first quarter of 2003, other operating expenses of the segment amounted to $58.7 million in the 2004 period, down $6.6 million, or 10.1%, from the $65.3 million incurred in the comparable 2003 quarter. Further reductions in these expenses are anticipated as CORT continues integrating the operations of a large furniture rental company acquired early in 2002, and as additional synergies and efficiencies materialize from CORT s reorganization of Relocation Central s operations.

Income or loss before income taxes and minority interest for the furniture rental segment amounted to income of $0.3 million for the first quarter of 2004 and loss of $4.4 million for the first quarter of 2003. Eliminating the portion of these amounts representing Relocation Central losses $2.8 million for the first quarter of 2004 and $4.3 million for the first quarter of 2003 CORT s income before income taxes and minority interest improved by $3.2 million for the first quarter of 2004 over the loss of $0.1 million for 2003 quarter. This improvement was attributable mainly to the reduction in operating and other expenses.

The minority interest in net loss of the Relocation Central of $.6 million for the quarter ended March 31, 2003 relates to a period of several months during which minority shareholders held an approximately 20% equity interest in Relocation Central. (See further explanation in Note 2 to the accompanying condensed consolidated financial statements.)

Industrial Segment

Following is a summary of the results of operations of the industrial segment, consisting of the businesses of Precision Steel Warehouse, Inc. and its subsidiaries. (Amounts are in thousands.)

	Three Months Ended	
	March 31, 2004	**March 31, 2003**
Revenues, principally sales and services	$14,740	$12,335
Income before income taxes	$ 1,047	$ 106
Income tax provision	(417)	(43)
Segment net income	$ 630	$ 63

At the start of 2004, a shortage of raw materials from domestic mills produced near chaos in the steel service industry. Although the impact on Wesco s industrial segment revenues and earnings has been

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favorable thus far in 2004, it is not clear how the situation will work out. Industrial segment revenues for the first quarter of 2004 increased $2.4 million, or 19.5%, from those reported for the first quarter of 2003, and pounds of steel products sold increased 25.8%. These increases are reflective of higher demand due to (1) a slight rise in manufacturing activity, and (2) a defensive reaction on the part of customers to the turmoil in the steel service industry, wherein the present lack of domestic steel capacity, and other factors, have enabled steel mills to raise prices, place limits on order quantities and delay deliveries. Precision Steel has reacted to these unusual pressures by restoring margins to historic levels and favoring long-term customer relationships. Despite the favorable, possibly short-lived, upturn in segment operating results, management continues to be concerned about ongoing weakness in the manufacturing sector of the economy, the shift of steel production to overseas facilities, and other conditions.

Income before income taxes and net income of the industrial segment are dependent not only on revenues, but also on operating expenses and the cost of products sold. The latter, as a percentage of revenues, amounted to 79.3% for the first quarter of 2004 versus 83.3% for the comparable period last year. The cost percentage typically fluctuates slightly from period to period as a result of changes in product mix and price competition at all levels. The unusually large decrease in cost percentage for the current quarter was attributable mainly to the acceptance by customers of higher prices in view of metal shortages and higher charges by mills.

Unrelated to Business Segment Operations

Set forth below is a summary of items increasing (decreasing) Wesco s consolidated net income that are viewed by management as unrelated to the operations of the insurance, furniture rental and industrial segments. (Amounts are in thousands.)

	Three Months Ended	
	March 31, 2004	March 31, 2003
Realized investment gains, before income tax effect	$	$ 811
Income tax provision		(284)
Realized investment gains	$	$ 527
Other nonsegment items, net, before income tax effect	$ (4)	$ 115
Income tax benefit	86	9
	$ 82	$ 124

Wesco s consolidated earnings for the first quarter of 2003 contained realized investment gains, after taxes, of $.5 million. No gains or losses were realized in the first quarter of 2004. Gains or losses, when they occur, are classified by Wesco as nonsegment items; they tend to fluctuate in amount from period to period, and their amounts and timing have no predictive or practical analytical value.

Other nonsegment items comprise mainly rental income from owned commercial real estate, plus dividend and interest income from marketable securities and cash equivalents owned outside the insurance segment, less expenses relating to real estate and other activities.

* * * * *

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Wesco s effective consolidated income tax rate typically fluctuates from period to period for various reasons, such as the inclusion in consolidated revenues of significant, varying amounts of dividend income, which is substantially exempt from income taxes. The respective income tax provisions, expressed as percentages of income before income taxes, amounted to 29.9% and 35.6% for the quarters ended March 31, 2004 and March 31, 2003.

CRITICAL ACCOUNTING POLICIES AND PRACTICES

Reference is made to pages 27 and 28 of Item 7, Management s Discussion and Analysis of Financial Condition and Results of Operations, of the Form 10-K Annual Report filed by Wesco for the year ended December 31, 2003 for the accounting policies and practices considered by Wesco management to be critical to its determination of consolidated financial position and results of operations, as well as to Note 1 to Wesco s consolidated financial statements appearing on pages 40 through 42 thereof (updated by Note 1 to the accompanying condensed consolidated financial statements) for a description of the significant policies and practices followed by Wesco (including those deemed critical) in preparing its consolidated financial statements. There have been no changes through March 31, 2004.

FORWARD-LOOKING STATEMENTS

Certain written or oral representations of management stated in this report or elsewhere constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as contrasted with statements of historical fact. Forward-looking statements include statements which are predictive in nature, or which depend upon or refer to future events or conditions, or which include words such as *expects, anticipates, intends, plans, believes, estimates, may,* or *could,* or which involve hypothetical events. Forward-looking statements are based on information currently available and are subject to various risks and uncertainties that could cause actual events or results to differ materially from those characterized as being likely or possible to occur. Such statements should be considered judgments only, not guarantees, and Wesco s management assumes no duty, nor has it any specific intention, to update them.

Actual events and results may differ materially from those expressed or forecasted in forward-looking statements due to a number of factors. The principal important risk factors that could cause Wesco s actual performance and future events and actions to differ materially from those expressed in or implied by such forward-looking statements include, but are not limited to, changes in market prices of Wesco s significant equity investments, the occurrence of one or more catastrophic events such as acts of terrorism, hurricanes, or other events that cause losses insured by Wesco s insurance subsidiaries, changes in insurance laws or regulations, changes in income tax laws or regulations, and changes in general economic and market factors that affect the prices of investment securities or the industries in which Wesco and its affiliates do business.

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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.

WESCO FINANCIAL CORPORATION

Date: May 5, 2004	By:	/s/ Jeffrey L. Jacobson
		Jeffrey L. Jacobson Vice President and Chief Financial Officer (principal financial officer)

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