

# Acquisition of Aslin Group, Inc. and its Alterra Bank Subsidiary

*May 23, 2014*

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# Forward-Looking Statements

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# Transaction Highlights

## Strategically Compelling

- Combination of complementary entrepreneurial cultures, with emphasis on growth and asset quality
- Maintain Alterra Bank's market momentum in Kansas City with retention of key leaders, lenders and client contact team members
- Alterra's single branch model and commercial lending focus is similar to First Business' branchless model
- First Business' entry into Kansas City MSA complements existing Equipment Finance office in the market

## Financially Attractive

- Immediately accretive to earnings per share, excluding expected merger costs
- Expected earnings per share accretion in the high single digits in 2016 and beyond
- Compelling profitability ratios; significant accretion to return on tangible common equity expected
- Earnings benefit expected to come from continued organizational growth; limited but achievable expected cost savings
- Anticipated tangible book value earn-back period of less than 4.5 years<sup>(1)</sup>
- Expected internal rate of return of nearly 19%

(1) Earn-back period is defined as the number of years for pro forma tangible book value per share to exceed stand-alone projected tangible book value per share.

# Transaction Overview

## Consideration

- \$30.1 million
- \$6,496.02 per share in cash plus \$7,939.57 per share in FBIZ common stock for each share of Aslin Group, Inc. common stock
- Stock portion based on a floating exchange ratio (186.8121 shares of FBIZ stock<sup>(1)</sup> as of 5/21/14)
- 55% FBIZ stock / 45% cash

## Name

- Alterra Bank will be operated as a separate charter and retain its name

## Valuation

- 157% of fully diluted tangible book value
- 18.5x last twelve months earnings

## Management Team & Board Representation

- Alterra Bank's client contact team will remain in place
- Pamela R. Berneking will remain President and CEO of the Alterra Bank subsidiary
- Alterra Bank Board of Directors expected to remain substantially intact

## Required Approvals & Timing

- Aslin Group, Inc. stockholders and customary regulatory approvals
- Targeted closing date of late 2014

(1) Based on 10 day volume weighted average FBIZ price for the period ended 5/21/14.

# Franchise Overview

## Alterra Bank Overview

**Assets** \$223 M

**Gross Loans** \$182 M

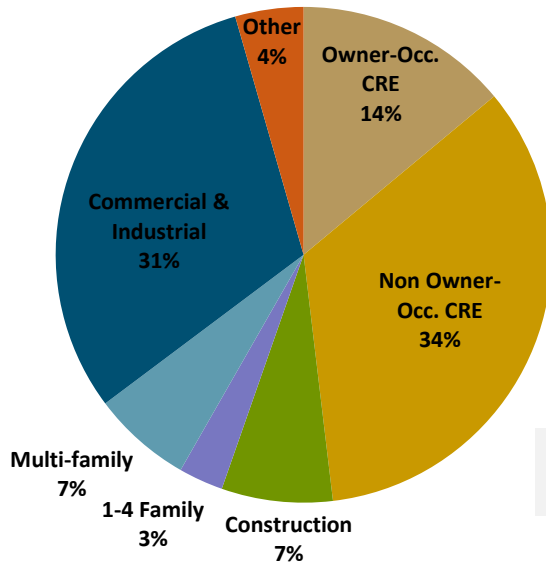
**Deposits** \$192 M

- Single branch model headquartered in Leawood, KS is similar to FBIZ's legacy focus on a branchless philosophy
- Management team has significant long-term commercial relationships in Kansas City metropolitan area
- Focus on commercial business customers and strong credit culture consistent with FBIZ
- Top SBA lender in Kansas City for the past two years
- Will be operated under separate charter and retain Alterra Bank brand and in-market recognition



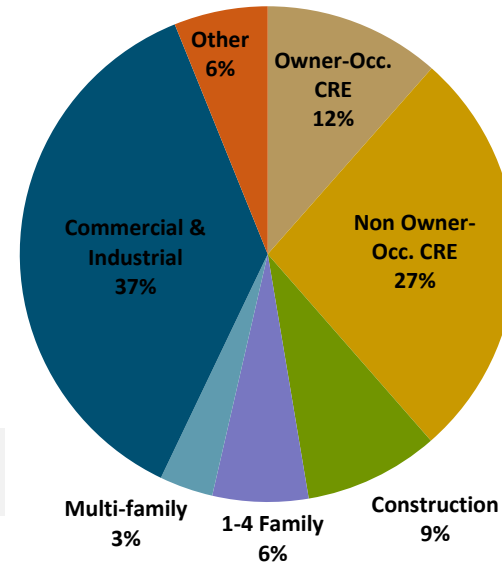
# Consistent Commercial Lending Focus

## First Business



MRQ Yield on Loans: 5.10%

## Alterra



MRQ Yield on Loans: 5.55%

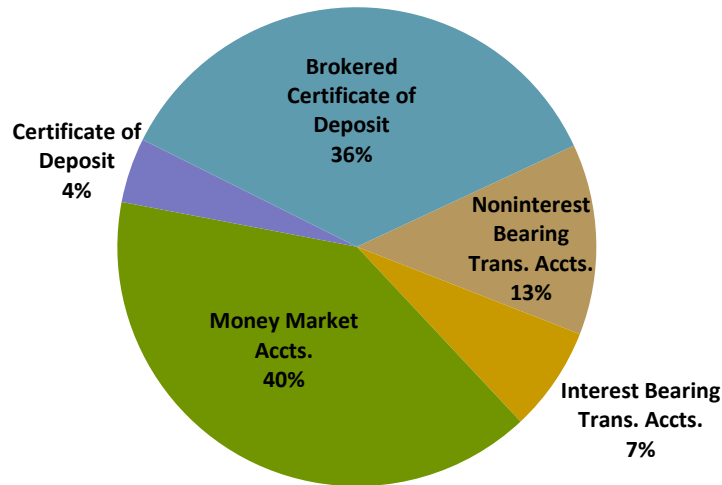
Loan Type	(\$ in 000s)	% of Total
Owner-Occ. CRE	\$ 137,648	14.0%
Non Owner-Occ. CRE	336,806	34.2%
Construction	71,465	7.2%
1-4 Family	28,690	2.9%
Multi-family	64,092	6.5%
Commercial & Industrial	303,630	30.8%
Other	43,890	4.4%
<b>Total</b>	<b>\$ 986,221</b>	<b>100.0%</b>

Loan Type	(\$ in 000s)	% of Total
Owner-Occ. CRE	\$ 20,977	11.5%
Non Owner-Occ. CRE	49,315	27.1%
Construction	16,025	8.8%
1-4 Family	11,389	6.2%
Multi-family	6,373	3.5%
Commercial & Industrial	67,061	36.8%
Other	11,157	6.1%
<b>Total</b>	<b>\$ 182,297</b>	<b>100.0%</b>

Source: SNL Financial; data as of 3/31/14.  
Note: Data is bank subsidiary level for Alterra.

# Similar Efficient Funding Strategy

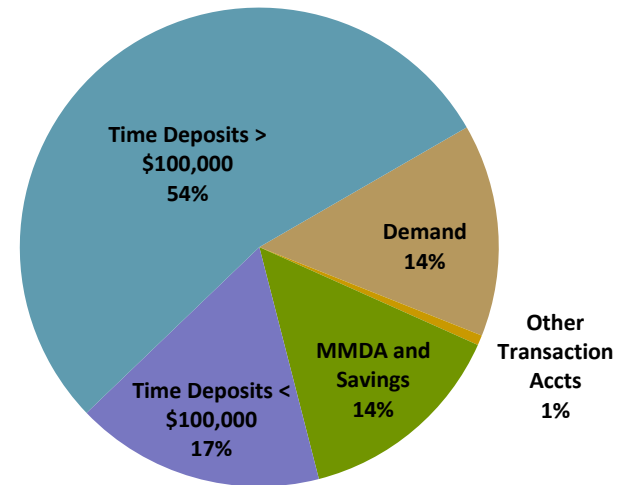
## First Business



Deposit Type	(\$ in 000s)	% of Total
Noninterest Bearing Trans. Accts.	\$ 146,507	12.9%
Interest Bearing Trans. Accts.	80,458	7.1%
Money Market Accts.	454,405	40.0%
Certificate of Deposit	49,794	4.3%
Brokered Certificate of Deposit	405,536	35.7%
<b>Total</b>	<b>\$ 1,136,700</b>	<b>100.0%</b>

MRQ Cost of Deposits: 0.77%

## Alterra



Deposit Type	(\$ in 000s)	% of Total
Demand	\$ 27,598	14.4%
Other Transaction Accts	1,302	0.7%
MMDA and Savings	27,478	14.3%
Time Deposits < \$100,000	32,349	16.8%
Time Deposits > \$100,000	103,498	53.8%
<b>Total</b>	<b>\$ 192,225</b>	<b>100.0%</b>

MRQ Cost of Deposits: 0.68%

# Track Record of Growth & Profitability

<i>(Dollars in Thousands)</i>	At or for the year ended,			'11 - '13	Qtr ended,
	12/31/11	12/31/12	12/31/13	CAGR	03/31/14
<b>Balance Sheet &amp; Balance Sheet Ratios</b>					
Total Assets	136,115	165,666	210,860	<b>24.5%</b>	222,891
Total Gross Loans	106,195	135,293	177,876	<b>29.4%</b>	182,297
Deposits	111,924	139,164	179,695	<b>26.7%</b>	191,819
Loans/ Deposits (%)	94.9	97.2	99.0		95.0
TCE / TA (%)	10.77	9.84	8.46		8.24
<b>Income Statement &amp; Profitability</b>					
Net Income Before Taxes	(114)	1,521	2,492	<b>NM</b>	732
Net Income	(141)	1,521	1,578	<b>NM</b>	458
ROAA (%)	(0.11)	1.03	0.84		0.86
ROAE (%)	(0.99)	9.26	8.24		8.73
Net Interest Margin (%)	4.04	4.61	4.46		4.24
Efficiency Ratio (%)	90.2	71.7	67.8		70.5
<b>Asset Quality</b>					
NCOs/ Avg Loans (%)	0.15	0.25	(0.03)		0.04
NPAs + 90+PD / Loans + OREO (%)	4.71	3.77	2.36		2.46
Reserves/ Loans (%)	1.10	1.10	1.23		1.26

- Alterra Bank recapitalized by current ownership in April 2010
- Since recapitalization, have reduced legacy problem assets, restored profitability and significantly grown Alterra's loan portfolio

# Comprehensive Due Diligence Review

## Due Diligence Highlights

- Comprehensive due diligence process including operations, core systems, legal and credit
- Extensive conversations with management and lending team regarding Kansas City market dynamics and competitive environment
- Reviewed credit files, underwriting methodology and policy and portfolio management processes
- Aslin Group conducted reciprocal due diligence of FBIZ

## Credit Due Diligence Detail

- Credit review focused on the largest commercial relationships, adversely classified assets and watch list loans
- Credit mark of \$3.9 million, or approximately 2% of the portfolio
  - 2.7x coverage of nonaccrual loans
  - 1.5x coverage of NPLs (including TDRs)
  - 0.8x coverage of total nonperforming assets

# Pro Forma Impact

## Attractive Financial Returns<sup>(1)</sup>

### EPS

- Anticipated to be approximately 5% accretive to earnings per share in the first full 12 months, excluding one-time costs
- Expected high single digit earnings per share accretion long term<sup>(2)</sup>

### Tangible Book Value

- ~5% dilution estimated at closing
- Accretive to standalone tangible book value with an estimated earn-back period of less than 4.5 years

### Est. Capital

- TCE / TA ~7.75% at closing
- Total RBC ratio ~12.22% at closing

### IRR

- Expected internal rate of return of nearly 19%

## Key Assumptions

- Conservative and achievable cost savings of approximately 8.5% of Aslin Group's noninterest expense
- Gross credit mark of \$3.9 million
- Expected total one-time merger related expenses of approximately \$3.0 million on a pre-tax basis
- Additional significant purchase accounting assumptions:
  - Deposit mark-up of approximately \$0.4 million (net asset value write-down)
  - FHLB borrowings mark-up of \$0.4 million (net asset value write-down)
- Targeted closing date of late 2014

(1) Pro forma impact assumes cash consideration funded with subordinated debt.

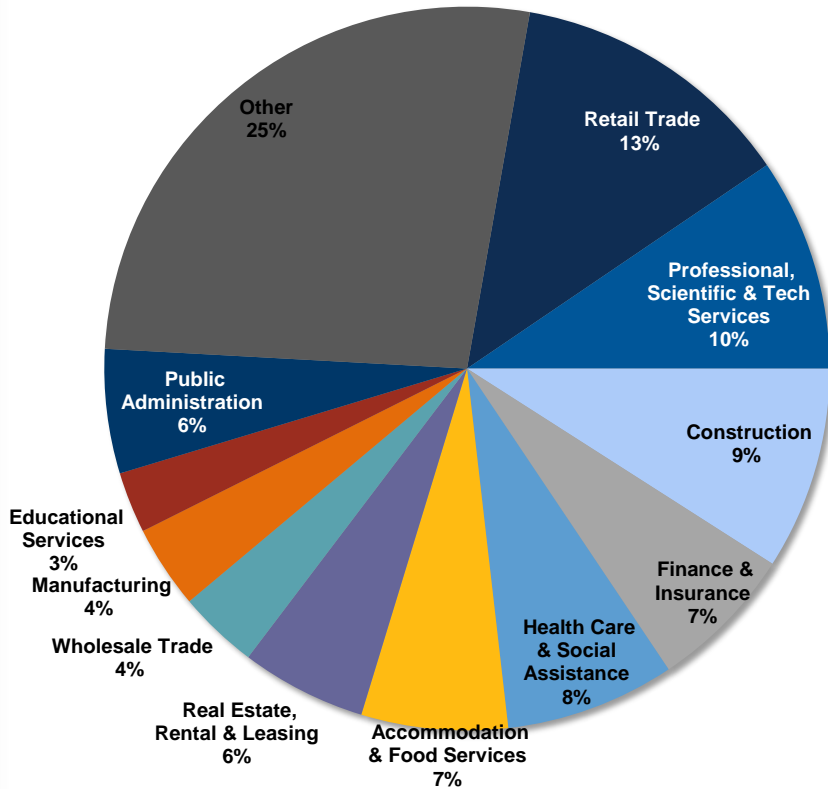
(2) Based on FBIZ management estimates.

# Pro Forma Footprint



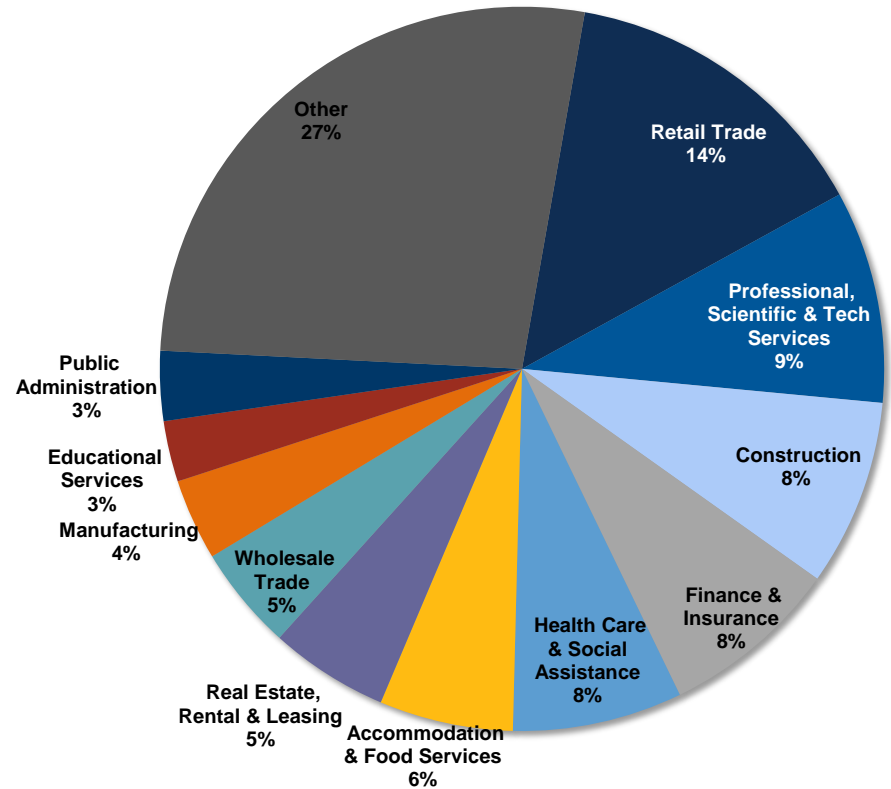
# KC Market – Similar Business Mix, Triple the Size

Madison MSA — By Percentage of Businesses



Total Businesses in Market: 27,350

Kansas City MSA — By Percentage of Businesses



Total Businesses in Market: 76,013

# Complementary Products

Complementary offerings enhance growth opportunities across the combined franchise

	First Business	Alterra	Combined
<b>Business Banking</b>			
Commercial Lending	✓	✓	✓
Commercial Real Estate	✓	✓	✓
Treasury Management	✓	✓	✓
SBA Lending		✓	✓
<b>Specialized Lending</b>			
Asset Based Lending	✓		✓
Equipment Finance	✓		✓
Factoring	✓		✓
<b>Private Wealth Management</b>			
Trust and Investment Services	✓		✓
Retirement Services	✓		✓
Private Banking	✓	✓	✓

Additive Offerings

# Transaction Summary

- Commercial focus with limited brick and mortar footprint consistent with FBIZ's long-term strategy
- Strong credit culture fits our focus on asset quality
- Attractive expected earnings per share accretion and payback metrics
- Internal rate of return well in excess of our cost of capital
- Kansas City market's business mix is consistent with and three times larger than legacy Madison market
- Key client contact team members, including President & CEO, are retained allowing for continuation of in-market momentum for Alterra Bank
- Sophisticated Alterra bankers bring extensive experience from larger institutions
- Lending capabilities present synergies for expanded client offerings across the franchise

# Additional Information

*Communications in this presentation do not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any proxy vote or approval. The proposed merger and issuance of FBIZ common stock in connection with the proposed merger will be submitted to Aslin Group, Inc.'s stockholders for their consideration and approval. FBIZ will file with the Securities and Exchange Commission ("SEC") a registration statement on Form S-4 that will include a proxy statement to be used by Aslin Group, Inc. to solicit the required approval of their stockholders in connection with the proposed merger and will constitute a prospectus of FBIZ. FBIZ may also file other documents with the SEC concerning the proposed merger. INVESTORS AND SECURITY HOLDERS OF ASLIN GROUP, INC. ARE URGED TO READ THE PROXY STATEMENT AND PROSPECTUS REGARDING THE PROPOSED MERGER AND OTHER RELEVANT DOCUMENTS THAT WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER. Investors and security holders may obtain a free copy of the proxy statement and prospectus and other documents containing important information about FBIZ and Aslin Group, Inc., once such documents are filed with the SEC, through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). Copies of the documents filed with the SEC by FBIZ will be available free of charge on FBIZ's website at [www.firstbusiness.com/investor-relations/](http://www.firstbusiness.com/investor-relations/)*

*Aslin Group, Inc. and certain of its directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of Aslin Group, Inc. in connection with the proposed transaction. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement and prospectus and other relevant materials to be filed with the SEC when they become available.*

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