



# Investor Presentation

Fourth Quarter 2024

FBIZ  
NASDAQ  
LISTED

Member FDIC

# Forward-Looking Statements

When used in this presentation, and in any other oral statements made with the approval of an authorized executive officer, the words or phrases “may,” “could,” “should,” “hope,” “might,” “believe,” “expect,” “plan,” “assume,” “intend,” “estimate,” “anticipate,” “project,” “likely,” or similar expressions are intended to identify “forward-looking statements” within the meaning of such term in the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties, including among other things: (i) Adverse changes in the economy or business conditions, either nationally or in our markets, including, without limitation, inflation, economic downturn, labor shortages, wage pressures, and the adverse effects of public health events on the global, national, and local economy, which may affect the Corporation’s credit quality, revenue, and business operations; (ii) Competitive pressures among depository and other financial institutions nationally and in our markets; (iii) Increases in defaults by borrowers and other delinquencies; (iv) Our ability to manage growth effectively, including the successful expansion of our client support, administrative infrastructure, and internal management systems; (v) Fluctuations in interest rates and market prices; (vi) Changes in legislative or regulatory requirements applicable to us and our subsidiaries; (vii) Changes in tax requirements, including tax rate changes, new tax laws, and revised tax law interpretations; (viii) Fraud, including client and system failure or breaches of our network security, including our internet banking activities; (ix) Failure to comply with the applicable SBA regulations in order to maintain the eligibility of the guaranteed portions of SBA loans. (x) Ongoing volatility in the banking sector may result in new legislation, regulations or policy changes that could subject the Corporation and the Bank to increased government regulation and supervision, (xi) the proportion of the Corporation’s deposit account balances that exceed FDIC insurance limits may expose the Bank to enhanced liquidity risk, and (xii) The Corporation may be subject to increases in FDIC insurance assessments. These risks could cause actual results to differ materially from what FBIZ has anticipated or projected. These risks could cause actual results to differ materially from what we have anticipated or projected. These risk factors and uncertainties should be carefully considered by our shareholders and potential investors. For further information about the factors that could affect the Corporation’s future results, please see the Corporation’s annual report on Form 10-K for the year ended December 31, 2023 and other filings with the Securities and Exchange Commission. Investors should not place undue reliance on any such forward-looking statement, which speaks only as of the date on which it was made. The factors described within the filings could affect our financial performance and could cause actual results for future periods to differ materially from any opinions or statements expressed with respect to future periods. Where any such forward-looking statement includes a statement of the assumptions or bases underlying such forward-looking statement, FBIZ cautions that, while its management believes such assumptions or bases are reasonable and are made in good faith, assumed facts or bases can vary from actual results, and the differences between assumed facts or bases and actual results can be material, depending on the circumstances. Where, in any forward-looking statement, an expectation or belief is expressed as to future results, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the statement of expectation or belief will be achieved or accomplished. FBIZ does not intend to, and specifically disclaims any obligation to, update any forward-looking statements.



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# Fourth Quarter 2024 Highlights

Record operating revenue, strong net interest margin, and positive operating leverage drive record pre-tax, pre-provision earnings

## EPS \$1.71

Reported earnings elevated by tax benefit and SBA recourse reserve

- Excluding these benefits the fourth quarter EPS was \$1.43

## NIM 3.77%

Match funding strategy and pricing discipline produced a strong net interest margin of 3.77%

- Fees in lieu of interest grew \$1.4 million for Q4 2024, up 139% from the prior quarter

## Loans +8%

Consistent loan growth throughout the Company

- Loans grew 8.3% annualized from the prior quarter and 9.3% from the Q4 2023

## Private Wealth \$3.4 B in AUM&A

Robust Private Wealth Management assets under management grew to a record \$3.419 billion

- PWM fee income totaled \$3.4 million for Q4 2024, up 16.8% over Q4 2023

## PTPP Income +15%

Record performance reflects continued balance sheet growth coupled with operational efficiency

- PTPP income totaled \$17.7 million for Q4 2024, up 16.1% from Q4 2023

## TBV per Share +23%

Strong earnings generation produced a 23.0% annualized increase in tangible book value per share compared to the linked quarter and 15.0% compared to the prior year quarter

Note: Percentages represent growth over the prior quarter.

# First Business Bank

NASDAQ: FBIZ — \$405 million Market Cap<sup>1</sup>

FBIZ Business Banking<sup>2</sup>

**\$3.8 Billion**<sup>3</sup>  
IN TOTAL ASSETS

FBIZ Private Wealth

**\$3.4 Billion**<sup>3</sup>  
IN ASSETS UNDER MANAGEMENT &  
ADMINISTRATION

**Headquarters:** Madison, WI

**Mission:** Build long-term shareholder value as an entrepreneurial banking partner that drives success for businesses, investors, and our communities

- Serving unique needs of business executives, entrepreneurs, and high net worth individuals through Business Banking, Private Wealth, and Bank Consulting
- Within Business Banking, our commercial banking offerings are focused on our stable and attractive Midwest markets while Specialty Finance products and services have national reach
- Efficient and highly scalable model with very limited branch network and exceptional digital capabilities



1. Market capitalization as of 1/29/2025.

2. Consists of all on-balance sheet assets for First Business Financial Services, Inc. on a consolidated basis.

3. Data as of 12/31/2024.

# Five Year Strategic Plan



# 2024-2028 Strategies

## OBJECTIVE

*First Business Bank's unique model and culture will foster innovative and engaged team members who develop deep client relationships and deliver exceptional results for all stakeholders.*



2024-2028  
**Strategies**



# 2024-2028 Goals & Progress

Plan aims to deliver above average total shareholder return compared to peer median

| Goals                                            | 2024-2028     | 2024   |
|--------------------------------------------------|---------------|--------|
| ROATCE <sup>1</sup>                              | ≥15% by 2028  | 15.4%  |
| TBV Growth <sup>1</sup>                          | ≥10% per year | 15.0%  |
| Revenue Growth <sup>2</sup>                      | ≥10% per year | 6.6%   |
| Efficiency Ratio                                 | <60% by 2028  | 60.61% |
| Core Deposits to Total Funding                   | ≥75%          | 71%    |
| Employee Engagement & Participation <sup>3</sup> | ≥85%          | 86%    |
| Net Promoter Score <sup>4</sup>                  | ≥70           | 70     |

1. ROATCE and TBV Growth includes the impact of a \$1.7 million benefit from a partial release of a state deferred tax valuation allowance recognized in Q4 2024.

2. Revenue growth muted in 2024 due to exceptional SBIC and swap fee income recognized in 2023.

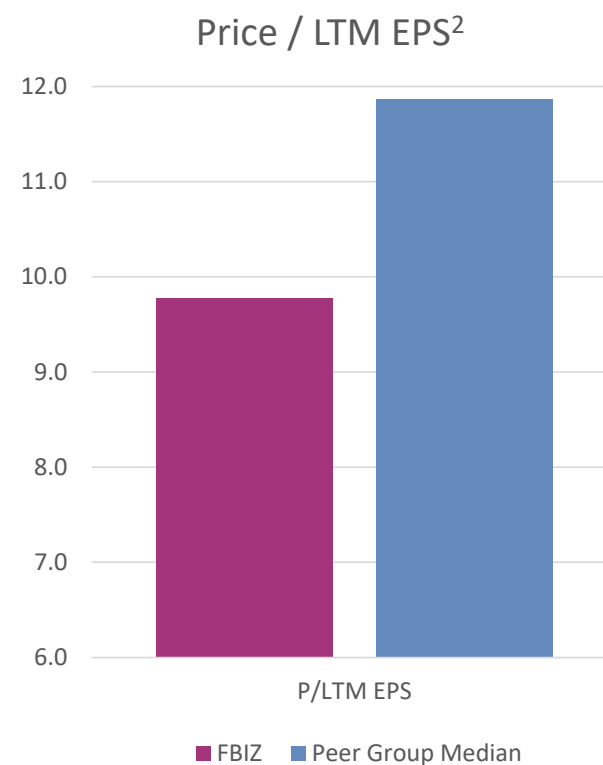
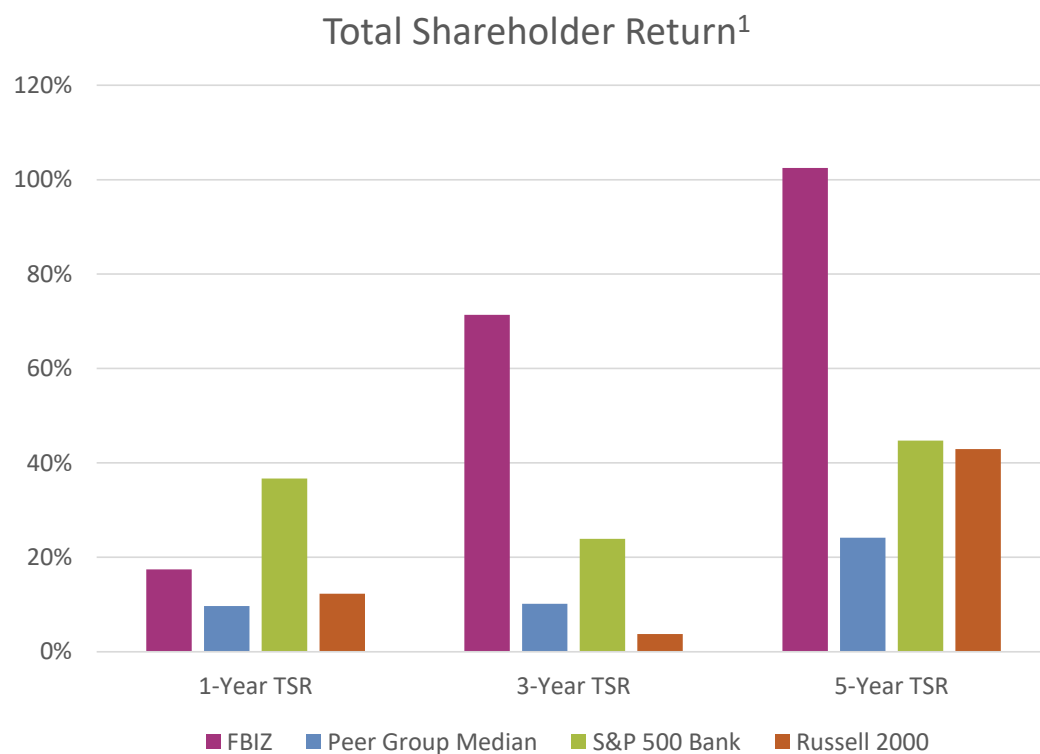
3. Represents data from the 2024 employee engagement survey.

4. Net promoter score assesses likelihood to recommend on an 11-point scale, where detractors (scores 0-6) are subtracted from promoters (scores 9-10), while passives (scores 7-8) are not considered. See appendix for additional information on the source of the net promoter score. Represents data from the 2024 survey.



# Total Shareholder Return Above Peer Group Median

Despite recent outperformance, Price/LTM EPS remains below peers



Note: Peer Group defined as publicly traded banks with total assets between \$1.75 billion and \$7.0 billion.

1. 1-Year, 3-Year, and 5-Year TSR is through 12/31/2024.

2. Data as of 9/30/2024.

WHY FBIZ?

# Growing Profitability

FBIZ's Historic and Ongoing Growth Supports Earnings Power

## Differentiated Loan Growth Capabilities

History of consistent double-digit growth

Growth is C&I focused and diversified

Solid credit quality due to deep client relationships, strong underwriting, and niche business expertise

**13%**

5-year Loan CAGR  
2019-2024

## Strong & Stable Deposit Franchise

Track record of double-digit growth driven by deep client relationships

Creates relatively stable and strong NIM in a challenging environment

Deposit-centric culture led by treasury management sales also drives meaningful service charge income

**12%**

5-year Core Deposit CAGR  
2019-2024

## Growing Profitability Profile

Significant fee revenue contribution from Private Wealth business

History of long-term positive operating leverage

Consistent double-digit TBV growth

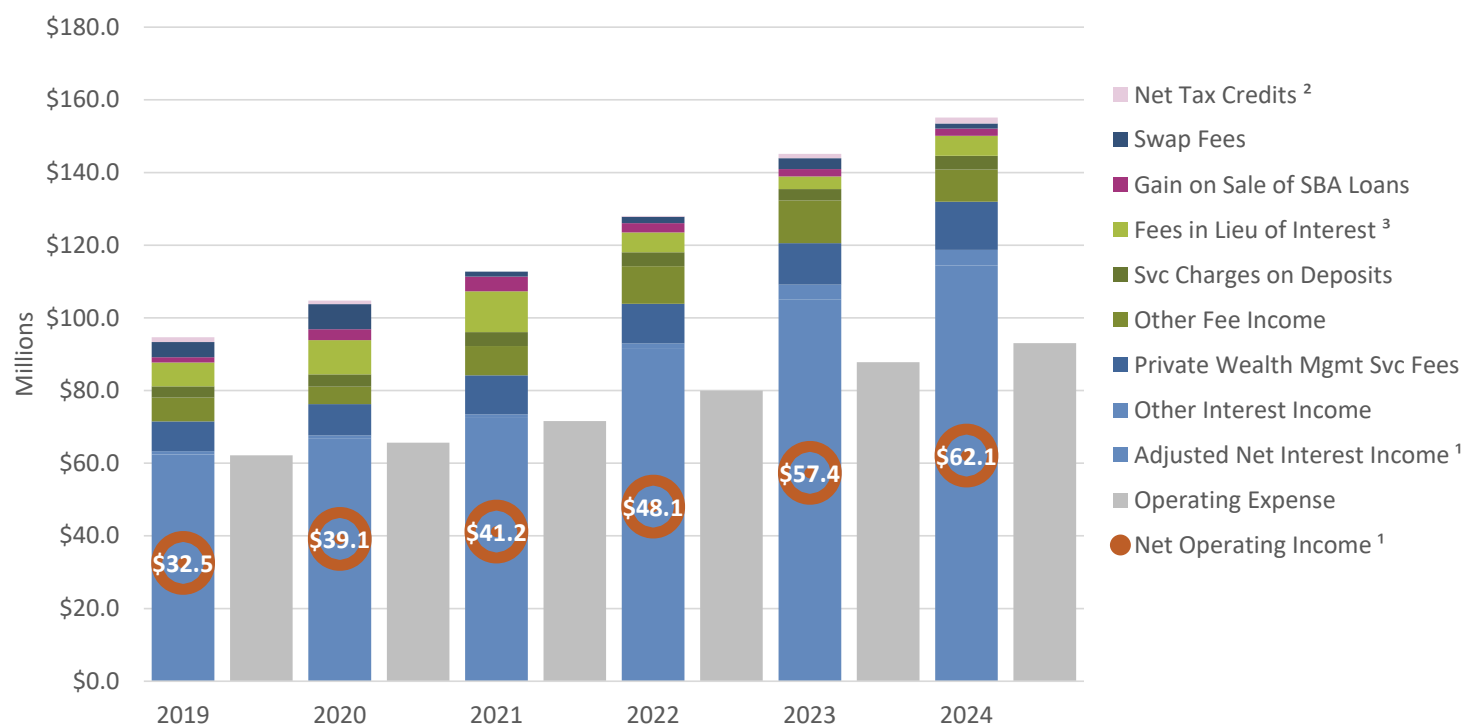
History of double-digit top line revenue growth

**12%**

5-year TBV/Share CAGR  
2019-2024

# Balanced and Steady Growth

Operating Fundamentals Drive Earnings Power



## Operating Income Highlights

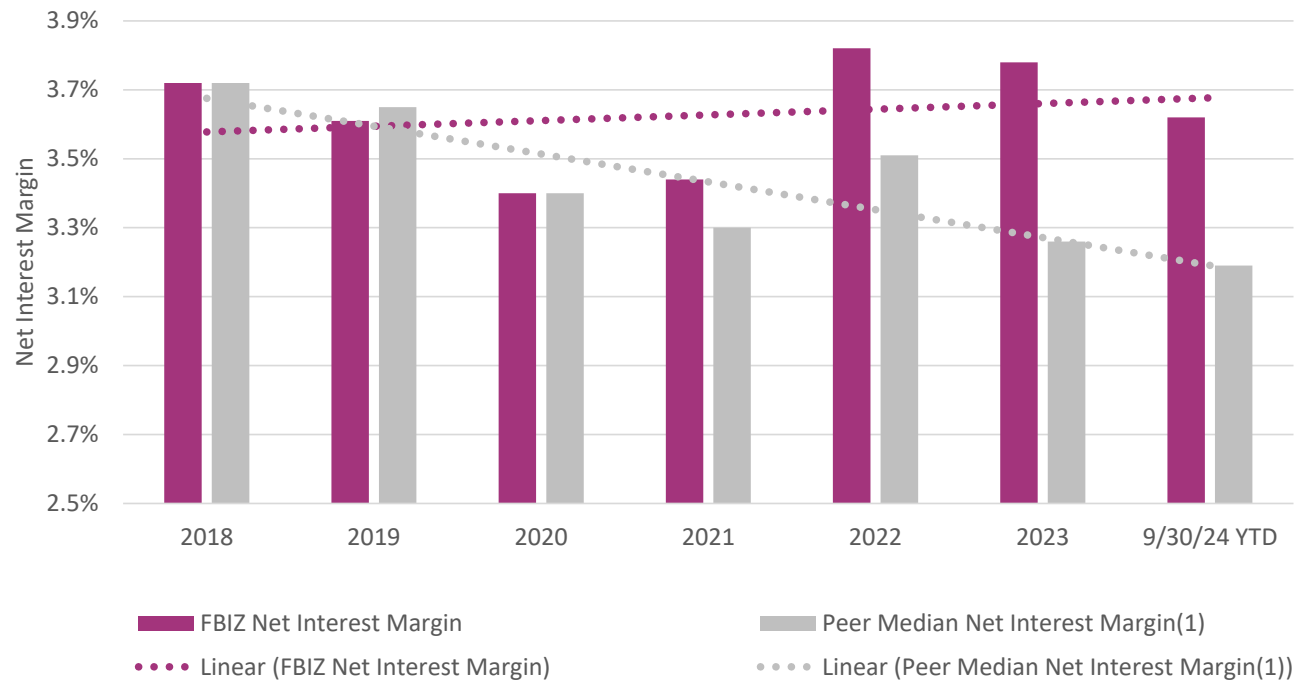
- Steady revenue expansion supported by:
  - Double-digit loan and deposit growth
  - Strong and stable net interest margin
  - Diverse sources of non-interest income, including service fees from our Private Wealth Management business which comprises 43% of total non-interest income
- Strategic investments drive growth while maintaining positive long-term operating leverage
- Strong earnings power reflected in 2024 ROAA of 1.20%.

Note: Net interest income is the sum of "Adjusted Net Interest Income", "Other Interest Income", and "Fees in Lieu of Interest". Non-interest income is the sum of "Private Wealth Management Service Fees", "Other Fee Income", "Service Charges", "SBA Gains", and "Swap Fees".

- "Adjusted Net Interest Income" and "Net Operating Income" are non-GAAP measurements. See appendix for non-GAAP reconciliation schedules.
- "Net Tax Credits" represent management's estimate of the after-tax contribution related to the investment in tax credits as of the reporting period disclosed.
- "Fees in Lieu of Interest" is defined as prepayment fees, asset-based loan fees, non-accrual interest, and loan fee amortization.

# Margin Strength Through Rate Cycles

Match-Funding Strategy Better Positions Balance Sheet for Rate Changes



1. Peer Group defined as publicly-traded banks with total assets between \$1.75 billion and \$7.0 billion.

# Disciplined Interest Rate Risk Management

Match-Funding Strategy Insulates Balance Sheet throughout Various Rate Cycles

## Methodical Approach

- Individually match-fund loans with maturities over 5 years and amounts greater than \$5MM
- Portfolio match-funding in various terms against the fixed-rate loan portfolio with maturities under 5 years and amounts less than \$5MM
- ~\$10-\$25 million of monthly wholesale funding maturities to effectively manage the liquidity requirements of the match-funding strategy

### Floating Rate Portfolio

- Floating portfolio is predominantly indexed to SOFR, which aligns with the Bank's SOFR-indexed and managed rate non-maturity deposit portfolio
- 54% as of 12/31/24
- Balances as of 12/31/24:

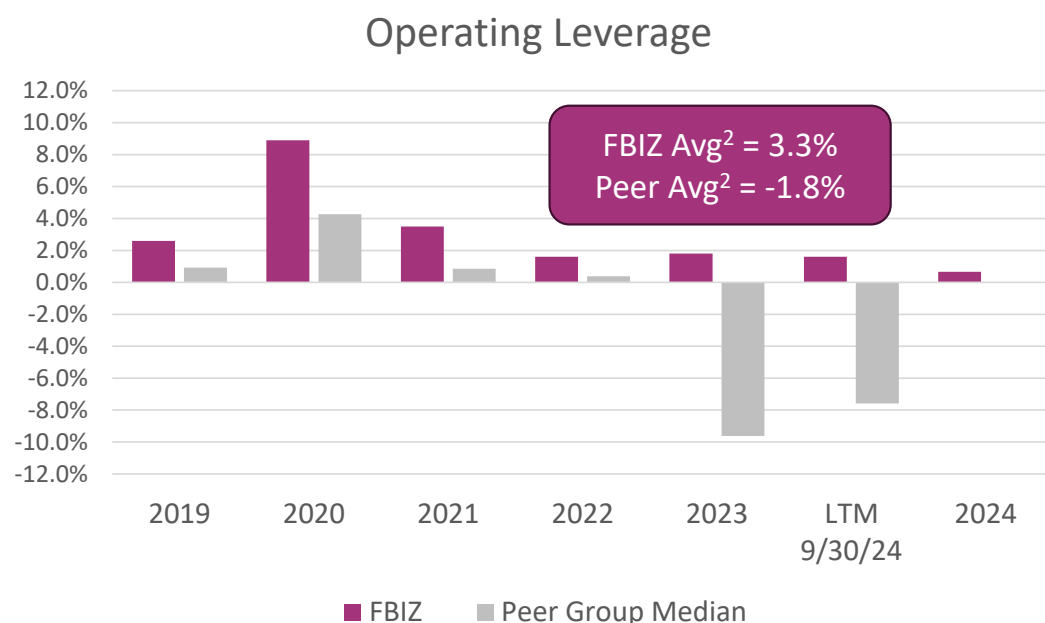
| Loans              | Deposits                               |
|--------------------|----------------------------------------|
| SOFR = \$1.268 B   | SOFR = \$678 MM                        |
| Prime = \$400.0 MM | Managed rate, non-maturity = \$1.011 B |

### Fixed Rate Portfolio

- Wholesale funding used to match maturities and cash flows on long-term fixed rate loans. This locks in interest rate spread and maintains greater stability in net interest margin
- 46% as of 12/31/24

# Operating Leverage Outperforms Peers

History of Growing Revenues Faster than Expenses



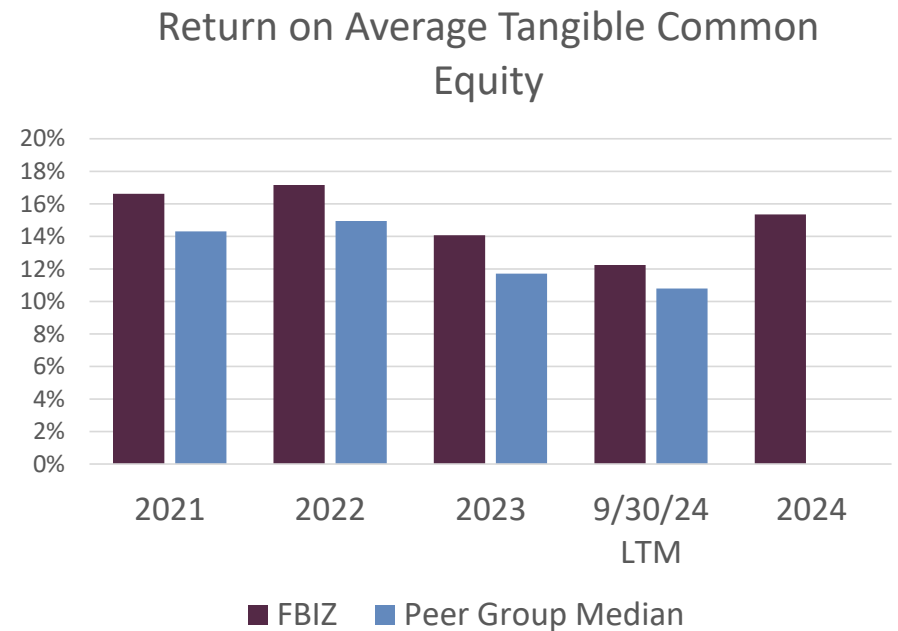
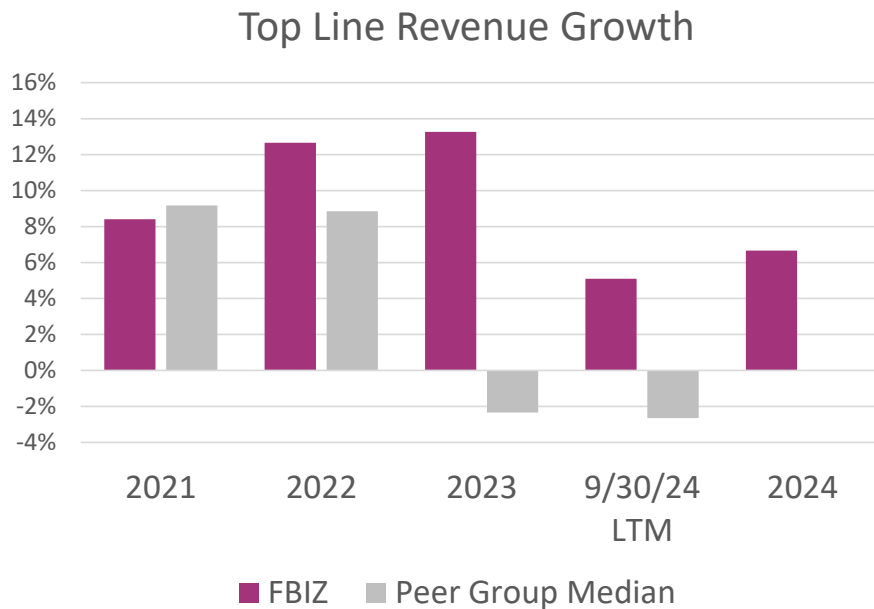
- We aim to achieve 10% revenue growth on an annual basis, with positive operating leverage<sup>1</sup>
  - Despite headwinds related to outsized NIM in 2023, we achieved positive operating leverage in 2024 for the sixth consecutive year
- Strategic initiatives directed toward revenue growth and operating efficiency through use of technology have generated positive operating leverage on an annual basis
- Operating revenue 5-year CAGR of 10.4% outpaces operating expense 5-year CAGR of 8.4%
- Initiatives include:
  - Expanding higher-yielding C&I lending business lines
  - Strong focus on treasury management and growing core deposits
  - Increasing our commercial banking market share outside of Madison
  - Scaling our Private Wealth Management business in our less mature commercial banking markets
  - Robotic process automation implementation
  - AI usage discovery and roll out

Note: Peer group defined as publicly traded bank with total assets between \$1.75 billion and \$7 billion. 3Q24 represent data for the trailing 12 months. Peer data not yet available for full year 2024.

1. Operating leverage is defined as the percent growth in operating revenue less the percent growth in operating expenses.
2. FBIZ and peer average data is average of 2019-TTM 9/30/24

# Growth and Profitability Exceeds Peers

Top Line Revenue Growth and Efficient Capital Management Drives Strong Profitability

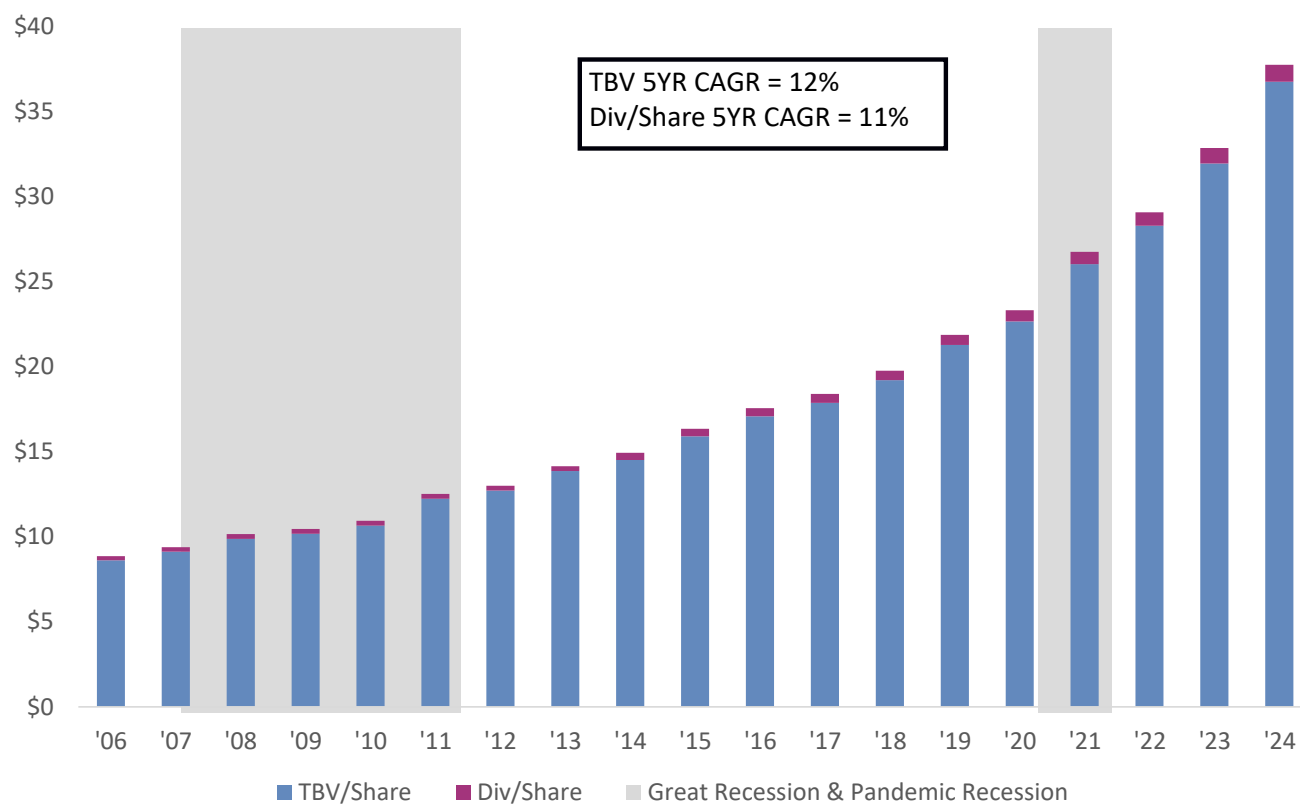


Note: Peer group defined as publicly traded bank with total assets between \$1.75 billion and \$7 billion. Peer data not yet available for full year 2024.



# Shareholder Value Creation

History of Steady, Consistent TBV and Dividend Growth Through Economic and Interest Rate Cycles

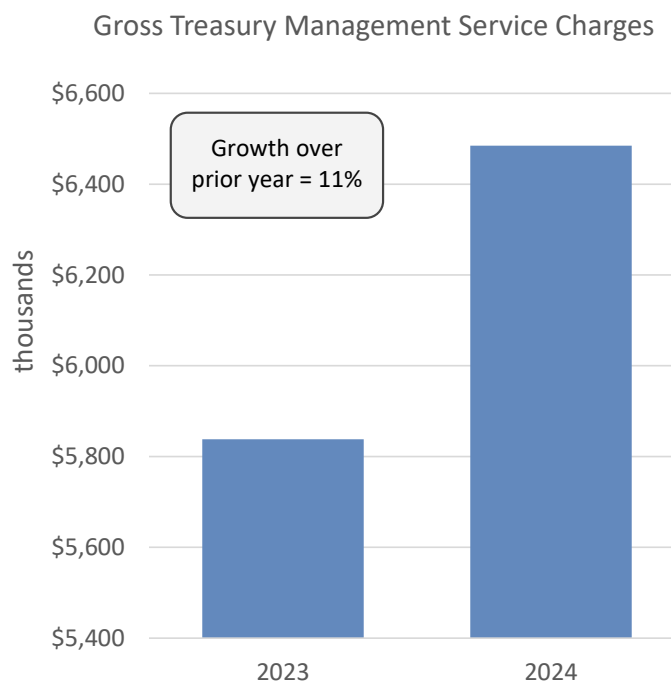
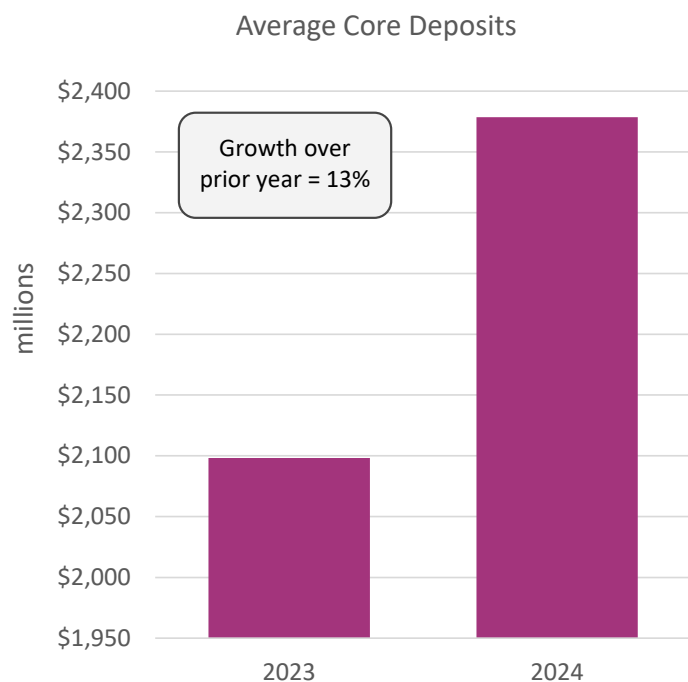


# Drivers of Growth & Profitability



# Relationship Banking Key to Success

## Solid Core Deposit Growth Despite Banking Industry Trends

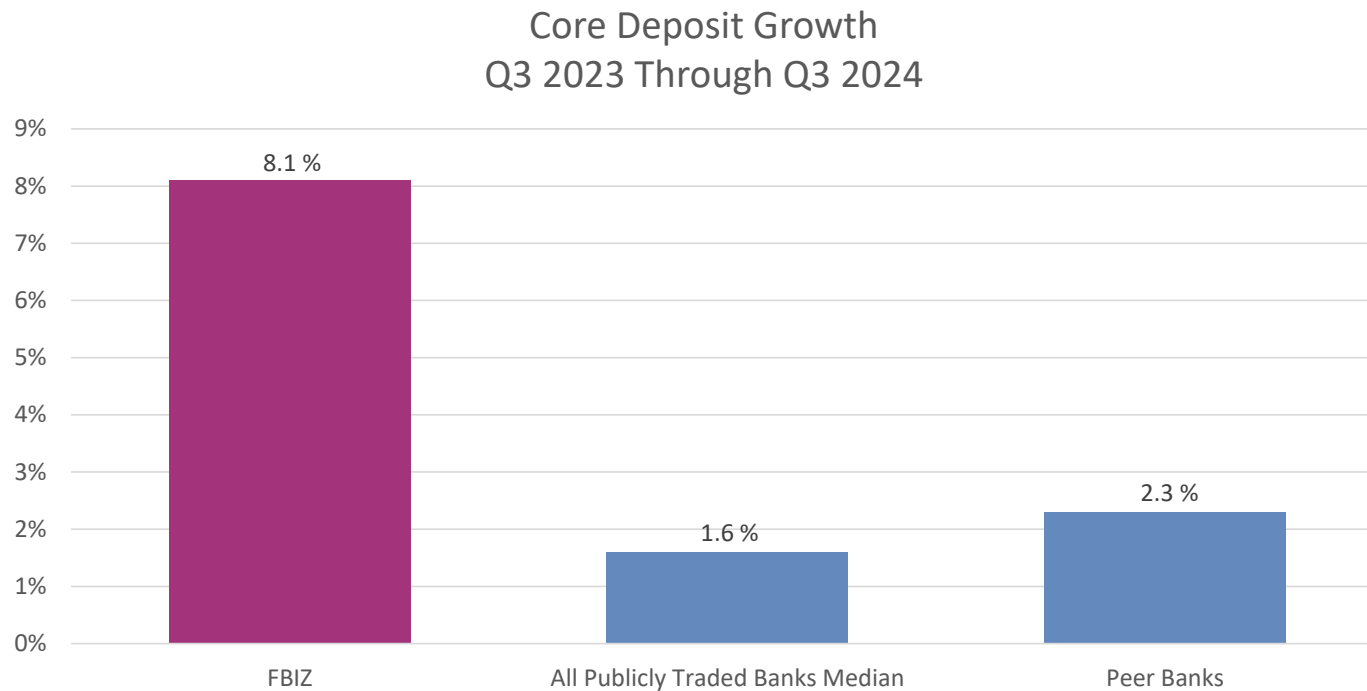


- Long-term client relationships drive core deposit growth, aided by clients' comfort with utilizing the Bank's longstanding extended deposit insurance products
- Successful execution of client deposit initiatives has attracted new relationships and increased gross treasury management service charges
- Long-held top-quartile deposit pricing strategy promotes retention
- Net Promoter Score<sup>1</sup> of 70 is well above industry benchmark score of 24.

1. Net promoter score assesses likelihood to recommend on an 11-point scale, where detractors (scores 0-6) are subtracted from promoters (scores 9-10), while passives (scores 7-8) are not considered. See appendix for additional information on the source of the net promoter score.

# Core Deposit Strength

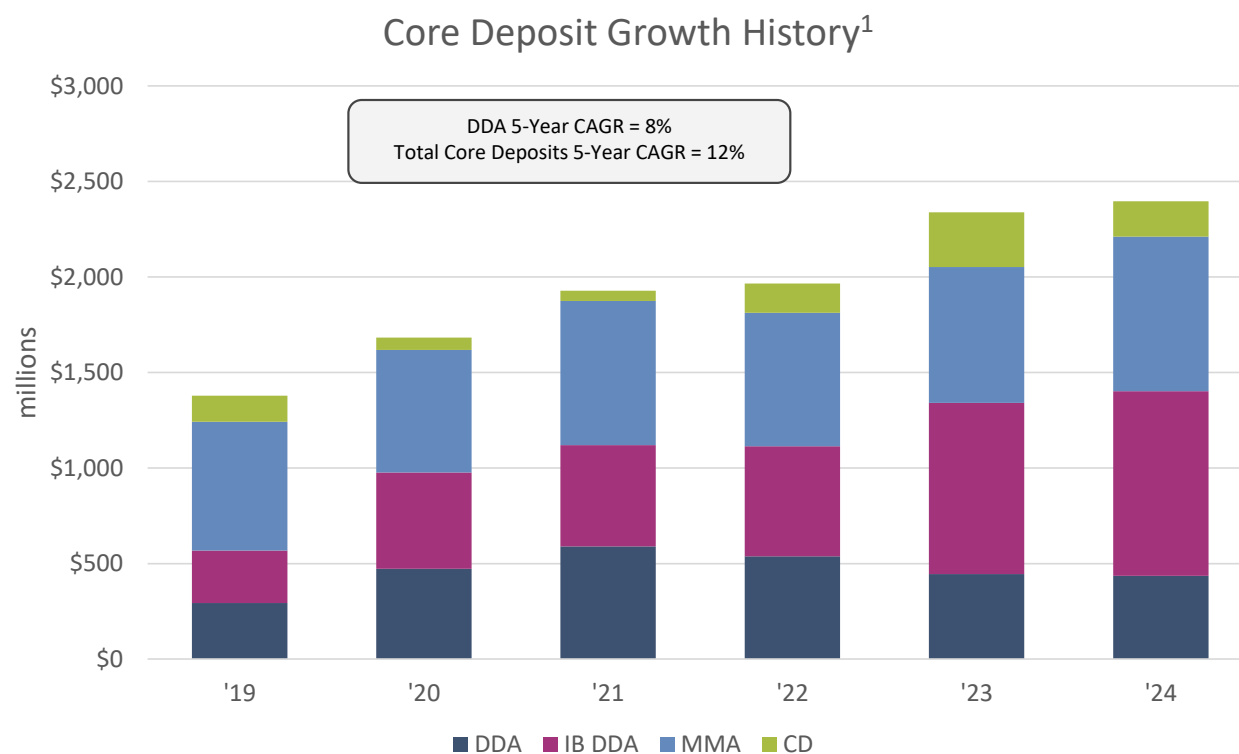
FBIZ Continues to Grow Core Deposits as Industry and Peers Decline



Source: S&P Capital IQ. Core Deposits defined as deposits in U.S. offices excluding time deposits over \$250,000 and brokered deposits of \$250,000 or less. Peer banks defined as publicly traded bank with total assets between \$1.75 billion and \$7 billion.

# Deposit-Centric Strategy Key to Growth

Double Digit Core Deposit Growth Supports Double Digit Loan Growth

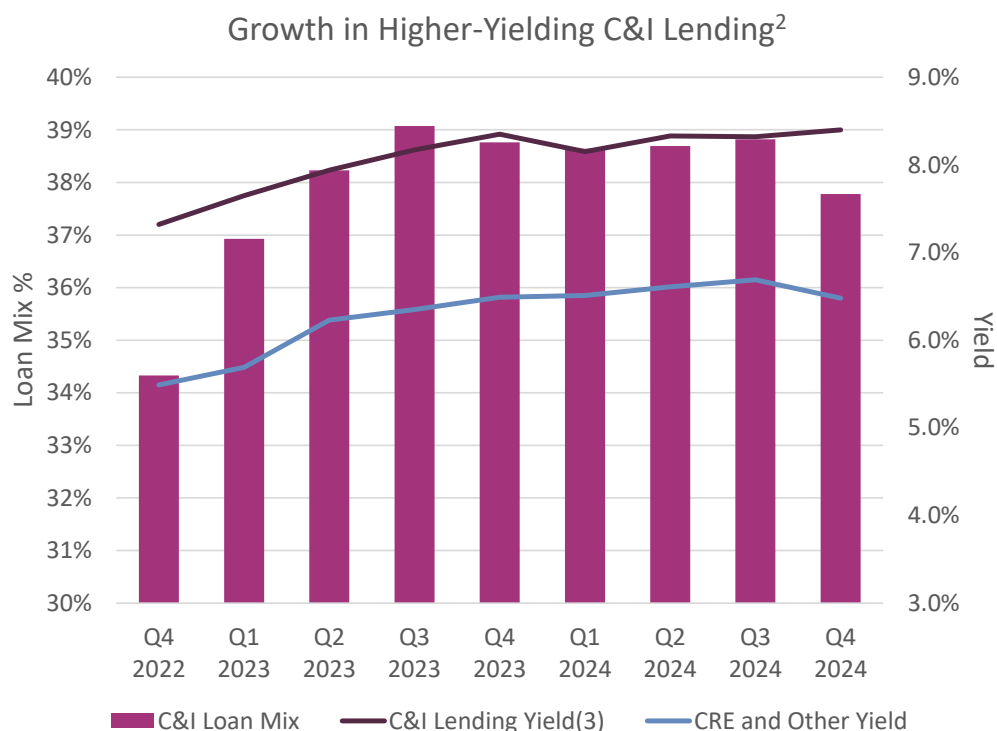
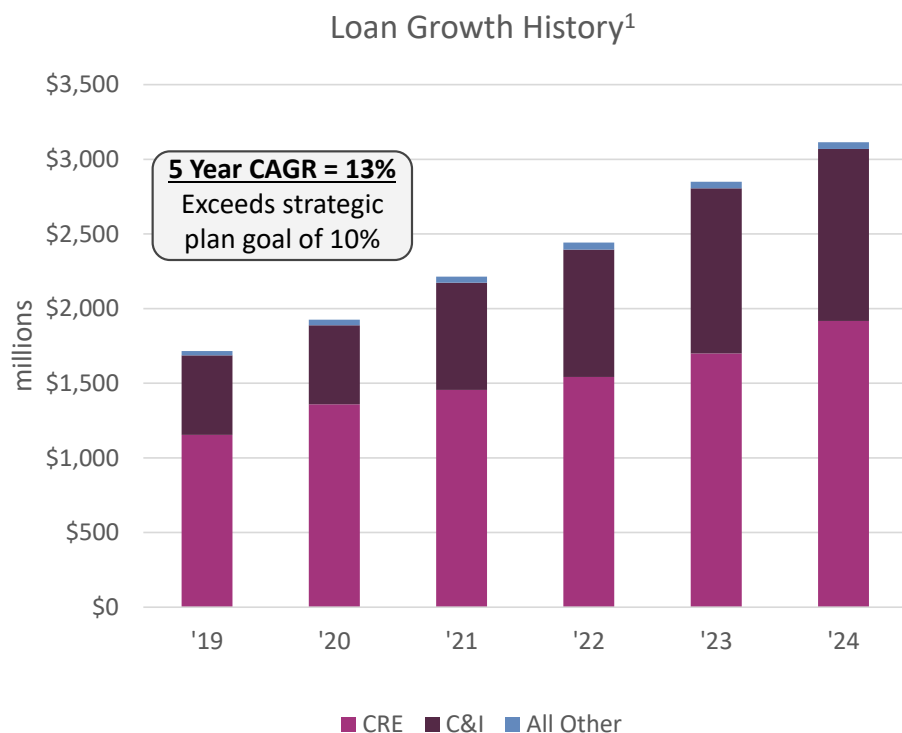


- Deposit growth remains one of our major strategic priorities under our new 5-year plan
- Deposit-centric sales strategy led by treasury management sales located in all bank markets with direct production and outside calling goals
- Bankers trained to fund their loan production with deposit growth goals
- Deposit-focused individual banker incentive compensation and bank level bonus plans

1. Core deposits defined as total deposits less wholesale deposits. Period end balances are presented.

# Diversified Lending Growth

Continuing to Grow Higher Yielding C&I Lending Mix

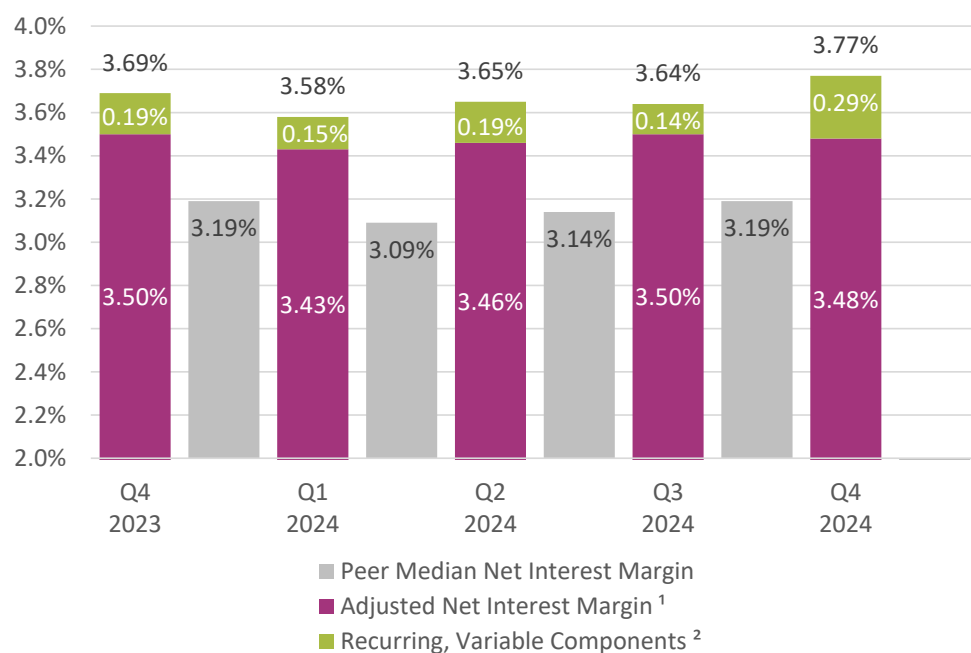


1. Period end balances excluding PPP loans are presented. On January 1, 2023, the Bank adopted ASU 2016-03 Financial Instruments - Credit losses ("ASC 326"). The Bank adopted ASC 326 using the modified retrospective method which does not require restatement of prior periods. The balances as of December 31, 2023 reflect a reclassification of \$43 million to commercial and industrial from commercial real estate, and \$7 million from consumer and other to commercial real estate.
2. Average balances excluding PPP loans are presented.
3. Excluding the impact of PPP loan fees and interest income

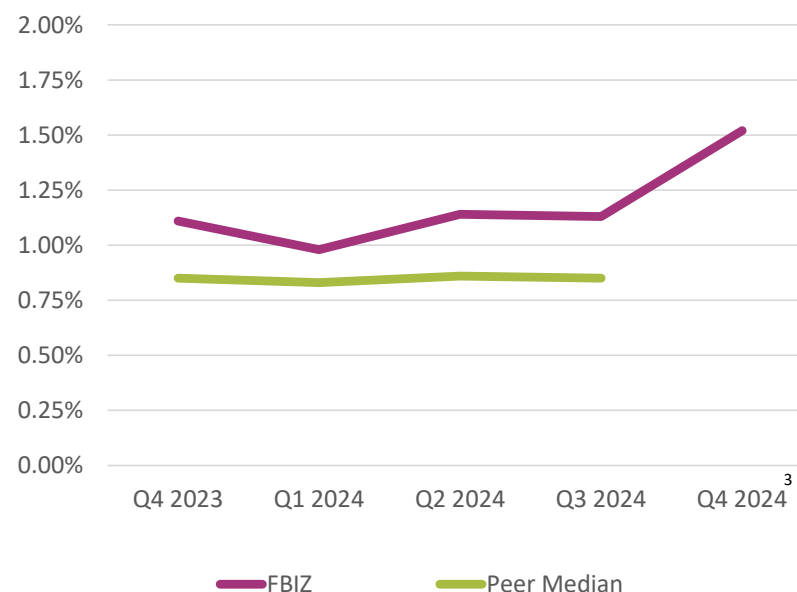
# Robust Profitability Metrics

Strong Balance Sheet Growth and Resilient Net Interest Margin Support Robust ROAA

## Net Interest Margin



## ROAA

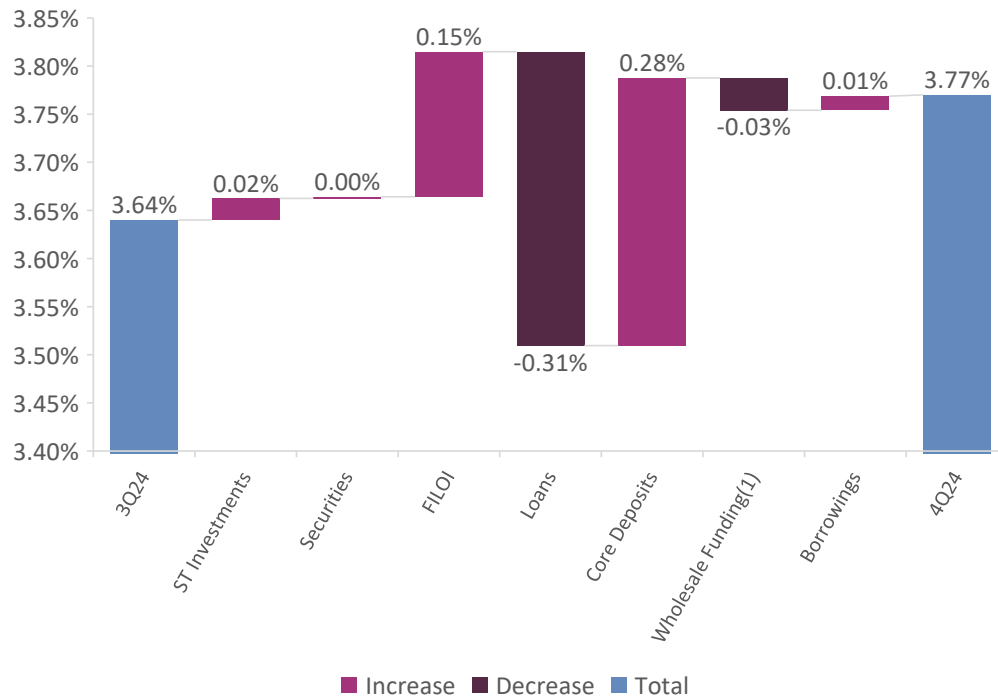


Note: Peer group defined as publicly-traded bank with total assets between \$1.75 billion and \$7 billion. Peer data not yet available for 4Q24.

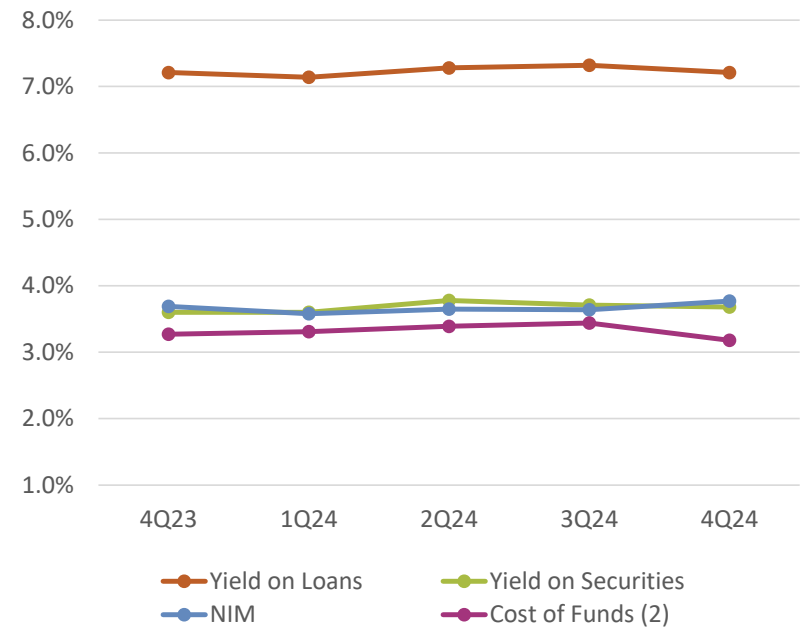
1. "Adjusted Net Interest Margin" is a non-GAAP measurement. See appendix for non-GAAP reconciliation schedules.
2. "Recurring, variable components" is defined as fees in lieu of interest, FRB interest income, and FHLB dividend income.
3. \$1.7 million benefit from a partial release of a state deferred tax valuation allowance recognized in Q4 2024

# Net Interest Margin Components

NIM Components



NIM, Yield, and Costs

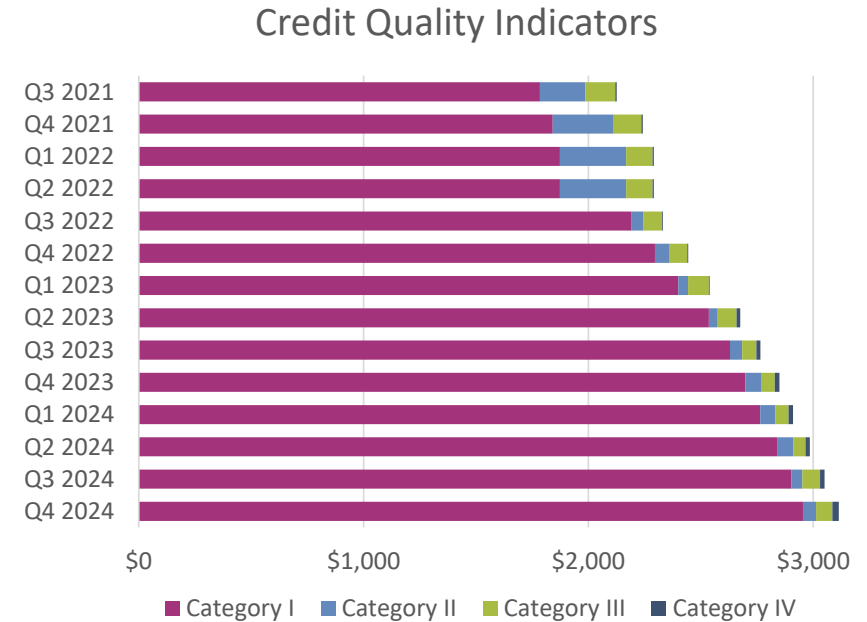
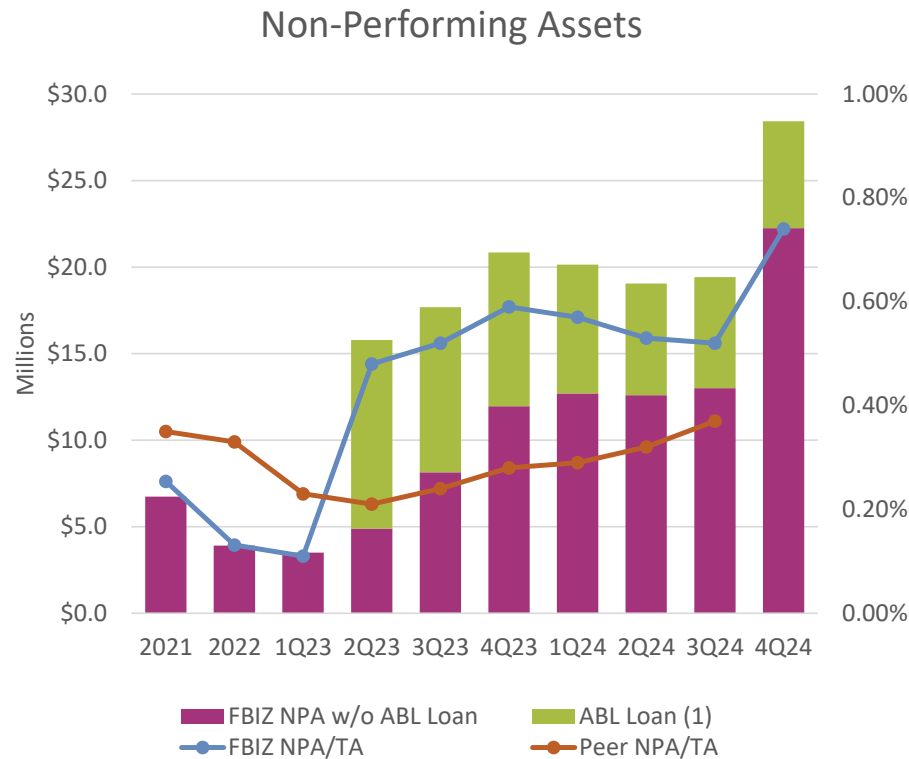


1. Wholesale funding defined as brokered CDs and non-reciprocal interest-bearing transaction accounts plus FHLB advances.
2. Cost of funds is defined as total interest expense on deposits and FHLB advances, divided by the sum of total average deposits and average FHLB advances.



# Solid Asset Quality

Non-Performing Assets/Total Assets Remain Well Managed



- As of 12/31/2024, 95% of the loan portfolio was classified in category I<sup>(2)</sup> and 99% of loans were current.
- In the ABL pool, we continue to expect full repayment related to the second quarter 2023 \$10.9 million default, now paid down to \$6.2 million. Excluding this credit, non-performing assets totaled \$22.2 million, or 0.58% of total assets as of 12/31/24.
- Isolated weakness in the \$41 million transportation segment of the Equipment Finance portfolio.

Note: Peer group defined as publicly-traded bank with total assets between \$1.75 billion and \$7.0 billion. Peer data not yet available for 4Q24.

1. Represents a fully collateralized ABL credit, for which the Company expects full repayment. Excluding this credit, non-performing assets totaled \$22.2 million, or 0.58% of total assets as of 12/31/24.
2. For more detailed definitions on credit quality categories see the Bank's 10-K filed with the SEC on February 28, 2024.

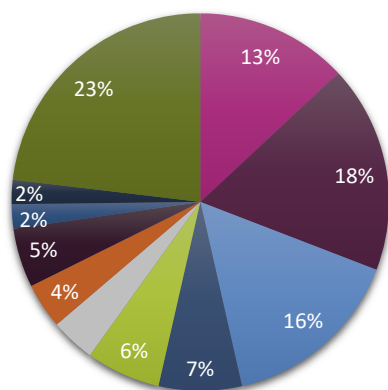
# Equipment Finance Portfolio Analysis

Strong and diversified portfolio; Transportation sub-category showing sector-specific weakness

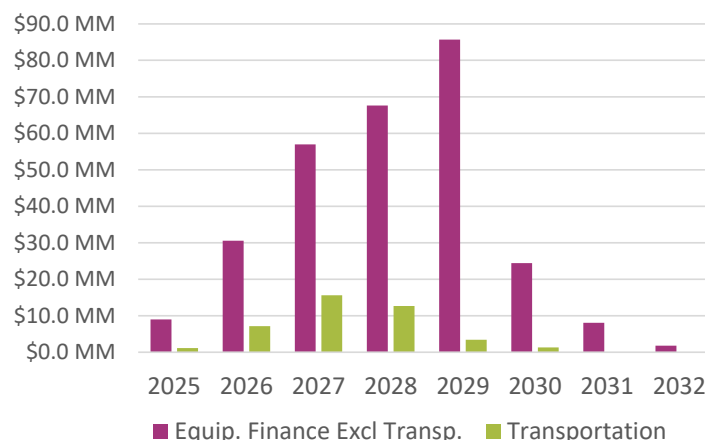
Equipment Finance Portfolio by Industry

12/31/2024

- Truck Transportation
- Construction of Buildings
- Specialty Trade Contractors
- Support Activities for Transp.
- Crop Farming
- Ambulatory Health Care Svcs
- Rental and Leasing Svcs
- Admin. and Support Svcs
- Prof., Scientific, and Technical Svcs
- Merch. Wholesalers, Durable Goods
- All Others



Maturing Over Time



- Equipment Finance (EF) loans diversified across industries
  - EF comprised 28% of C&I loans and 10% of Total Loans at 12/31/2024
  - Transportation sector comprised 13% of EF, 3.6% of C&I, and 1.3% of Total Loans
- Stable asset quality in EF portfolio excluding Transportation sector, which is experiencing isolated industry weakness

Asset Quality Breakdown<sup>1</sup>

| Equipment Finance excl. Transportation |            |            |            | Transportation  |            |            |            |
|----------------------------------------|------------|------------|------------|-----------------|------------|------------|------------|
|                                        | 12/31/2022 | 12/31/2023 | 12/31/2024 |                 | 12/31/2022 | 12/31/2023 | 12/31/2024 |
| Total Portfolio                        | \$147.0 MM | \$226.4 MM | \$284.3 MM | Total Portfolio | \$50.8 MM  | \$60.9 MM  | \$41.2 MM  |
| Category I                             | 96%        | 96%        | 98%        | Category I      | 98%        | 90%        | 87%        |
| Category II                            | 2%         | 1%         | 0%         | Category II     | 1%         | 1%         | 0%         |
| Category III                           | 1%         | 1%         | 0%         | Category III    | 0%         | 2%         | 0%         |
| Category IV                            | 1%         | 2%         | 2%         | Category IV     | 1%         | 7%         | 13%        |

1. For more detailed definitions on credit quality categories see the Bank's 10-Q filed with the SEC on July 26, 2024. Category IV represents non-performing loans.

# APPENDIX

## SUPPLEMENTAL DATA & NON-GAAP RECONCILIATIONS



# Offerings Designed Exclusively for Business and Wealth Management

Services that meet the evolving needs of our growing client base



# Superior Client Satisfaction Rating

Excellent Employee Satisfaction Drives Superior Client Satisfaction

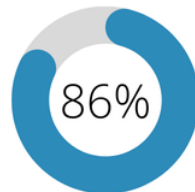


9 Culture Excellence Awards  
Financial Services Industry Award  
National Award  
Regional Award

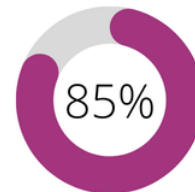
## 2024 Survey Results

90% Participation

Finance & Insurance Benchmark: 81%



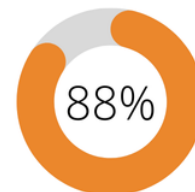
Employee  
Engagement  
Benchmark: 78%



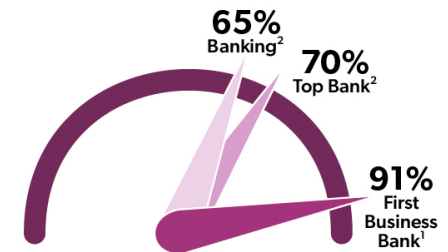
Performance  
Enablement  
Benchmark: 79%



Manager  
Effectiveness  
Benchmark: 83%



Belonging  
Benchmark: 84%



Overall Satisfaction



Net Promoter Score

Sources: 1. Moses & Associates, 2024, 2. J.D. Power, 2023, 3. Qualtrics XM Institute, 2024

Note: Net promoter score assesses likelihood to recommend on an 11-point scale, where detractors (scores 0-6) are subtracted from promoters (scores 9-10), while passives (scores 7-8) are not considered. The score ranges from -100 to +100.

# ESG Framework

Environmental, social, and governance practices are integrated into our core business strategy



## ENVIRONMENT

- Branch-lite model with only one location in each of the banking markets we serve
- Support hybrid and remote work options to reduce carbon emissions related to commuting (even prior to COVID)
- Reduced paper usage via implementation of DocuSign
- Minimal technology eco-footprint by continued use of state-of-the art technology to minimize power consumption
- Annually recycle company-generated and employee-owned e-waste
- Employee e-waste recycling is now offered year-round



## SOCIAL

- Named to the national list of Top Workplaces USA for the third straight year
- Awarded nine culture of excellence awards by Top Workplaces Increased advisory board diversity (to over 40%) to enhance our business development efforts with a diverse client base in all markets
- Provide all employees with 8 hours of paid time to support volunteer efforts and give back to their communities in a meaningful way of their choosing

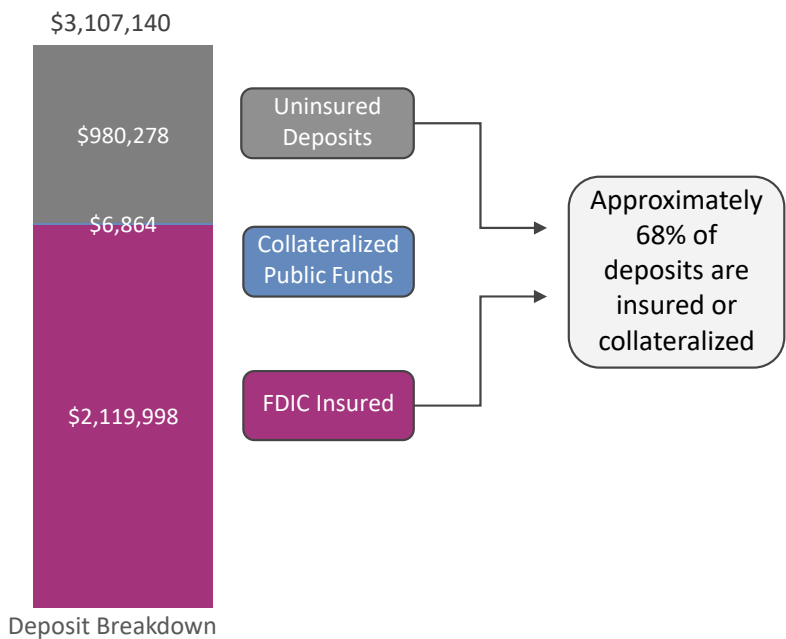


## GOVERNANCE

- Corporate Governance and Nominating Committee monitors key governance structure risks, effectiveness of the Board DEI policy practices and strategies, and oversight of the overall ESG program
- To ensure alignment with the Company's ESG principles, responsibility for Board delegated ESG risks and opportunities are defined in all committee charters
- Board diversity – 29% female and 14% ethnic or racial directors and 50% of standing committees chaired by female directors
- 86% director independence, and 100% committee membership independence

# Robust Liquidity and Capital Base

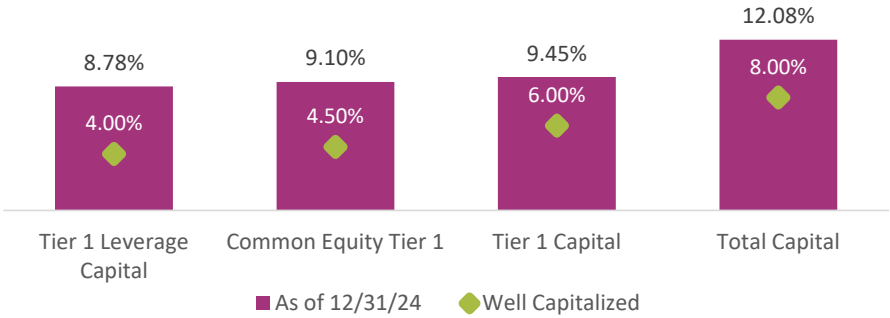
## Stable Core Deposit Base



## Substantial Liquidity

| Source                                         | 12/31/2024 |
|------------------------------------------------|------------|
| Short-term Investments                         | \$128,207  |
| Collateral value of unencumbered pledged loans | 444,453    |
| Market value of unencumbered securities        | 310,125    |
| Readily accessible liquidity                   | 882,785    |
| Fed fund lines                                 | 45,000     |
| Excess brokered CD capacity (1)                | 981,463    |
| Total Liquidity                                | 1,909,248  |

## Strong Capital Ratios (%)



1. Bank internal policy limits brokered CDs to 50% of total bank funding when combined with FHLB advances.

# Capital Strength

|                                      | 12/31/24    | 9/30/24     | 6/30/24     | 3/31/24     | 12/31/23    |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Regulatory Capital             | \$421,639   | \$407,421   | \$392,359   | \$384,083   | \$375,440   |
| Total Risk-Weighted Assets           | \$3,491,626 | \$3,477,734 | \$3,425,925 | \$3,381,059 | \$3,356,247 |
| Leverage Ratio                       | 8.78%       | 8.68%       | 8.51%       | 8.45%       | 8.43%       |
| Common Equity Tier 1 Capital Ratio   | 9.10%       | 8.76%       | 8.64%       | 8.51%       | 8.38%       |
| Tier 1 Ratio                         | 9.45%       | 9.11%       | 8.99%       | 8.86%       | 8.74%       |
| Total Capital Ratio                  | 12.08%      | 11.72%      | 11.45%      | 11.36%      | 11.19%      |
| Total Shareholders' Equity           | \$328,589   | \$311,982   | \$305,170   | \$297,788   | \$289,588   |
| Tangible Common Shareholders' Equity | \$304,685   | \$288,156   | \$281,337   | \$273,846   | \$265,573   |
| Total Shares Outstanding             | 8,293,928   | 8,295,017   | 8,294,589   | 8,306,573   | 8,314,778   |
| Book Value Per Share                 | \$38.2      | \$36.2      | \$35.4      | \$34.4      | \$33.4      |
| Tangible Book Value Per Share        | \$36.7      | \$34.7      | \$33.9      | \$33.0      | \$31.9      |
| Cash Dividends Per Share             | \$0.25      | \$0.25      | \$0.25      | \$0.25      | \$0.2275    |

## HIGHLIGHTS

- Regulatory capital ratios remain solid including a Total Capital Ratio of 12.08% and a Tier 1 Ratio of 9.45%.
- Tangible book value per share increased 23% annualized from the prior quarter and 15% from the prior year quarter.
- Quarterly cash dividend of \$0.25 per share.



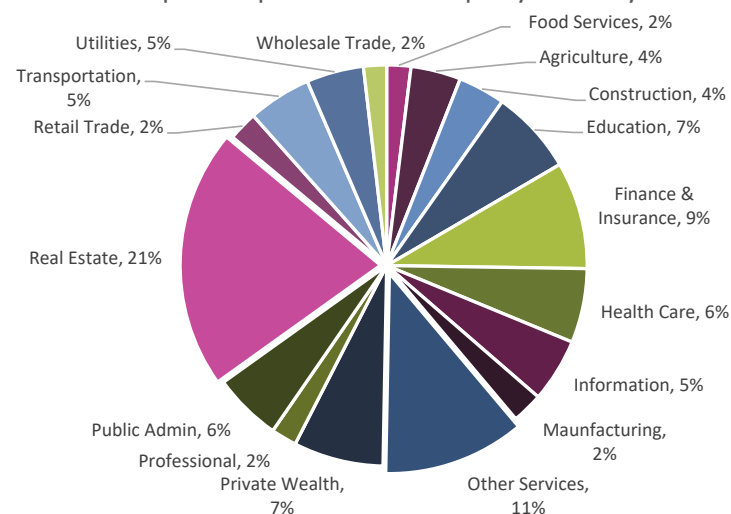
# Balanced Deposit Portfolio

## Diversified Product Base with Long-Tenured, Deep Client Relationships

- Longstanding deposit insurance options available through IntraFi and Reich & Tang to provide further security for our large clients
- Funding is augmented by non-callable wholesale deposits rather than non-relationship sourced funds
- Our deposit relationships span multiple industry segments
- Diverse deposit base has an average deposit relationship tenure of over 10 years
- History of offering competitive deposit rates supported by growth in higher-yielding commercial & industrial lending
- Nearly 50% of the top 50 deposit relationships also have a commercial loan relationship

| (Unaudited)<br>(in thousands)                             | December 31,<br>2024 | September 30,<br>2024 | As of<br>June 30,<br>2024 | March 31,<br>2024 | December 31,<br>2023 |
|-----------------------------------------------------------|----------------------|-----------------------|---------------------------|-------------------|----------------------|
| Non-interest-bearing transaction accounts                 | \$ 436,111           | \$ 428,012            | \$ 406,804                | \$ 400,267        | \$ 445,376           |
| Interest-bearing transaction accounts                     | 965,637              | 930,252               | 841,146                   | 818,080           | 895,319              |
| Money market accounts                                     | 809,695              | 817,129               | 837,569                   | 813,467           | 711,245              |
| Certificates of deposit                                   | 184,986              | 207,337               | 224,116                   | 266,029           | 287,131              |
| Wholesale deposits                                        | 710,711              | 587,217               | 575,548                   | 457,563           | 457,708              |
| Total deposits                                            | \$ 3,107,140         | \$ 2,969,947          | \$ 2,885,183              | \$ 2,755,406      | \$ 2,796,779         |
| Uninsured deposits                                        | \$ 980,278           | \$ 1,088,496          | \$ 1,011,977              | \$ 995,428        | \$ 994,687           |
| Less: uninsured deposits collateralized by pledged assets | 6,864                | 10,755                | 34,810                    | 16,622            | 17,051               |
| Total uninsured, net of collateralized deposits           | 973,414              | 1,077,741             | 977,167                   | 978,806           | 977,636              |
| % of total deposits                                       | 31.3%                | 36.3%                 | 33.9%                     | 35.5%             | 35.0%                |

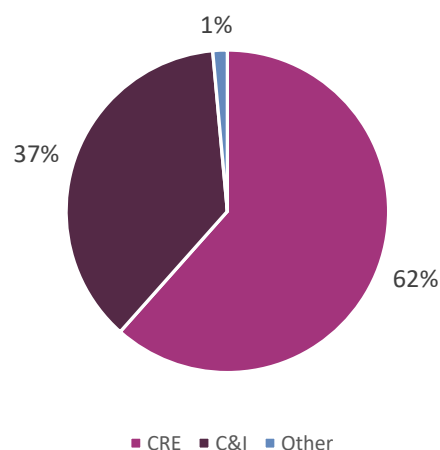
Top 50 Deposit Relationships by Industry



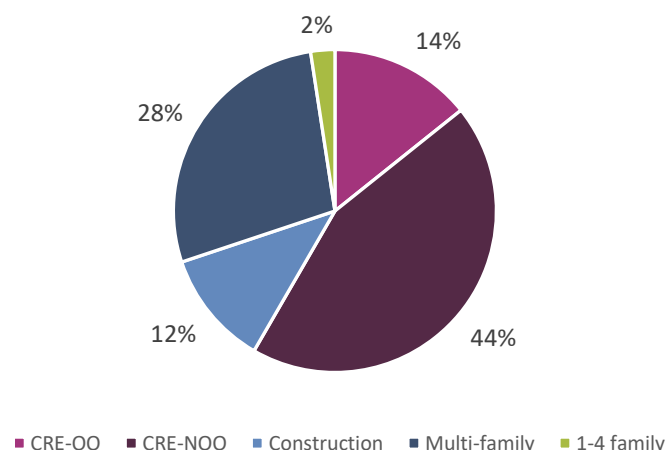
# Diversified Lending Products

Double digit loan growth driven by stellar performance across all areas of the bank

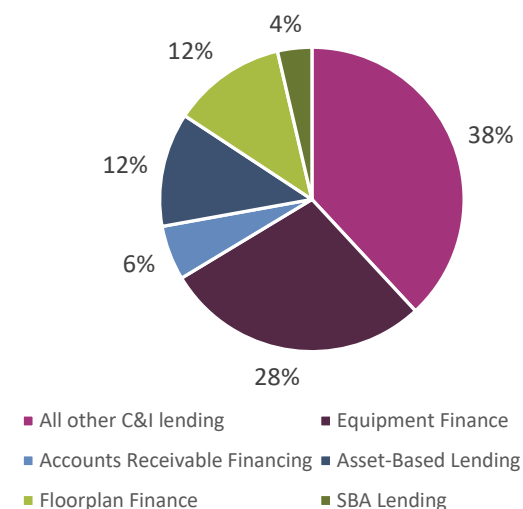
## Total Loan Breakdown



## Commercial Real Estate Breakdown



## C&I Breakdown by Product



Note: Period end balances as of 12/31/2024 presented.

# Commercial Real Estate Lending

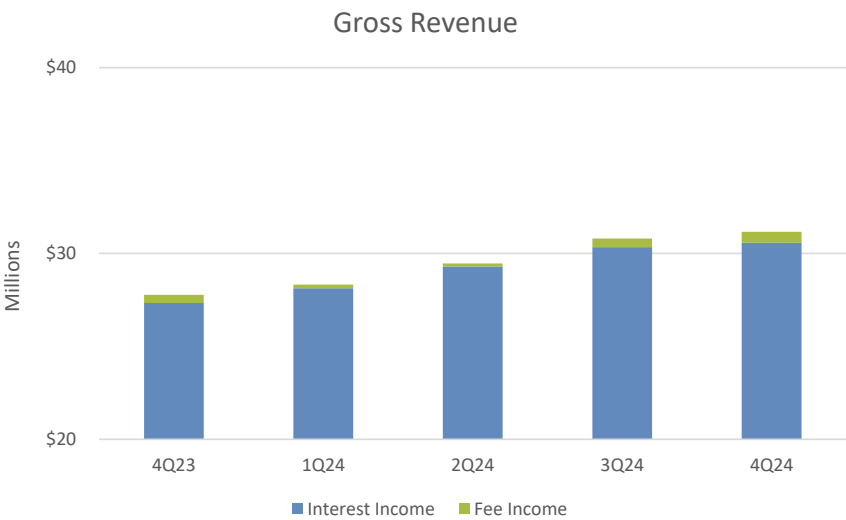
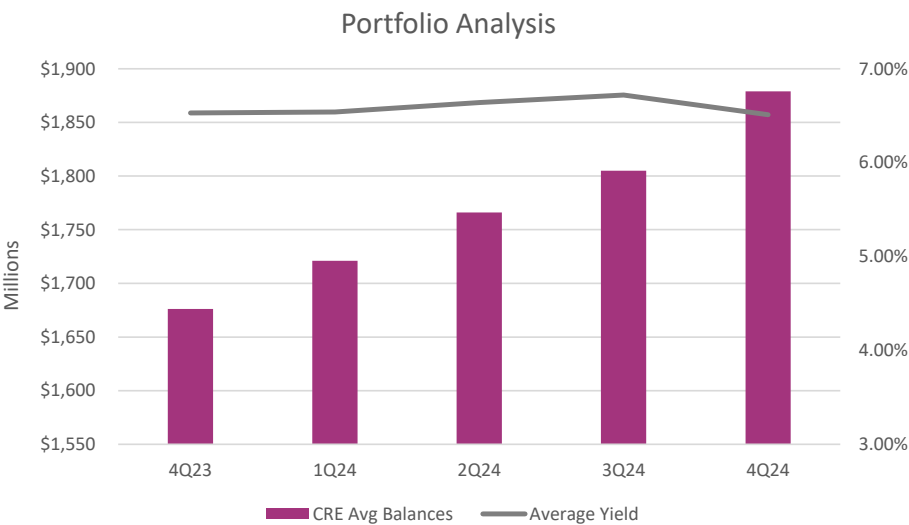
Superior Talent with Business Expertise Building Relationships in Midwest Geographic Footprint

## Product Profile

- Target small to medium-sized companies
- Lines of credit and term loans focused on businesses with annual sales of up to \$75.0 million

## Technology Initiatives

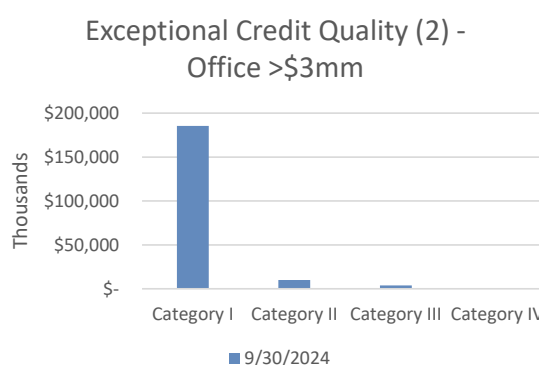
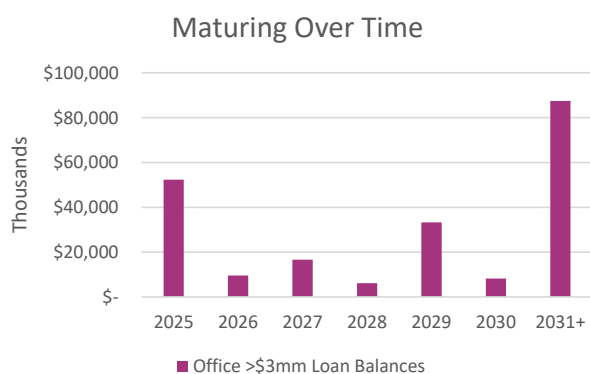
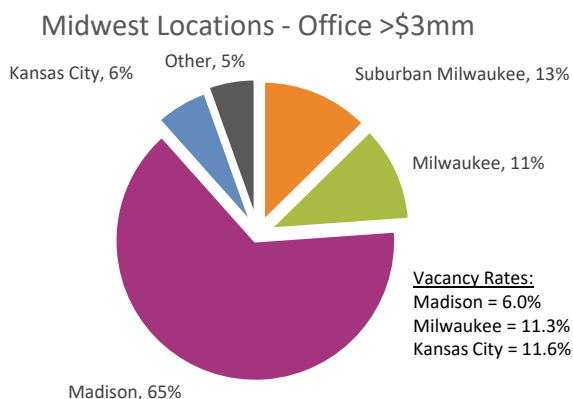
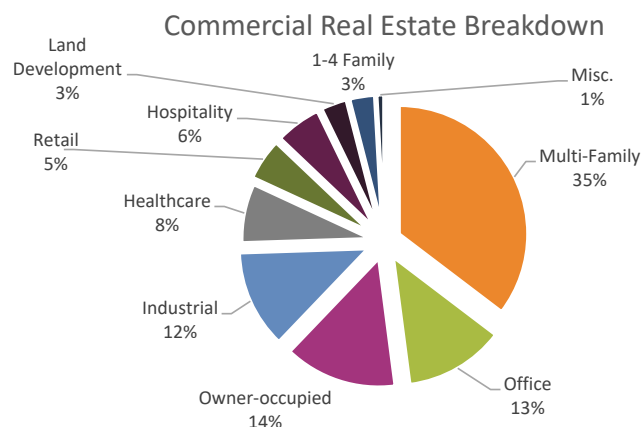
- Deploying client portal that enables easy and secure communications and document exchanges



Note: Loan balances represent quarterly average data.

# CRE Office Portfolio Analysis

Exceptional credit quality on office loans throughout the Midwest



- Office loans focused in our bank markets and concentrated in Wisconsin
- Exceptional asset quality with no non-performing office loans in the portfolio
- 89% of all office loans have recourse
- Office loans consist of 69% Class A space
- Office represents 9% of total loans as of 12/31/24
- Majority of office loan maturity terms are 2031 and beyond
- All office loans with 2031+ maturities are conventional fixed rate or fixed to the client via an interest rate swap

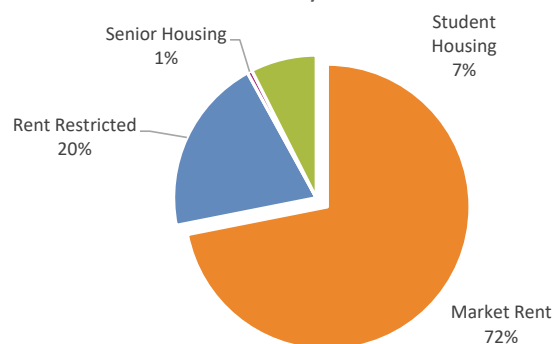
Note: The office specific loan data presented in charts on this slide represents office loans greater than \$3 million, which represents 76% of total office loans.

1. Source: Q4 2024 CoStar market reports.
2. For more detailed definitions on credit quality categories see the Bank's 10-K filed with the SEC on February 21, 2024.

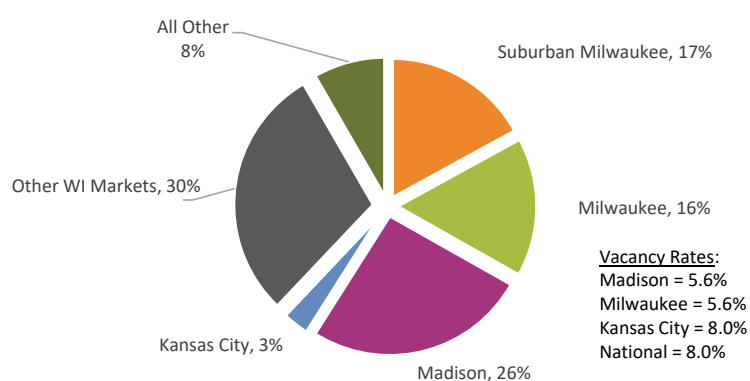
# Multi-Family Portfolio Analysis

Exceptional credit quality on Multi-Family loans throughout the Midwest

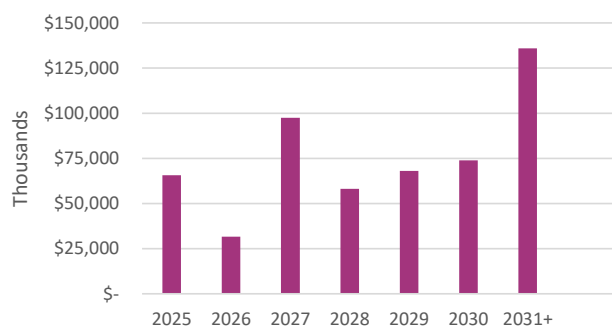
Multi-Family Breakdown



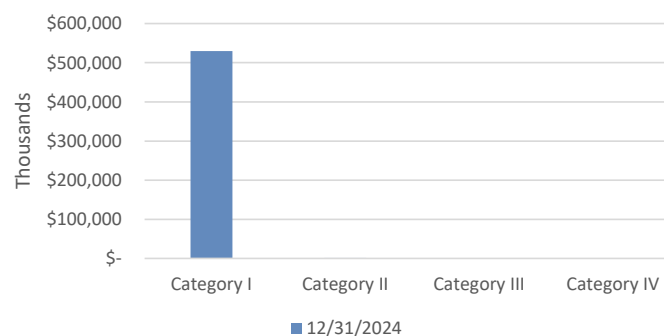
Midwest Locations



Maturing Over Time



Exceptional Credit Quality (2)



- Loans focused in our bank markets and concentrated in Wisconsin
- Exceptional asset quality with no non-performing loans in the portfolio
- Represents 17% of total loans
- 90% of all multi-family loans have recourse
- All multi-family loans with 2031+ maturities are conventional fixed rate or fixed to the client via an interest rate swap

1. Source: Q4 2024 CoStar market reports.  
 2. For more detailed definitions on credit quality categories see the Bank's 10-K filed with the SEC on February 21, 2024.

# C&I Lending

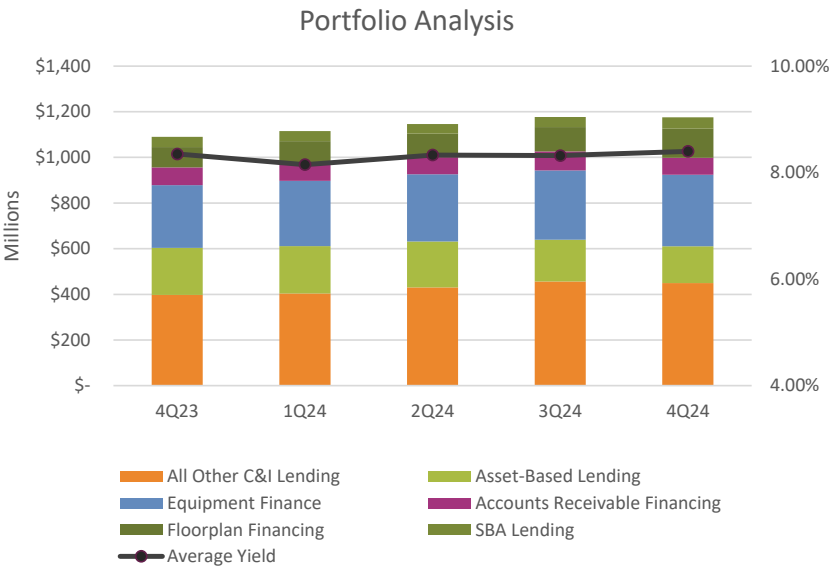
Diversified commercial product offerings target companies nationwide

## Product Profile

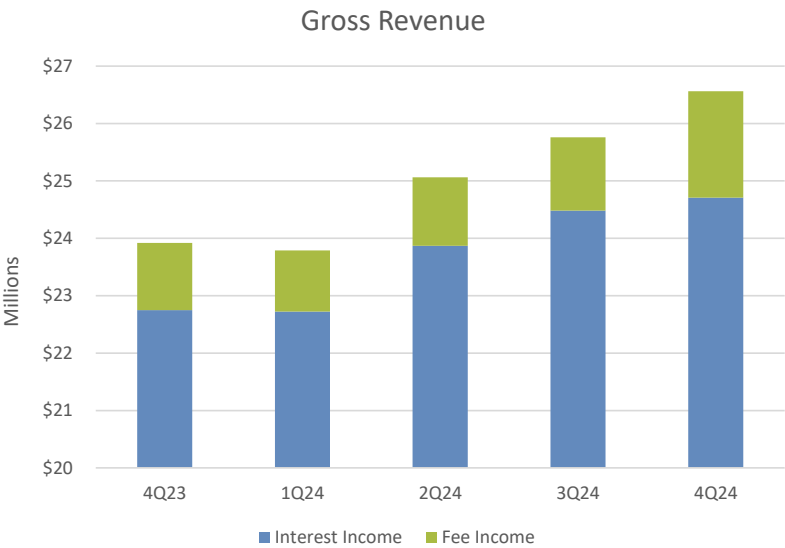
- Target small and medium companies in a variety of industries
- Financings range from \$250,000 to \$10 million

## Technology Initiatives

- Deploying client portal that enables easy and secure communications and document exchanges



Note: Loan balances represent quarterly average data.



# Treasury Management

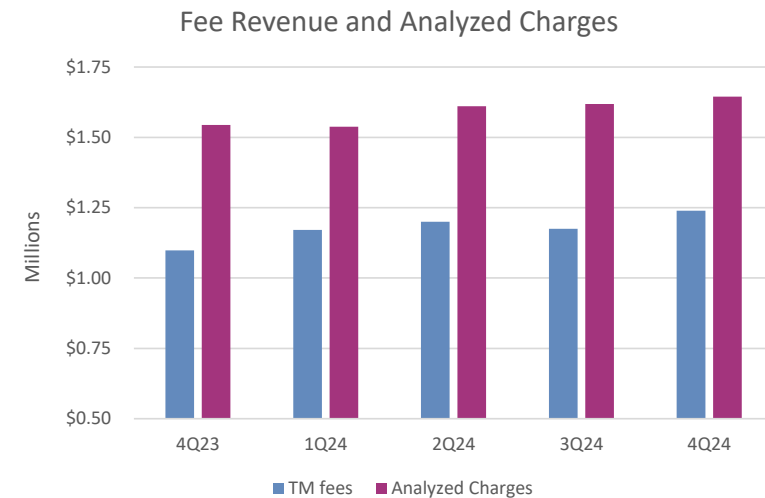
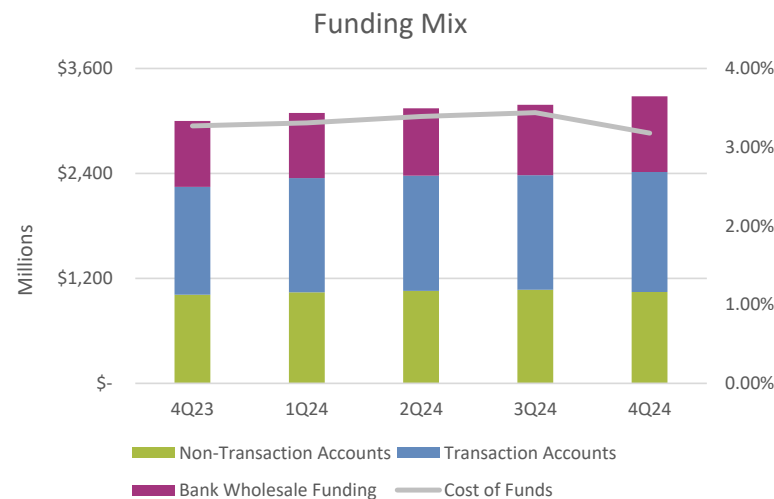
Superior Talent with Business Expertise Building Relationships in Midwest Geographic Footprint

## Product Profile

- Target small to medium-sized companies in our Wisconsin, Kansas, and Missouri markets
- Comprehensive services for commercial clients to manage their cash and liquidity, including lockbox, accounts receivable collection services, electronic payment solutions, fraud protection, information reporting, reconciliation, and data integration solutions

## Technology Initiative

- Implemented a solution that auto-archives treasury management documentation which has immediately generated labor savings



Note: Funding mix represents quarterly average balance data. Transaction Accounts include interest-bearing DDA, non-interest-bearing DDA and NOW accounts. Bank Wholesale Funding includes brokered deposits, deposits gathered through internet listing services and FHLB advances. Non-Transaction Accounts includes core CDs and money market accounts. "Cost of Funds" is a non-GAAP measure. See appendix for non-GAAP reconciliation schedules.

# Private Wealth Management

## Wealth Management Services for Businesses, Executives, and High Net Worth Individuals

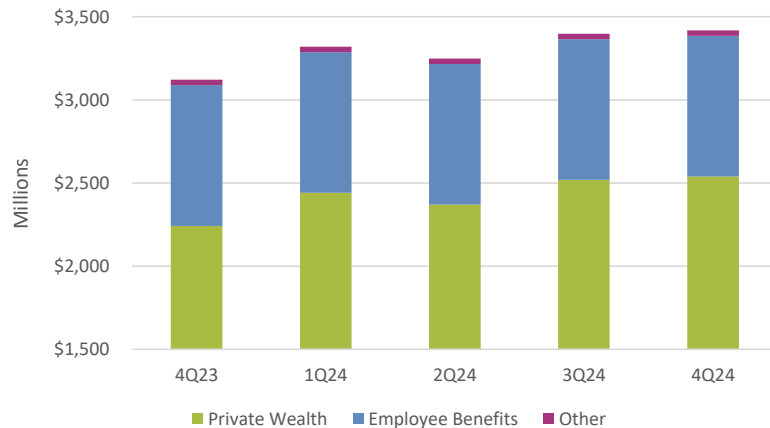
### Product Profile

- Fiduciary and investment manager for individual and corporate clients, creating and executing asset allocation strategies tailored to each client's unique situation
- Holds full fiduciary powers and offers trust, estate, financial planning, and investment services, acting in a trustee or agent capacity as well as Employee Benefit/Retirement Plan services
- Also includes brokerage and custody-only services, for which we administer and safeguard assets but do not provide investment advice

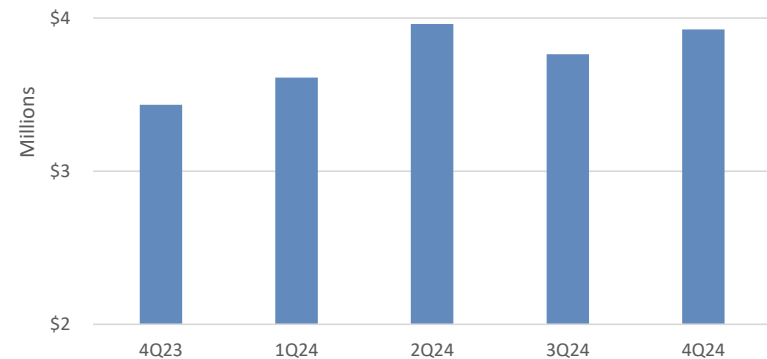
### Technology Initiative

- Implementing client portal for new client onboarding

Assets Under Management & Administration



Fee Revenue



Note: Total Assets Under Management & Administration represent period-end balances.



# Adjusted Net Interest Margin

## Non-GAAP Reconciliation

“Adjusted Net Interest Margin” is a non-GAAP measure representing net interest income excluding the fees in lieu of interest and other recurring, but volatile, components of net interest margin divided by average interest-earning assets excluding other recurring, but volatile, components of average interest-earning assets. Fees in lieu of interest are defined as prepayment fees, asset-based loan fees, non-accrual interest, and loan fee amortization. In the judgment of the Company’s management, the adjustments made to net interest income allow investors and analysts to better assess the Company’s net interest income in relation to its core client-facing loan and deposit rate changes by removing the volatility that is associated with these recurring but volatile components. The information provided below reconciles the net interest margin to its most comparable GAAP measure.

|                                                   | For the Three Months Ended |                |               |                    |                   |
|---------------------------------------------------|----------------------------|----------------|---------------|--------------------|-------------------|
| (Dollars in Thousands)                            | December 31, 2023          | March 31, 2024 | June 30, 2024 | September 30, 2024 | December 31, 2024 |
| Interest income                                   | \$54,762                   | \$55,783       | \$57,910      | \$59,327           | \$60,110          |
| Interest expense                                  | 25,222                     | 26,272         | 27,370        | 28,320             | 26,962            |
| Net interest income                               | 29,540                     | 29,511         | 30,540        | 31,007             | 33,148            |
| Less fees in lieu of interest                     | 1,121                      | 849            | 1,306         | 1,002              | 2,359             |
| Less FRB interest income and FHLB dividend income | 1,466                      | 1,436          | 959           | 841                | 1,062             |
| Adjusted net interest income                      | \$26,953                   | \$27,226       | \$28,275      | \$29,164           | \$29,727          |
| Average interest-earning assets                   | \$3,199,485                | \$3,294,717    | \$3,347,027   | \$3,405,534        | \$3,516,390       |
| Less Average FRB cash and FHLB stock              | 99,118                     | 97,036         | 61,082        | 52,603             | 76,576            |
| Less Average non-accrual loans and leases         | 18,602                     | 20,540         | 19,807        | 18,954             | 19,077            |
| Adjusted average interest-earning assets          | \$3,081,765                | \$3,177,141    | \$3,266,138   | \$3,333,977        | \$3,420,737       |
| Net interest margin                               | 3.69%                      | 3.58%          | 3.65%         | 3.64%              | 3.77%             |
| Adjusted net interest margin                      | 3.50%                      | 3.43%          | 3.46%         | 3.50%              | 3.48%             |

# Adjusted Net Interest Income

## Non-GAAP Reconciliation

"Adjusted Net Interest Income" is defined as net interest income less fees in lieu of interest and other recurring, but volatile components of net interest income. "Fees in Lieu of Interest" is defined as prepayment fees, asset-based loan fees, non-accrual interest, and loan fee amortization. We believe that this measure is important to many investors in the marketplace who are interested in the trends in our net interest margin. In compliance with applicable rules of the SEC, this non-GAAP measure is reconciled to net interest income, which is the most directly comparable GAAP financial measure.

|                                         | For the Year Ended |                   |                   |                   |                   |                   |
|-----------------------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| (Dollars in Thousands)                  | December 31, 2019  | December 31, 2020 | December 31, 2021 | December 31, 2022 | December 31, 2023 | December 31, 2024 |
| Net Interest income                     | \$69,855           | \$77,071          | \$84,662          | \$98,422          | \$112,588         | \$124,206         |
| Less fees in lieu of interest           | 6,479              | 9,300             | 11,160            | 5,283             | 3,452             | 5,516             |
| Less FRB and FHLB income                | 934                | 789               | 741               | 1,525             | 4,055             | 4,298             |
| Adjusted net interest income (non-GAAP) | \$62,371           | \$66,850          | \$72,665          | \$91,440          | \$105,081         | \$114,392         |

# Net Operating Income

## Non-GAAP Reconciliation

"Net Operating Income" is a non-GAAP financial measure. We believe net operating income allows investors to better assess the Company's operating expenses in relation to its top line revenue by removing the volatility that is associated with certain one-time and other discrete items. In compliance with applicable rules of the SEC, this non-GAAP measure is reconciled to net income, which is the most directly comparable GAAP financial measure.

|                                                                | For the Year Ended |                   |                   |                   |                   |                   |
|----------------------------------------------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| (Dollars in Thousands)                                         | December 31, 2019  | December 31, 2020 | December 31, 2021 | December 31, 2022 | December 31, 2023 | December 31, 2024 |
| Net income                                                     | \$23,324           | \$16,978          | \$35,755          | \$40,858          | \$37,027          | \$44,245          |
| Less income tax expense                                        | (1,175)            | (1,327)           | (11,275)          | (11,386)          | (10,112)          | (6,905)           |
| Less provision for credit losses                               | (2,085)            | (16,808)          | 5,803             | 3,868             | (8,182)           | (8,827)           |
| Income before taxes and provision for credit losses (non-GAAP) | 26,584             | 35,113            | 41,227            | 48,376            | 55,321            | 59,977            |
| Less non-operating income                                      |                    |                   |                   |                   |                   |                   |
| Net gain on sale of state tax credits                          | -                  | 275               | -                 | -                 | -                 | -                 |
| BOLI death benefit                                             | -                  | -                 | -                 | 809               | -                 | -                 |
| Net (loss) gain on sale of securities                          | (46)               | (4)               | 29                | -                 | (45)              | (8)               |
| Total non-operating income (non-GAAP)                          | (46)               | 271               | 29                | 809               | (45)              | (8)               |
| Less non-operating expense                                     |                    |                   |                   |                   |                   |                   |
| Net loss on repossessed assets                                 | 224                | 383               | 15                | 49                | 12                | 168               |
| Amortization of other intangible assets                        | 40                 | 35                | 25                | -                 | -                 | -                 |
| Contribution to First Business Charitable Foundation           | -                  | -                 | -                 | 809               | -                 | -                 |
| SBA recourse (benefit) provision                               | 188                | (278)             | (76)              | (188)             | 775               | (104)             |
| Tax credit investment impairment (recovery)                    | 4,094              | 2,395             | -                 | 351               | -                 | 400               |
| Loss on early extinguishment of debt                           | -                  | 744               | -                 | -                 | -                 | -                 |
| Total non-operating expense (non-GAAP)                         | 4,546              | 3,279             | (36)              | 319               | 787               | 464               |
| Add net tax credit benefit (non-GAAP)                          | 1,352              | 969               | -                 | 338               | 1,206             | 1,630             |
| Net operating income                                           | \$32,528           | \$39,090          | \$41,162          | \$48,224          | \$57,359          | \$62,078          |

# Cost of Funds

## Non-GAAP Reconciliation

“Cost of Funds” is defined as total interest expense on deposits and FHLB advances, divided by the sum of total average deposits and average FHLB advances. We believe that this measure is important to many investors in the marketplace who are interested in the trends in our bank funding costs. The information provided below reconciles the cost of funds to its most comparable GAAP measure.

|                                                        | For the Three Months Ended |                |               |                    |                   |
|--------------------------------------------------------|----------------------------|----------------|---------------|--------------------|-------------------|
| (Dollars in Thousands)                                 | December 31, 2023          | March 31, 2024 | June 30, 2024 | September 30, 2024 | December 31, 2024 |
| Interest expense on total interest-bearing deposits    | \$22,644                   | \$23,837       | \$24,676      | \$25,290           | \$24,120          |
| Interest expense on FHLB advances                      | 1,851                      | 1,717          | 1,974         | 2,059              | 1,969             |
| Total interest expense on deposits and FHLB advances   | \$24,495                   | \$25,554       | \$26,650      | \$27,349           | \$26,089          |
| Average interest-bearing deposits                      | \$2,249,701                | \$2,360,573    | \$2,414,282   | \$2,466,313        | \$2,566,814       |
| Average non-interest-bearing deposits                  | 448,818                    | 443,416        | 436,968       | 440,161            | 444,683           |
| Average FHLB advances                                  | 301,773                    | 287,307        | 294,043       | 278,103            | 270,476           |
| Total average deposits and total average FHLB advances | \$3,000,292                | \$3,091,296    | \$3,145,293   | \$3,184,577        | \$3,281,969       |
| Cost of funds                                          | 3.27%                      | 3.31%          | 3.39%         | 3.44%              | 3.18%             |



**FirstBusiness.Bank**