UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☑ **Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2026

OR

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Commission file number 001-34095

FIRST BUSINESS FINANCIAL SERVICES, INC.

(Exact name of registrant as specified in its charter)

Wisconsin	**39-1576570**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
401 Charmany Drive	**53719**
Madison **Wisconsin**	
(Address of Principal Executive Offices)	(Zip Code)

(608) 238-8008

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	FBIZ	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

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

Large accelerated filer ☐ Accelerated filer ☑ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

The number of shares outstanding of the registrant's sole class of common stock, par value $0.01 per share, on July 27, 2026 was 8,368,320 shares.

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PART I. Financial Information

Item 1. Financial Statements

First Business Financial Services, Inc.
Consolidated Balance Sheets (Unaudited)

	June 30, 2026	December 31, 2025
	(Unaudited)	
	(In Thousands, Except Share Data)	
Assets		
Cash and due from banks	$ 32,064	$ 30,771
Short-term investments	131,294	8,714
Cash and cash equivalents	163,358	39,485
Securities available-for-sale, at fair value	409,692	422,087
Securities held-to-maturity, at amortized cost	4,674	5,210
Loans held for sale	—	18,849
Loans and leases receivable, net of allowance for credit losses of $37,393 and $35,877, respectively	3,548,222	3,337,364
Premises and equipment, net	4,328	4,669
Right-of-use assets, net	4,787	5,317
Bank-owned life insurance	85,533	83,994
Federal Home Loan Bank stock, at cost	13,173	8,940
Goodwill and other intangible assets	11,933	11,985
Derivatives	45,827	36,515
Accrued interest receivable and other assets	118,477	107,472
Total assets	$ 4,410,004	$ 4,081,887
Liabilities and Stockholders' Equity		
Deposits	$ 3,592,165	$ 3,380,415
Federal Home Loan Bank advances and other borrowings	346,794	252,051
Lease liabilities	6,698	7,361
Derivatives	39,733	36,926
Accrued interest payable and other liabilities	29,307	33,549
Total liabilities	4,014,697	3,710,302
Stockholders' equity:		
Preferred stock, $0.01 par value, 2,500,000 shares authorized, 12,500 shares of 7% non-cumulative perpetual preferred stock, Series A, outstanding at June 30, 2026 and December 31, 2025	11,992	11,992
Common stock, $0.01 par value, 25,000,000 shares authorized, 9,565,153 and 9,493,274 shares issued, 8,368,320 and 8,325,376 shares outstanding at June 30, 2026 and December 31, 2025, respectively	97	96
Additional paid-in capital	98,111	96,487
Retained earnings	327,028	305,536
Accumulated other comprehensive loss	(7,446)	(9,740)
Treasury stock, 1,196,833 and 1,167,898 shares at June 30, 2026 and December 31, 2025, respectively, at cost	(34,475)	(32,786)
Total stockholders' equity	395,307	371,585
Total liabilities and stockholders' equity	$ 4,410,004	$ 4,081,887

See accompanying Notes to Unaudited Consolidated Financial Statements.

First Business Financial Services, Inc.
Consolidated Statements of Income (Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
	(In Thousands, Except Per Share Data)			
Interest income				
Loans and leases	$ 60,010	$ 56,621	$ 116,317	$ 111,895
Securities	4,220	3,783	8,465	7,187
Short-term investments	791	878	2,134	1,730
Total interest income	65,021	61,282	126,916	120,812
Interest expense				
Deposits	23,105	24,257	47,033	47,273
Federal Home Loan Bank advances and other borrowings	3,774	3,241	6,224	6,497
Total interest expense	26,879	27,498	53,257	53,770
Net interest income	38,142	33,784	73,659	67,042
Provision for credit losses	2,066	2,701	5,027	5,360
Net interest income after provision for credit losses	36,076	31,083	68,632	61,682
Non-interest income				
Private wealth management service fees	4,257	3,748	8,134	7,240
Gain on sale of Small Business Administration loans	—	397	592	1,360
Service charges on deposits	1,336	1,103	2,653	2,152
Loan fees	528	424	964	812
Bank-owned life insurance policy income	757	615	1,514	1,051
Swap fees	162	170	790	283
Other non-interest income	1,529	798	2,698	1,936
Total non-interest income	8,569	7,255	17,345	14,834
Non-interest expense				
Compensation	18,462	16,534	37,003	33,281
Occupancy	638	564	1,226	1,155
Professional fees	1,493	1,487	2,938	2,946
Data processing	1,482	1,368	2,752	2,450
Marketing	840	1,062	1,551	2,030
Equipment	351	335	758	711
Computer software	1,958	1,656	3,879	3,259
FDIC insurance	819	834	1,729	1,614
Other non-interest expense	1,806	1,128	2,966	2,241
Total non-interest expense	27,849	24,968	54,802	49,687
Income before income tax expense	16,796	13,370	31,175	26,829
Income tax expense	1,216	1,948	3,395	4,236
Net income	15,580	11,422	27,780	22,593
Preferred stock dividend	219	219	438	438
Net income available to common shareholders	$ 15,361	$ 11,203	$ 27,342	$ 22,155
Earnings per common share				
Basic	$ 1.84	$ 1.35	$ 3.28	$ 2.66
Diluted	1.84	1.35	3.28	2.66
Dividends declared per share	0.34	0.29	0.68	0.58

See accompanying Notes to Unaudited Consolidated Financial Statements.

First Business Financial Services, Inc.
Consolidated Statements of Comprehensive Income (Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
	(In Thousands)			
Net income	$ 15,580	$ 11,422	$ 27,780	$ 22,593
Other comprehensive income (loss)				
Securities available-for-sale:				
Unrealized securities (losses) gains arising during the period	(855)	2,534	(4,036)	7,219
Securities held-to-maturity:				
Amortization of net unrealized losses transferred from available-for-sale	—	1	—	1
Interest rate swaps:				
Unrealized gains (losses) on interest rate swaps arising during the period	3,754	(3,206)	6,505	(9,108)
Income tax (expense) benefit	(149)	238	(175)	509
Total other comprehensive income (loss)	2,750	(433)	2,294	(1,379)
Comprehensive income	$ 18,330	$ 10,989	$ 30,074	$ 21,214

See accompanying Notes to Unaudited Consolidated Financial Statements.

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First Business Financial Services, Inc.
Consolidated Statements of Changes in Stockholders' Equity (Unaudited)

	Common Shares Outstanding	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
				(In Thousands, Except Share Data)				
Balance at December 31, 2024	8,293,928	$ 11,992	$ 95	$ 93,545	$ 265,778	$ (11,425)	$ (31,396)	$ 328,589
Net income	—	—	—	—	11,171	—	—	11,171
Other comprehensive loss	—	—	—	—	—	(946)	—	(946)
Share-based compensation - restricted shares and employee stock purchase plan	21,914	—	1	650	—	—	—	651
Issuance of common stock under the employee stock purchase plan	841	—	—	36	—	—	—	36
Preferred stock dividends	—	—	—	—	(219)	—	—	(219)
Cash dividends ($0.29 per share)	—	—	—	—	(2,442)	—	—	(2,442)
Treasury stock purchased	(14,716)	—	—	—	—	—	(777)	(777)
Balance at March 31, 2025	8,301,967	$ 11,992	$ 96	$ 94,231	$ 274,288	$ (12,371)	$ (32,173)	$ 336,063
Net income	—	—	—	—	11,422	—	—	11,422
Other comprehensive loss	—	—	—	—	—	(433)	—	(433)
Share-based compensation - restricted shares and employee stock purchase plan	33,654	—	—	926	—	—	—	926
Issuance of common stock under the employee stock purchase plan	791	—	—	36	—	—	—	36
Preferred stock dividends	—	—	—	—	(219)	—	—	(219)
Cash dividends ($0.29 per share)	—	—	—	—	(2,414)	—	—	(2,414)
Treasury stock purchased	(12,942)	—	—	—	—	—	(586)	(586)
Balance at June 30, 2025	8,323,470	$ 11,992	$ 96	$ 95,193	$ 283,077	$ (12,804)	$ (32,759)	$ 344,795

	Common Shares Outstanding	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
				(In Thousands, Except Share Data)				
Balance at December 31, 2025	8,325,376	$ 11,992	$ 96	$ 96,487	$ 305,536	$ (9,740)	$ (32,786)	$ 371,585
Net income	—	—	—	—	12,200	—	—	12,200
Other comprehensive loss	—	—	—	—	—	(456)	—	(456)
Share-based compensation - restricted shares and employee stock purchase plan	31,357	—	—	647	—	—	—	647
Issuance of common stock under the employee stock purchase plan	692	—	—	33	—	—	—	33
Preferred stock dividends	—	—	—	—	(219)	—	—	(219)
Cash dividends ($0.34 per share)	—	—	—	—	(2,899)	—	—	(2,899)
Treasury stock purchased	(13,906)	—	—	—	—	—	(811)	(811)
Balance at March 31, 2026	8,343,519	$ 11,992	$ 96	$ 97,167	$ 314,618	$ (10,196)	$ (33,597)	$ 380,080
Net income	—	—	—	—	15,580	—	—	15,580
Other comprehensive income	—	—	—	—	—	2,750	—	2,750
Share-based compensation - restricted shares and employee stock purchase plan	39,253	—	1	911	—	—	—	912
Issuance of common stock under the employee stock purchase plan	577	—	—	33	—	—	—	33
Preferred stock dividends	—	—	—	—	(219)	—	—	(219)
Cash dividends ($0.34 per share)	—	—	—	—	(2,951)	—	—	(2,951)
Treasury stock purchased	(15,029)	—	—	—	—	—	(878)	(878)
Balance at June 30, 2026	8,368,320	$ 11,992	$ 97	$ 98,111	$ 327,028	$ (7,446)	$ (34,475)	$ 395,307

See accompanying Notes to Unaudited Consolidated Financial Statements.

First Business Financial Services, Inc.
Consolidated Statements of Cash Flows (Unaudited)

	For the Six Months Ended June 30, 2026	2025
	(In Thousands)	
Operating activities		
Net income	$ 27,780	$ 22,593
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred income taxes, net	(553)	735
Provision for credit losses	5,027	5,360
Depreciation, amortization and accretion, net	1,897	1,821
Share-based compensation	1,559	1,577
Net loss on sale of tax credit investments	545	60
Amortization of tax credit investments	3,782	3,057
Bank-owned life insurance policy income	(1,514)	(1,051)
Origination of loans for sale	(76,589)	(88,044)
Sale of loans originated for sale	96,030	90,487
Gain on sale of loans originated for sale	(592)	(1,360)
Net gain on repossessed assets	—	(4)
Return on investment in limited partnerships	295	834
Excess tax benefit from share-based compensation	366	229
Net payments on operating lease liabilities	(805)	(784)
Net (decrease) increase in accrued interest receivable and other assets	(11,019)	14,494
Net decrease (increase) in accrued interest payable and other liabilities	636	(22,858)
Net cash provided by operating activities	46,845	27,146
Investing activities		
Proceeds from maturities, redemptions, and paydowns of available-for-sale securities	39,875	26,885
Proceeds from maturities, redemptions, and paydowns of held-to-maturity securities	533	1,022
Purchases of available-for-sale securities	(31,249)	(60,690)
Proceeds from sale of repossessed assets	—	24
Net increase in loans and leases	(215,575)	(142,215)
Investments in limited partnerships	(1,548)	(1,472)
Returns of investments in limited partnerships	8	712
Investment in tax credit investments	(9,292)	(12,673)
Distributions from tax credit investments	140	26
Proceeds from sale of tax credit investments	69	2,483
Investment in Federal Home Loan Bank stock	(17,123)	(19,910)
Proceeds from the sale of Federal Home Loan Bank stock	12,890	21,499
Purchases of leasehold improvements and equipment, net	(299)	(410)
Proceeds from sale of leasehold improvements and equipment	42	—
Purchases of bank owned life insurance policies	(25)	(24,500)
Net cash used in investing activities	(221,554)	(209,219)
Financing activities		
Net increase in deposits	211,750	198,082
Repayment of Federal Home Loan Bank advances	(576,328)	(966,377)
Proceeds from Federal Home Loan Bank advances	671,011	922,412
Net increase in long-term borrowed funds	60	47
Cash dividends paid	(5,850)	(4,856)
Preferred stock dividends paid	(438)	(438)
Proceeds from issuance of common stock under ESPP	66	72
Purchase of treasury stock	(1,689)	(1,363)
Net cash provided by financing activities	298,582	147,579
Net increase (decrease) in cash and cash equivalents	123,873	(34,494)
Cash and cash equivalents at the beginning of the period	39,485	157,702
Cash and cash equivalents at the end of the period	$ 163,358	$ 123,208
Supplementary cash flow information		
Cash paid during the period for:		
Interest paid on deposits and borrowings	$ 53,676	$ 53,908
Net income taxes paid	3,551	381

See accompanying Notes to Unaudited Consolidated Financial Statements

Notes to Unaudited Consolidated Financial Statements

Note 1 — Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The accounting and reporting practices of First Business Financial Services, Inc. (“FBFS” or the “Corporation”), through our wholly-owned subsidiary, First Business Bank (“FBB” or the “Bank”), have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). FBB operates as a commercial banking institution primarily in Wisconsin and the greater Kansas City metropolitan area. The Bank provides a full range of financial services to businesses, business owners, executives, professionals, and high net worth individuals. FBB also offers bank consulting services to community financial institutions. The Bank is subject to competition from other financial institutions and service providers and is also subject to state and federal regulations.

Basis of Presentation

The accompanying unaudited Consolidated Financial Statements were prepared in accordance with GAAP and the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements and should be read in conjunction with the Corporation’s Consolidated Financial Statements and footnotes thereto included in the Corporation’s Annual Report on Form 10-K for the year ended December 31, 2025. The unaudited Consolidated Financial Statements include the accounts of the Corporation and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Management of the Corporation is required to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates. Material estimates that could significantly change in the near-term include the value of securities and interest rate swaps, level of the allowance for credit losses, lease residuals, property under operating leases, goodwill, and income taxes. The results of operations for the three and six months ended June 30, 2026 are not necessarily indicative of results that may be expected for any other interim period or the entire fiscal year ending December 31, 2026. Certain amounts in prior periods may have been reclassified to conform to the current presentation. Subsequent events have been evaluated through the date of the issuance of the unaudited Consolidated Financial Statements. No significant subsequent events have occurred through this date requiring adjustment to the financial statements or disclosures.

The Corporation has not changed its significant accounting and reporting policies from those disclosed in the Corporation’s Form 10-K for the year ended December 31, 2025.

Recent Accounting Pronouncements

In November 2024, the FASB issued ASU No. 2024-03, “Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40).” This update improves the transparency and usefulness of financial statements by requiring companies to break down certain expense line items. This update is effective for fiscal years beginning after December 15, 2026. The Corporation will implement this standard when it becomes effective. The adoption of the standard only requires additional disclosures and therefore will not affect net income, stockholders' equity or cash flows.

In September 2025, the FASB issued ASU No. 2025-06, “Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software.” This update modernizes the accounting for internal-use software. This update is effective for fiscal years beginning after December 15, 2027. The Corporation is assessing the impact of this standard.

In November 2025, the FASB issued ASU No. 2025-09, "Derivatives and Hedging (Subtopic 815): Hedge Accounting Improvements." This update clarifies and improves hedge accounting requirements. This update is effective for fiscal years beginning after December 15, 2026. The Corporation is assessing the impact of this standard.

Note 2 — Earnings per Common Share

Earnings per common share are computed using the two-class method. Basic earnings per common share are computed by dividing net income allocated to common shares by the weighted-average number of shares outstanding during the applicable period, excluding outstanding participating securities. Participating securities include unvested restricted shares. Unvested restricted shares are considered participating securities because holders of these securities receive non-forfeitable dividends, or dividend equivalents, at the same rate as holders of the Corporation's common stock. Diluted earnings per share are computed by dividing net income allocated to common shares adjusted for reallocation of undistributed earnings of unvested restricted shares by the weighted average number of shares determined for the basic earnings per common share computation plus the dilutive effect of common stock equivalents using the treasury stock method.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
	(Dollars in Thousands, Except Share Data)			
Basic earnings per common share				
Net income	$ 15,580	$ 11,422	$ 27,780	$ 22,593
Less: preferred stock dividends	219	219	438	438
Less: earnings allocated to participating securities	233	207	462	443
Basic earnings allocated to common shareholders	$ 15,128	$ 10,996	$ 26,880	$ 21,712
Weighted-average common shares outstanding, excluding participating securities	8,208,002	8,141,159	8,201,585	8,149,600
Basic earnings per common share	$ 1.84	$ 1.35	$ 3.28	$ 2.66
Diluted earnings per common share				
Earnings allocated to common shareholders, diluted	$ 15,128	$ 10,996	$ 26,880	$ 21,712
Weighted-average diluted common shares outstanding, excluding participating securities	8,208,002	8,141,159	8,201,585	8,149,600
Diluted earnings per common share	$ 1.84	$ 1.35	$ 3.28	$ 2.66

Note 3 — Share-Based Compensation

The Corporation adopted the 2026 Equity Incentive Plan (the "Plan") during the quarter ended June 30, 2026. The Plan is administered by the Compensation Committee of the Board of Directors (the "Board") of the Corporation and provides for the grant of equity ownership opportunities through incentive stock options and nonqualified stock options, restricted stock, restricted stock units, dividend equivalent units, and any other type of award permitted by the Plan. As of June 30, 2026, 295,507 shares were available for future grants under the Plan, as amended. Shares covered by awards that are canceled, forfeited or expire will again be available for the grant of awards under the Plan.

Restricted Stock

Under the Plan, the Corporation may grant restricted stock awards ("RSA"), restricted stock units ("RSU"), and other stock-based awards to plan participants, subject to forfeiture upon the occurrence of certain events until the dates specified in the participant's award agreement. While restricted stock is subject to forfeiture, RSA participants may exercise full voting rights and will receive all dividends and other distributions paid with respect to the restricted shares. RSUs do not have voting rights. RSUs granted prior to 2023 are provided dividend equivalents concurrent with dividends paid to shareholders while RSUs granted in 2023 and after will accrue dividend equivalents payable upon vesting. The restricted stock granted under the Plan is typically subject to a vesting period. Compensation expense for restricted stock is recognized over the requisite service period of generally three to five years for the entire award on a straight-line basis. Upon vesting of restricted stock, the benefit of tax deductions in excess of recognized compensation expense is reflected as an income tax benefit in the unaudited Consolidated Statements of Income.

The Corporation may also issue performance-based restricted stock units ("PRSU"). Vesting of the PRSU will be measured on the relative Total Shareholder Return ("TSR") and relative Return on Average Tangible Common Equity ("ROATCE"), and will cliff-vest after a three-year measurement period based on the Corporation's TSR performance and ROATCE performance compared to a broad peer group of over 100 banks. At the end of the performance period, the number of actual shares to be awarded varies between 0% and 200% of target amounts. The restricted stock awards and units issued to executive officers will vest ratably over a three-year period.

Compensation expense is recognized for PRSU over the requisite service and performance period of generally three years for the entire expected award on a straight-line basis. The compensation expense for the awards expected to vest for the percentage of performance-based restricted stock units subject to the ROATCE metric will be adjusted if there is a change in the expectation of ROATCE. The compensation expense for the awards expected to vest for the percentage of PRSU subject to the TSR metric are never adjusted and are amortized utilizing the fair value provided using a Monte Carlo pricing model.

Restricted stock activity for the year ended December 31, 2025 and the six months ended June 30, 2026 was as follows:

	RSA	Weighted Average Grant Price	PRSU	Weighted Average Grant Price	RSU	Weighted Average Grant Price	Total	Weighted Average Grant Price
Nonvested balance as of December 31, 2024	28,896	$30.09	49,630	$42.24	80,161	$36.04	158,687	$36.77
Granted (1)	—	—	12,195	63.61	45,789	51.39	57,984	53.92
Vested	(20,280)	28.74	(15,825)	42.70	(32,376)	37.56	(68,481)	37.21
Forfeited	(976)	33.60	—	—	(2,468)	41.48	(3,444)	40.79
Nonvested balance as of December 31, 2025	7,640	33.76	46,000	47.31	91,106	43.03	144,746	43.87
Granted (1)	—	—	9,575	63.60	46,729	56.75	56,304	57.91
Vested	(7,362)	33.59	(16,780)	40.26	(37,660)	42.48	(61,802)	40.70
Forfeited	—	—	—	—	(8,236)	46.47	(8,236)	46.47
Nonvested balance as of June 30, 2026	278	$38.24	38,795	$54.38	91,939	$50.00	131,012	$51.27
Unrecognized compensation cost (in thousands)	$3		$1,134		$3,944		$5,081	
Weighted average remaining recognition period (in years)	0.32		1.97		2.30		2.28	

(1) The number of restricted shares/units shown includes the shares that would be granted if the target level of performance is achieved related to the PRSU. The number of shares actually issued may vary.

Employee Stock Purchase Plan

The Corporation is authorized to issue up to 250,000 shares of common stock under the employee stock purchase plan ("ESPP"). The plan qualifies as an employee stock purchase plan under section 423 of the Internal Revenue Code of 1986. Under the ESPP, eligible employees may enroll in a three month offer period that begins January, April, July, and October of each year. Employees may elect to purchase a limited number of shares of the Corporation's common stock at 90% of the fair market value on the last day of the offering period. The ESPP is treated as a compensatory item for purposes of share-based compensation expense.

The Corporation issued 1,269 and 1,632 shares of common stock under the ESPP during the six months ended June 30, 2026 and 2025, respectively. As of June 30, 2026 and 2025, 222,998 and 225,174, respectively, shares remained available for issuance under the ESPP.

Share-based compensation expense related to restricted stock and ESPP included in the unaudited Consolidated Statements of Income was as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
	(In Thousands)			
Share-based compensation expense	$ 912	$ 926	$ 1,559	$ 1,577

Note 4 — Securities

The amortized cost and fair value of securities available-for-sale and the corresponding amounts of gross unrealized gains and losses recognized in accumulated other comprehensive income were as follows:

	As of June 30, 2026			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In Thousands)			
Available-for-sale:				
U.S. treasuries	$ 4,998	$ —	$ (34)	$ 4,964
U.S. government agency securities - government-sponsored enterprises	2,500	—	(191)	2,309
Municipal securities	46,156	255	(3,570)	42,841
Residential mortgage-backed securities - government issued	166,903	225	(2,711)	164,417
Residential mortgage-backed securities - government-sponsored enterprises	161,607	382	(7,966)	154,023
Commercial mortgage-backed securities - government issued	2,309	—	(315)	1,994
Commercial mortgage-backed securities - government-sponsored enterprises	41,875	32	(2,763)	39,144
	$ 426,348	$ 894	$ (17,550)	$ 409,692

	As of December 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In Thousands)			
Available-for-sale:				
U.S. treasuries	$ 4,995	$ —	$ (94)	$ 4,901
U.S. government agency securities - government-sponsored enterprises	2,500	—	(186)	2,314
Municipal securities	46,993	328	(3,429)	43,892
Residential mortgage-backed securities - government issued	166,933	1,279	(1,577)	166,635
Residential mortgage-backed securities - government-sponsored enterprises	168,544	929	(6,930)	162,543
Commercial mortgage-backed securities - government issued	2,416	—	(302)	2,114
Commercial mortgage-backed securities - government-sponsored enterprises	42,326	71	(2,709)	39,688
	$ 434,707	$ 2,607	$ (15,227)	$ 422,087

The amortized cost and fair value of securities held-to-maturity and the corresponding amounts of gross unrecognized gains and losses were as follows:

	As of June 30, 2026			
	Amortized Cost	Gross Unrecognized Gains	Gross Unrecognized Losses	Fair Value
	(In Thousands)			
Held-to-maturity:				
Municipal securities	$ 1,857	$ —	$ (2)	$ 1,855
Residential mortgage-backed securities - government issued	414	—	(25)	389
Residential mortgage-backed securities - government-sponsored enterprises	405	—	(19)	386
Commercial mortgage-backed securities - government-sponsored enterprises	1,998	—	(34)	1,964
	$ 4,674	$ —	$ (80)	$ 4,594

	As of December 31, 2025			
	Amortized Cost	Gross Unrecognized Gains	Gross Unrecognized Losses	Fair Value
	(In Thousands)			
Held-to-maturity:				
Municipal securities	$ 2,144	$ —	$ (3)	$ 2,141
Residential mortgage-backed securities - government issued	546	—	(26)	520
Residential mortgage-backed securities - government-sponsored enterprises	518	—	(18)	500
Commercial mortgage-backed securities - government-sponsored enterprises	2,002	—	(22)	1,980
	$ 5,210	$ —	$ (69)	$ 5,141

U.S. Treasuries contain treasury bonds issued by the United States Treasury. U.S. government agency securities - government-sponsored enterprises represent securities issued by Federal National Mortgage Association (“FNMA”) and the Small Business Administration ("SBA"). Municipal securities include securities issued by various municipalities and are primarily general obligation bonds that are primarily tax-exempt. Residential and commercial mortgage-backed securities - government issued represent securities guaranteed by the Government National Mortgage Association. Residential and commercial mortgage-backed securities - government-sponsored enterprises include securities guaranteed by the Federal Home Loan Mortgage Corporation, FNMA, and the Federal Home Loan Bank ("FHLB"). The Corporation sold no available-for-sale securities during the three and six months ended June 30, 2026 and 2025.

At June 30, 2026 and December 31, 2025, securities with a fair value of $35.9 million and $38.8 million, respectively, were pledged to secure various obligations, including interest rate swap contracts and municipal deposits.

The amortized cost and fair value of securities by contractual maturity at June 30, 2026 are shown below. Actual maturities may differ from contractual maturities because issuers have the right to call or prepay certain obligations with or without call or prepayment penalties.

	Available-for-Sale		Held-to-Maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(In Thousands)			
Due in one year or less	$ 7,795	$ 7,714	$ 460	$ 459
Due in one year through five years	11,587	10,984	1,397	1,396
Due in five through ten years	9,843	9,289	—	—
Due in over ten years	24,429	22,127	—	—
	53,654	50,114	1,857	1,855
Residential mortgage-backed securities	328,510	318,440	819	775
Commercial mortgage-backed securities	44,184	41,138	1,998	1,964
	$ 426,348	$ 409,692	$ 4,674	$ 4,594

The tables below show the Corporation’s gross unrealized losses and fair value of available-for-sale investments aggregated by investment category and length of time that individual investments were in a continuous loss position at June 30, 2026 and December 31, 2025. At June 30, 2026, the Corporation held 204 available-for-sale securities that were in an unrealized loss position, 147 of which have been in a continuous unrealized loss position for twelve months or greater.

The Corporation has not specifically identified available-for-sale securities in a loss position that it intends to sell in the near term and does not believe that it will be required to sell any such securities. The Corporation reviews its securities on a quarterly basis to assess declines in fair value for credit losses. Consideration is given to such factors as the credit rating of the borrower, market conditions such as current interest rates, any adverse conditions specific to the security, and delinquency status on contractual payments. For the three and six months ended June 30, 2026 and 2025, management concluded that in all instances securities with fair value less than carrying value was due to market factors; thus, no credit loss provision was required.

A summary of unrealized loss information for securities available-for-sale, categorized by security type and length of time for which the security has been in a continuous unrealized loss position, follows:

	As of June 30, 2026					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(In Thousands)					
Available-for-sale:						
U.S. treasuries	$ —	$ —	$ 4,964	$ 34	$ 4,964	$ 34
U.S. government agency securities - government-sponsored enterprises	—	—	2,309	191	2,309	191
Municipal securities	—	—	33,689	3,570	33,689	3,570
Residential mortgage-backed securities - government issued	101,590	1,156	12,556	1,555	114,146	2,711
Residential mortgage-backed securities - government-sponsored enterprises	62,089	828	61,368	7,138	123,457	7,966
Commercial mortgage-backed securities - government issued	—	—	1,994	315	1,994	315
Commercial mortgage-backed securities - government-sponsored enterprises	10,979	133	27,164	2,630	38,143	2,763
	$ 174,658	$ 2,117	$ 144,044	$ 15,433	$ 318,702	$ 17,550

	As of December 31, 2025					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(In Thousands)					
Available-for-sale:						
U.S. treasuries	$ —	$ —	$ 4,901	$ 94	$ 4,901	$ 94
U.S. government agency securities - government-sponsored enterprises	—	—	2,314	186	2,314	186
Municipal securities	—	—	34,660	3,429	34,660	3,429
Residential mortgage-backed securities - government issued	25,970	85	17,454	1,492	43,424	1,577
Residential mortgage-backed securities - government-sponsored enterprises	14,002	73	72,481	6,857	86,483	6,930
Commercial mortgage-backed securities - government issued	—	—	2,114	302	2,114	302
Commercial mortgage-backed securities - government-sponsored enterprises	5,971	44	27,575	2,665	33,546	2,709
	$ 45,943	$ 202	$ 161,499	$ 15,025	$ 207,442	$ 15,227

The tables below show the Corporation's gross unrealized losses and fair value of held-to-maturity investments, aggregated by investment category and length of time that individual investments were in a continuous loss position at June 30, 2026 and December 31, 2025. At June 30, 2026, the Corporation held 18 held-to-maturity securities that were in an unrealized loss position, 15 of which have been in a continuous loss position for twelve months or greater. Management assesses held-to-maturity securities for credit losses on a quarterly basis. The assessment includes review of credit ratings, identification of delinquency and evaluation of market factors. Based on this analysis, management concludes the decline in fair value is due to market factors, specifically changes in interest rates. Accordingly, no credit loss provision was recorded in the unaudited Consolidated Statements of Income for the three and six months ended June 30, 2026 and 2025.

A summary of unrecognized loss information for securities held-to-maturity, categorized by security type and length of time for which the security has been in a continuous unrealized loss position, follows:

	As of June 30, 2026					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrecognized Losses	Fair Value	Unrecognized Losses	Fair Value	Unrecognized Losses
	(In Thousands)					
Held-to-maturity:						
Municipal securities	$1,355	$2	$—	$—	$1,355	$2
Residential mortgage-backed securities - government issued	—	—	389	25	389	25
Residential mortgage-backed securities - government-sponsored enterprises	—	—	385	19	385	19
Commercial mortgage-backed securities - government-sponsored enterprises	—	—	1,964	34	1,964	34
	$1,355	$2	$2,738	$78	$4,093	$80

	As of December 31, 2025					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrecognized Losses	Fair Value	Unrecognized Losses	Fair Value	Unrecognized Losses
	(In Thousands)					
Held-to-maturity:						
Municipal securities	$959	$1	$680	$2	$1,639	$3
Residential mortgage-backed securities - government issued	—	—	520	26	520	26
Residential mortgage-backed securities - government-sponsored enterprises	—	—	500	18	500	18
Commercial mortgage-backed securities - government-sponsored enterprises	—	—	1,980	22	1,980	22
	$959	$1	$3,680	$68	$4,639	$69

Note 5 — Loans, Lease Receivables, and Allowance for Credit Losses

Loan and lease receivables consist of the following:

	June 30, 2026	December 31, 2025
	(In Thousands)	
Commercial real estate:		
Commercial real estate — owner occupied	$ 345,984	$ 293,706
Commercial real estate — non-owner occupied	874,669	885,870
Construction and land development	227,782	248,560
Multi-family	654,405	571,468
1-4 family	58,981	60,661
Total commercial real estate	2,161,821	2,060,265
Commercial and industrial	1,380,476	1,273,997
Consumer and other	46,027	40,965
Total gross loans and leases receivable	3,588,324	3,375,227
Less:		
Allowance for credit losses	37,393	35,877
Deferred loan fees and costs, net	2,709	1,986
Loans and leases receivable, net	$ 3,548,222	$ 3,337,364

In June 2026, the Corporation transferred its loans held for sale portfolio of $23.7 million to loans held for investment at lower of cost or fair value. As a result, during the second quarter of 2026, the Corporation recognized no change in its loan loss reserves and no gain or loss.

Loans transferred to third parties consist of the guaranteed portions of SBA loans which the Corporation sold in the secondary market and participation interests in other, non-SBA originated loans.

June 30, 2026

(In Thousands)	Owner Occupied	Non-Owner Occupied	Construction and Land Development	Multi-Family	1-4 Family	Commercial and Industrial	Consumer and Other	Total
SBA								
Loans transferred to third parties	$ —	$ —	$ —	$ —	$ —	$ 7,111	$ —	$ 7,111
Outstanding balance of loans serviced	—	—	—	—	—	80,591	—	80,591
Ownership of transferred loans	—	—	—	—	—	23,835	—	23,835
Non-SBA								
Loans transferred to third parties	$ —	$ —	$ 18,373	$ 635	$ —	$ 46,689	$ —	$ 65,697
Outstanding balance of loans serviced	11,783	147,470	52,502	151,447	—	42,553	—	405,755
Ownership of transferred loans	6,733	194,316	76,805	137,650	—	42,321	—	457,825
Loan participations purchased	—	—	—	—	—	6,395	—	6,395

June 30, 2025

(In Thousands)	Owner Occupied	Non-Owner Occupied	Construction and Land Development	Multi-Family	1-4 Family	Commercial and Industrial	Consumer and Other	Total
SBA								
Loans transferred to third parties	$ —	$ —	$ —	$ —	$ —	$ 12,210	$ —	$ 12,210
Outstanding balance of loans serviced	—	—	—	—	—	82,296	—	82,296
Ownership of transferred loans	—	—	—	—	—	24,815	—	24,815
Non-SBA								
Loans transferred to third parties	$ —	$ 22,146	$ 41,469	$ 1,820	$ —	$ 11,482	$ —	$ 76,917
Outstanding balance of loans serviced	12,483	167,100	39,081	155,198	—	18,810	—	392,672
Ownership of transferred loans	7,133	235,794	52,691	136,272	—	24,982	—	456,872
Loan participations purchased	—	—	8,738	—	—	—	—	8,738

The following table illustrates ending balances of the Corporation’s loan and lease portfolio, including non-accrual loans by class of receivable, and considering certain credit quality indicators:

June 30, 2026	Term Loans Amortized Cost Basis by Origination Year								
(In Thousands)	2026	2025	2024	2023	2022	Prior	Revolving Loans Amortized Cost Basis	Total	Category as a % of total portfolio
Commercial real estate — owner occupied									
Category									
I	$53,479	$70,282	$16,216	$32,646	$33,656	$112,531	$5,295	324,105	93.7%
II	—	—	—	6,903	—	—	—	6,903	2.0%
III	—	—	2,164	—	—	12,812	—	14,976	4.3%
IV	—	—	—	—	—	—	—	—	0.0%
Total	$53,479	$70,282	$18,380	$39,549	$33,656	$125,343	$5,295	$345,984	100.0%
Commercial real estate — non-owner occupied									
Category									
I	$65,313	$96,274	$73,670	$65,472	$93,731	$429,580	$22,714	$846,754	96.8%
II	—	—	—	8,751	—	6,863	—	15,614	1.8%
III	—	—	—	—	—	12,301	—	12,301	1.4%
IV	—	—	—	—	—	—	—	—	0.0%
Total	$65,313	$96,274	$73,670	$74,223	$93,731	$448,744	$22,714	$874,669	100.0%
Construction and land development									
Category									
I	$15,404	$43,927	$59,888	$54,257	$9,713	$4,993	$21,469	$209,651	92.1%
II	—	—	—	—	992	—	—	992	0.4%
III	—	—	—	5,715	—	—	—	5,715	2.5%
IV	—	—	—	—	454	10,970	—	11,424	5.0%
Total	$15,404	$43,927	$59,888	$59,972	$11,159	$15,963	$21,469	$227,782	100.0%
Multi-family									
Category									
I	$76,002	$56,714	$18,420	$116,887	$80,391	$278,326	$2,632	$629,372	96.2%
II	—	—	—	1,525	12,077	6,314	—	19,916	3.0%
III	—	—	—	—	—	1,006	—	1,006	0.2%
IV	—	—	—	1,641	—	2,470	—	4,111	0.6%
Total	$76,002	$56,714	$18,420	$120,053	$92,468	$288,116	$2,632	$654,405	100.0%
1-4 family									
Category									
I	$5,164	$17,880	$6,998	$—	$3,299	$3,547	$22,093	$58,981	100.0%
II	—	—	—	—	—	—	—	—	0.0%
III	—	—	—	—	—	—	—	—	0.0%
IV	—	—	—	—	—	—	—	—	0.0%
Total	$5,164	$17,880	$6,998	$—	$3,299	$3,547	$22,093	$58,981	100.0%
Commercial and industrial									
Category									
I	$167,729	$228,978	$134,278	$102,824	$44,223	$58,744	$519,479	$1,256,255	91.0%
II	1,200	615	11,736	1,858	3,612	1,188	4,656	24,865	1.8%
III	277	558	8,476	16,281	3,722	1,876	45,639	76,829	5.6%
IV	—	914	1,997	2,598	6,617	2,720	7,681	22,527	1.6%
Total	$169,206	$231,065	$156,487	$123,561	$58,174	$64,528	$577,455	$1,380,476	100.0%
Consumer and other									
Category									
I	$11,548	$7,284	$4,755	$2,355	$4,061	$8,786	$7,238	$46,027	100.0%
II	—	—	—	—	—	—	—	—	0.0%
III	—	—	—	—	—	—	—	—	0.0%
IV	—	—	—	—	—	—	—	—	0.0%
Total	$11,548	$7,284	$4,755	$2,355	$4,061	$8,786	$7,238	$46,027	100.0%
Total Loans									
Category									
I	$394,639	$521,339	$314,225	$374,441	$269,074	$896,507	$600,920	$3,371,145	93.9%
II	1,200	615	11,736	19,037	16,681	14,365	4,656	68,290	1.9%
III	277	558	10,640	21,996	3,722	27,995	45,639	110,827	3.1%
IV	—	914	1,997	4,239	7,071	16,160	7,681	38,062	1.1%
Total	$396,116	$523,426	$338,598	$419,713	$296,548	$955,027	$658,896	$3,588,324	100.0%

December 31, 2025	Term Loans Amortized Cost Basis by Origination Year								
(In Thousands)	2025	2024	2023	2022	2021	Prior	Revolving Loans Amortized Cost Basis	Total	Category as a % of total portfolio
Commercial real estate — owner occupied									
Category									
I	$65,752	$20,422	$39,698	$32,186	$30,251	$92,981	$295	$281,585	95.9%
II	—	—	2,011	—	—	—	—	2,011	0.7%
III	—	2,197	—	—	—	7,913	—	10,110	3.4%
IV	—	—	—	—	—	—	—	—	0.0%
Total	$65,752	$22,619	$41,709	$32,186	$30,251	$100,894	$295	$293,706	100.0%
Commercial real estate — non-owner occupied									
Category									
I	$85,103	$81,087	$108,308	$89,226	$63,803	$392,720	$34,236	$854,483	96.4%
II	—	—	—	—	—	6,863	—	6,863	0.8%
III	—	—	—	—	716	23,808	—	24,524	2.8%
IV	—	—	—	—	—	—	—	—	0.0%
Total	$85,103	$81,087	$108,308	$89,226	$64,519	$423,391	$34,236	$885,870	100.0%
Construction and land development									
Category									
I	$35,887	$73,179	$78,264	$10,278	$91	$5,043	$25,482	$228,224	91.8%
II	—	—	—	—	—	—	—	—	0.0%
III	—	—	5,755	—	—	—	—	5,755	2.3%
IV	—	—	—	454	8,155	5,972	—	14,581	5.9%
Total	$35,887	$73,179	$84,019	$10,732	$8,246	$11,015	$25,482	$248,560	100.0%
Multi-family									
Category									
I	$57,113	$18,231	$103,795	$93,280	$61,620	$211,473	$2,644	$548,156	95.9%
II	—	—	1,530	7,309	—	782	—	9,621	1.7%
III	—	—	—	—	8,380	1,019	—	9,399	1.6%
IV	—	—	1,714	—	2,578	—	—	4,292	0.8%
Total	$57,113	$18,231	$107,039	$100,589	$72,578	$213,274	$2,644	$571,468	100.0%
1-4 family									
Category									
I	$18,249	$7,043	$1,416	$4,432	$2,036	$3,470	$24,015	$60,661	100.0%
II	—	—	—	—	—	—	—	—	0.0%
III	—	—	—	—	—	—	—	—	0.0%
IV	—	—	—	—	—	—	—	—	0.0%
Total	$18,249	$7,043	$1,416	$4,432	$2,036	$3,470	$24,015	$60,661	100.0%
Commercial and industrial									
Category									
I	$240,914	$178,507	$138,504	$52,149	$35,514	$31,754	$452,160	$1,129,502	88.6%
II	568	14,119	10,997	5,948	25	2,797	24,140	58,594	4.6%
III	499	8,617	10,409	4,656	787	1,745	34,206	60,919	4.8%
IV	447	1,845	3,384	7,644	302	4,083	7,277	24,982	2.0%
Total	$242,428	$203,088	$163,294	$70,397	$36,628	$40,379	$517,783	$1,273,997	100.0%
Consumer and other									
Category									
I	$7,790	$5,715	$4,167	$4,926	$1,717	$10,423	$6,227	$40,965	100.0%
II	—	—	—	—	—	—	—	—	0.0%
III	—	—	—	—	—	—	—	—	0.0%
IV	—	—	—	—	—	—	—	—	0.0%
Total	$7,790	$5,715	$4,167	$4,926	$1,717	$10,423	$6,227	$40,965	100.0%
Total Loans									
Category									
I	$510,808	$384,184	$474,152	$286,477	$195,032	$747,864	$545,059	$3,143,576	93.1%
II	568	14,119	14,538	13,257	25	10,442	24,140	77,089	2.3%
III	499	10,814	16,164	4,656	9,883	34,485	34,206	110,707	3.3%
IV	447	1,845	5,098	8,098	11,035	10,055	7,277	43,855	1.3%
Total	$512,322	$410,962	$509,952	$312,488	$215,975	$802,846	$610,682	$3,375,227	100.0%

Each credit is evaluated for proper risk rating upon origination, at the time of each subsequent renewal, upon receipt and evaluation of updated financial information from the Corporation’s borrowers, or as other circumstances dictate. The Corporation primarily uses a nine grade risk rating system to monitor the ongoing credit quality of its loans and leases. The risk rating grades follow a consistent definition and are then applied to specific loan types based on the nature of the loan. Each risk rating is determined based on various quantitative and qualitative factors and is subject to various levels of review and concurrence on the stated risk rating. In addition to its nine grade risk rating system, the Corporation groups loans into four loan and related risk categories which determine the level and nature of review by management.

Category I — Loans and leases in this category are performing in accordance with the terms of the contract and generally exhibit no immediate concerns regarding the security and viability of the underlying collateral, financial stability of the borrower, integrity or strength of the borrowers' management team, or the industry in which the borrower operates.

Category II — Loans and leases in this category are beginning to show signs of deterioration in one or more of the Corporation's core underwriting criteria such as financial stability, management strength, industry trends, or collateral values. Management will place credits in this category to allow for proactive monitoring and resolution with the borrower to possibly mitigate the area of concern and prevent further deterioration or risk of loss to the Corporation.

Category III — Loans and leases in this category are identified by management as warranting special attention. However, the balance in this category is not intended to represent the amount of adversely classified assets held by the Bank. Category III loans and leases generally exhibit undesirable characteristics, such as evidence of adverse financial trends and conditions, managerial problems, deteriorating economic conditions within the related industry, or evidence of adverse public filings and may exhibit collateral shortfall positions. Management continues to believe that it will collect all contractual principal and interest in accordance with the original terms of the contracts relating to the loans and leases in this category, and therefore Category III loans are considered performing with no specific reserves established for this category.

Category IV — Loans and leases in this category are non-accrual loans. Management has determined that it is unlikely that the Bank will receive the contractual principal and interest in accordance with the original terms of the agreement. Non-accrual loans are individually evaluated to assess the need for the establishment of specific reserves or charge-offs. When analyzing the adequacy of collateral, the Corporation obtains external appraisals at least annually. External appraisals are obtained from the Corporation's approved appraiser listing and are independently reviewed to monitor the quality of such appraisals. To the extent a collateral shortfall position is present, a specific reserve or charge-off will be recorded.

The delinquency aging of the loan and lease portfolio by class of receivable was as follows:

	June 30, 2026					
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days Past Due	Total Past Due	Current	Total Loans and Leases
	(Dollars in Thousands)					
Total loans and leases						
Commercial real estate:						
Owner occupied	$ —	$ —	$ —	$ —	$ 345,984	$ 345,984
Non-owner occupied	—	—	—	—	874,669	874,669
Construction and land development	—	—	11,424	11,424	216,358	227,782
Multi-family	—	—	—	—	654,405	654,405
1-4 family	—	—	—	—	58,981	58,981
Commercial and industrial	2,510	813	15,317	18,640	1,361,836	1,380,476
Consumer and other	—	—	—	—	46,027	46,027
Total	$ 2,510	$ 813	$ 26,741	$ 30,064	$ 3,558,260	$ 3,588,324
Percent of portfolio	0.07%	0.02%	0.75%	0.84%	99.16%	100.00%

	December 31, 2025					
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days Past Due	Total Past Due	Current	Total Loans and Leases
	(Dollars in Thousands)					
Total loans and leases						
Commercial real estate:						
Owner occupied	$ —	$ —	$ —	$ —	$ 293,706	$ 293,706
Non-owner occupied	—	—	—	—	885,870	885,870
Construction and land development	14,581	—	—	14,581	233,979	248,560
Multi-family	—	—	—	—	571,468	571,468
1-4 family	—	—	—	—	60,661	60,661
Commercial and industrial	3,116	963	15,229	19,308	1,254,689	1,273,997
Consumer and other	50	—	—	50	40,915	40,965
Total	$ 17,747	$ 963	$ 15,229	$ 33,939	$ 3,341,288	$ 3,375,227
Percent of portfolio	0.53%	0.03%	0.45%	1.01%	98.99%	100.00%

The following tables provide additional detail on loans on non-accrual status and loans past due over 89 days still accruing as of:

	June 30, 2026		
	Non-accrual With No Allowance for Credit Loss	Non-accrual With Allowance for Credit Loss	Loans Past Due Over 89 Days Still Accruing
	(In Thousands)		
Commercial real estate:			
Commercial real estate — owner occupied	$ —	$ —	$ —
Commercial real estate — non-owner occupied	—	—	—
Construction and land development	11,424	—	—
Multi-family	4,111	—	—
1-4 family	—	—	—
Total commercial real estate	15,535	—	—
Commercial and industrial	9,189	13,338	—
Consumer and other	—	—	—
Total non-accrual loans and leases	$ 24,724	$ 13,338	$ —

	December 31, 2025		
	Non-accrual With No Allowance for Credit Loss	Non-accrual With Allowance for Credit Loss	Loans Past Due Over 89 Days Still Accruing
	(In Thousands)		
Commercial real estate:			
Commercial real estate — owner occupied	$ —	$ —	$ —
Commercial real estate — non-owner occupied	—	—	—
Construction and land development	14,581	—	—
Multi-family	4,292	—	—
1-4 family	—	—	—
Total commercial real estate	18,873	—	—
Commercial and industrial	10,652	14,330	—
Consumer and other	—	—	—
Total non-accrual loans and leases	$ 29,525	$ 14,330	$ —

	June 30, 2026	December 31, 2025
Total non-accrual loans and leases to gross loans and leases	1.06%	1.30%
Allowance for credit losses to gross loans and leases	1.10	1.12
Allowance for credit losses to non-accrual loans and leases	103.82	85.95

The following table presents the amortized cost basis of the non-accrual, collateral-dependent loans as of:

	June 30, 2026	December 31, 2025
	(In Thousands)	
Equipment	$ 14,413	$ 14,615
Real Estate	17,607	21,595
Accounts Receivable	6,057	7,277
Other	65	473
Total	$ 38,142	$ 43,960

Occasionally, the Corporation modifies loans to borrowers in financial distress by providing principal forgiveness, term extension, an other-than-insignificant payment delay, or interest rate reduction. When principal forgiveness is provided, the amount of forgiveness is charged-off against the allowance for credit losses.

The following table presents the amortized cost basis of loans at June 30, 2026 that were both experiencing financial difficulty and modified during the six months ended June 30, 2026 and 2025, by class and by type of modification. The percentage of the amortized cost basis of loans that were modified to borrowers in financial distress as compared to the amortized costs basis of each class of financing receivable is also presented below.

	For the Six Months Ended June 30, 2026						
	Principal Forgiveness	Payment Delay	Term Extension	Interest Rate Reduction	Combination Payment Delay and Term Extension	Total	Total Class of Financing Receivable
	(In Thousands)						
Commercial real estate	$ —	$ —	$ —	$ —	$ —	$ —	0.00%
Commercial and industrial	—	—	—	—	—	—	—
Total	$ —	$ —	$ —	$ —	$ —	$ —	0.00%

	For the Six Months Ended June 30, 2025						
	Principal Forgiveness	Payment Delay	Term Extension	Interest Rate Reduction	Combination Payment Delay and Term Extension	Total	Total Class of Financing Receivable
	(In Thousands)						
Commercial real estate	$ —	$ —	$ —	$ —	$ —	$ —	0.00%
Commercial and industrial	—	—	—	311	6,195	6,506	0.52
Total	$ —	$ —	$ —	$ 311	$ 6,195	$ 6,506	0.20%

The Corporation closely monitors the performance of loans that are modified to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. The following table presents the performance of such loans that have been modified in the last 12 months:

	For the Six Months Ended June 30, 2026			
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days Past Due	Total Past Due
	(Dollars in Thousands)			
Commercial real estate	$ —	$ —	$ —	$ —
Commercial and industrial	—	—	—	—
Total	$ —	$ —	$ —	$ —

	For the Six Months Ended June 30, 2025			
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days Past Due	Total Past Due
	(Dollars in Thousands)			
Commercial real estate	$ —	$ —	$ —	$ —
Commercial and industrial	—	—	—	—
Total	$ —	$ —	$ —	$ —

The following table presents the financial effect of the loan modifications presented above to borrowers experiencing financial difficulty for the six months ended June 30, 2026 and 2025:

	For the Six Months Ended June 30, 2026			
(Dollars in Thousands)	Principal Forgiveness	Weighted Average Interest Rate Reduction	Weighted Average Term Extension (years)	Weighted Average Payment Delay (years)
Commercial real estate	$ —	0.00%	0.00	0.00
Commercial and industrial	—	0.00	0.00	0.00
Total	$ —	0.00%	0.00	0.00

	For the Six Months Ended June 30, 2025			
(Dollars in Thousands)	Principal Forgiveness	Weighted Average Interest Rate Reduction	Weighted Average Term Extension (years)	Weighted Average Payment Delay (years)
Commercial real estate	$ —	0.00%	0.00	0.00
Commercial and industrial	—	2.25	0.50	0.50
Total	$ —	2.25%	0.50	0.50

The following table presents the amortized cost basis of loans that had a payment default during the six months ended June 30, 2026 and 2025 and were modified in the 12 months prior to that default to borrowers experience financial difficulty:

	For the Six Months Ended June 30, 2026			
	Principal Forgiveness	Payment Delay	Term Extension	Interest Rate Reduction
	(In Thousands)			
Commercial real estate	$ —	$ —	$ —	$ —
Commercial and industrial	—	—	—	—
Total	$ —	$ —	$ —	$ —

	For the Six Months Ended June 30, 2025			
	Principal Forgiveness	Payment Delay	Term Extension	Interest Rate Reduction
	(In Thousands)			
Commercial real estate	$ —	$ —	$ —	$ —
Commercial and industrial	—	—	397	—
Total	$ —	$ —	$ 397	$ —

Allowance for Credit Losses

The ACL is an estimate of the expected credit losses on financial assets measured at amortized cost, which is measured using relevant information about past events, including historical credit loss experience on financial assets with similar risk characteristics, current conditions, and reasonable and supportable forecasts that affect the collectability of the remaining cash flows over the contractual term of the financial assets. A provision for credit losses is charged to operations based on management's periodic evaluation of these and other pertinent factors as discussed within **Note 1 – Nature of Operations and Summary of Significant Accounting Policies** included in the Corporation's Form 10-K for the year ended December 31, 2025.

Quantitative Considerations

The ACL is primarily calculated utilizing a Discounted Cash Flow (“DCF”) model. Key inputs and assumptions used in this model are discussed below:

- Forecast model - For each portfolio segment, a Loss Driver Analysis (“LDA”) was performed in order to identify appropriate loss drivers and create a regression model for use in forecasting cash flows. The LDA analysis utilized peer Federal Financial Institutions Examination Council ("FFIEC") Call Report data for all DCF pools. The Corporation updates the LDA annually.
- Probability of Default ("PD") – PD is the probability that an asset will be in default within a given time frame. The Corporation has defined default as when a charge-off has occurred, a loan goes to non-accrual status, or a loan is greater than 90 days past due. The forecast model is utilized to estimate PDs.
- Loss Given Default ("LGD") – LGD is the percentage of the asset not expected to be collected due to default. The LGD is derived from using a method referred to as Frye Jacobs which uses industry data.
- Prepayments and curtailments – Prepayments and curtailments are calculated based on the Corporation’s own data. This analysis is updated semi-annually.
- Forecast and reversion – The Corporation has established a one-year reasonable and supportable forecast period with a one-year straight line reversion to the long-term historical average.
- Economic forecast – The Corporation utilizes a third party to provide economic forecasts under various scenarios, which are assessed against economic indicators and management’s observations in the market. As of December 31, 2025, the Corporation selected a forecast which estimates unemployment between 4.48% and 4.78% and GDP year-over-year percentage change between 1.75% and 2.42% over the next four quarters. As of June 30, 2026, the Corporation selected a forecast which estimates unemployment between 4.37% and 4.60% and GDP year-over-year percentage change between 1.60% and 1.99% over the next four quarters. Following the forecast period, the model reverts to long-term averages over four quarters. Management believes that the resulting quantitative reserve appropriately balances economic indicators with identified risks.

Qualitative Considerations

In addition to the quantitative model, management considers the need for qualitative adjustment for risks not considered in the DCF. Factors that are considered by management in determining loan collectability and the appropriate level of the ACL are listed below:

- The Corporation’s lending policies and procedures, including changes in lending strategies, underwriting standards and practices for collections, write-offs, and recoveries;
- Actual and expected changes in international, national, regional, and local economic and business conditions and developments in which the Corporation operates that affect the collectability of financial assets;
- The experience, ability, and depth of the Corporation’s lending, investment, collection, and other relevant management and staff;
- The volume of past due financial assets, the volume of non-accrual loans and leases, and the volume and severity of adversely classified or graded assets;
- The existence and effect of industry concentrations of credit;
- The nature and volume of the portfolio segment or class;
- The quality of the Corporation’s credit function; and
- The effect of other external factors such as the regulatory, legal and technological environments, competition, and events such as natural disasters or pandemics.

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ACL Activity

A summary of the activity in the allowance for credit losses by portfolio segment is as follows:

As of and for the Three Months Ended June 30, 2026	Owner Occupied	Non-Owner Occupied	Construction and Land Development	Multi-Family	1-4 Family	Commercial and Industrial	Consumer and Other	Total
	(In Thousands)							
Beginning balance	$ 1,970	$ 6,699	$ 2,704	$ 4,394	$ 602	$ 21,585	$ 535	$ 38,489
Charge-offs	—	—	—	—	—	(1,524)	—	(1,524)
Recoveries	—	—	—	—	5	481	—	486
Net recoveries (charge-offs)	—	—	—	—	5	(1,043)	—	(1,038)
Provision (credit) for credit losses	566	(254)	275	527	(34)	1,004	(18)	2,066
Ending balance	$ 2,536	$ 6,445	$ 2,979	$ 4,921	$ 573	$ 21,546	$ 517	$ 39,517
Components:								
Allowance for credit losses on loans	$ 2,520	$ 6,371	$ 1,740	$ 4,901	$ 535	$ 20,856	$ 470	$ 37,393
Allowance for credit losses on unfunded credit commitments	16	74	1,239	20	38	690	47	2,124
Total ACL	$ 2,536	$ 6,445	$ 2,979	$ 4,921	$ 573	$ 21,546	$ 517	$ 39,517

As of and for the Three Months Ended June 30, 2025	Owner Occupied	Non-Owner Occupied	Construction and Land Development	Multi-Family	1-4 Family	Commercial and Industrial	Consumer and Other	Total
	(In Thousands)							
Beginning balance	$ 1,682	$ 6,017	$ 2,491	$ 5,473	$ 494	$ 19,946	$ 412	$ 36,515
Charge-offs	—	—	—	—	—	(1,338)	—	(1,338)
Recoveries	—	—	—	—	7	325	—	332
Net recoveries (charge-offs)	—	—	—	—	7	(1,013)	—	(1,006)
Provision (credit) for credit losses	3	313	(24)	586	(72)	1,903	(8)	2,701
Ending balance	$ 1,685	$ 6,330	$ 2,467	$ 6,059	$ 429	$ 20,836	$ 404	$ 38,210
Components:								
Allowance for credit losses on loans	$ 1,675	$ 6,281	$ 1,882	$ 6,037	$ 401	$ 20,222	$ 363	$ 36,861
Allowance for credit losses on unfunded credit commitments	10	49	585	22	28	614	41	1,349
Total ACL	$ 1,685	$ 6,330	$ 2,467	$ 6,059	$ 429	$ 20,836	$ 404	$ 38,210

As of and for the Six Months Ended June 30, 2026	Owner Occupied	Non-Owner Occupied	Construction and Land Development	Multi-Family	1-4 Family	Commercial and Industrial	Consumer and Other	Total
	(In Thousands)							
Beginning balance	$ 1,908	$ 6,381	$ 2,752	$ 4,926	$ 557	$ 20,754	$ 414	$ 37,692
Charge-offs	—	—	—	—	—	(3,856)	—	(3,856)
Recoveries	—	—	—	—	12	642	—	654
Net recoveries (charge-offs)	—	—	—	—	12	(3,214)	—	(3,202)
Provision for credit losses	628	64	227	(5)	4	4,006	103	5,027
Ending balance	$ 2,536	$ 6,445	$ 2,979	$ 4,921	$ 573	$ 21,546	$ 517	$ 39,517
Components:								
Allowance for credit losses on loans	$ 2,520	$ 6,371	$ 1,740	$ 4,901	$ 535	$ 20,856	$ 470	$ 37,393
Allowance for credit losses on unfunded credit commitments	16	74	1,239	20	38	690	47	2,124
Total ACL	$ 2,536	$ 6,445	$ 2,979	$ 4,921	$ 573	$ 21,546	$ 517	$ 39,517

As of and for the Six Months Ended June 30, 2025	Owner Occupied	Non-Owner Occupied	Construction and Land Development	Multi-Family	1-4 Family	Commercial and Industrial	Consumer and Other	Total
	(In Thousands)							
Beginning balance	$ 1,629	$ 5,892	$ 2,826	$ 4,613	$ 523	$ 21,470	$ 315	$ 37,268
Charge-offs	—	—	—	—	—	(5,138)	(10)	(5,148)
Recoveries	2	—	—	—	13	715	—	730
Net recoveries (charge-offs)	2	—	—	—	13	(4,423)	(10)	(4,418)
Provision for credit losses	54	438	(359)	1,446	(107)	3,789	99	5,360
Ending balance	$ 1,685	$ 6,330	$ 2,467	$ 6,059	$ 429	$ 20,836	$ 404	$ 38,210
Components:								
Allowance for credit losses on loans	$ 1,675	$ 6,281	$ 1,882	$ 6,037	$ 401	$ 20,222	$ 363	$ 36,861
Allowance for credit losses on unfunded credit commitments	10	49	585	22	28	614	41	1,349
Total ACL	$ 1,685	$ 6,330	$ 2,467	$ 6,059	$ 429	$ 20,836	$ 404	$ 38,210

ACL Summary

Loans collectively evaluated for credit losses in the following tables include all performing loans at June 30, 2026 and December 31, 2025. Loans individually evaluated for credit losses include all non-accrual loans.

The following tables provide information regarding the allowance for credit losses and balances by type of allowance methodology.

	As of June 30, 2026							
	Owner Occupied	Non-Owner Occupied	Construction and Land Development	Multi-Family	1-4 Family	Commercial and Industrial	Consumer and Other	Total
	(In Thousands)							
Allowance for credit losses:								
Collectively evaluated for credit losses	$ 2,520	$ 6,371	$ 1,740	$ 4,901	$ 535	$ 14,962	$ 470	$ 31,499
Individually evaluated for credit loss	—	—	—	—	—	5,894	—	5,894
Total	$ 2,520	$ 6,371	$ 1,740	$ 4,901	$ 535	$ 20,856	$ 470	$ 37,393
Loans and lease receivables:								
Collectively evaluated for credit losses	$ 345,984	$ 874,669	$ 216,358	$ 650,294	$ 58,981	$ 1,357,949	$ 46,027	$ 3,550,262
Individually evaluated for credit loss	—	—	11,424	4,111	—	22,527	—	38,062
Total	$ 345,984	$ 874,669	$ 227,782	$ 654,405	$ 58,981	$ 1,380,476	$ 46,027	$ 3,588,324

	As of December 31, 2025							
	Owner Occupied	Non-Owner Occupied	Construction and Land Development	Multi-Family	1-4 Family	Commercial and Industrial	Consumer and Other	Total
	(In Thousands)							
Allowance for credit losses:								
Collectively evaluated for credit losses	$ 1,902	$ 6,306	$ 1,871	$ 4,915	$ 521	$ 14,439	$ 373	$ 30,327
Individually evaluated for credit loss	—	—	—	—	—	5,550	—	5,550
Total	$ 1,902	$ 6,306	$ 1,871	$ 4,915	$ 521	$ 19,989	$ 373	$ 35,877
Loans and lease receivables:								
Collectively evaluated for credit losses	$ 293,706	$ 885,870	$ 233,979	$ 567,176	$ 60,661	$ 1,249,015	$ 40,965	$ 3,331,372
Individually evaluated for credit loss	—	—	14,581	4,292	—	24,982	—	43,855
Total	$ 293,706	$ 885,870	$ 248,560	$ 571,468	$ 60,661	$ 1,273,997	$ 40,965	$ 3,375,227

Note 6 — Leases

The Corporation leases various office spaces and specialized lending production offices under non-cancellable operating leases which expire on various dates through 2033. The Corporation also leases office equipment. The Corporation recognizes a right-of-use asset and an operating lease liability for all leases, with the exception of short-term leases. Right-of-use assets represent the right to use an underlying asset for the lease term and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. Lease expense for operating leases and short-term leases is recognized on a straight-line basis over the lease term.

The components of total lease expense were as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
	(In Thousands)			
Operating lease cost	$ 336	$ 326	$ 672	$ 670
Short-term lease cost	39	83	90	137
Variable lease cost	202	134	352	275
Total lease cost, net	$ 577	$ 543	$ 1,114	$ 1,082

Quantitative information regarding the Corporation's operating leases was as follows:

	June 30, 2026	December 31, 2025
Weighted-average remaining lease term (in years)	5.63	6.00
Weighted-average discount rate	4.05%	4.04%

The following maturity analysis shows the undiscounted cash flows due on the Corporation's operating lease liabilities:

(In Thousands)		
2026	$	817
2027		1,647
2028		1,285
2029		933
2030		841
Thereafter		2,002
Total undiscounted cash flows		7,525
Discount on cash flows		(827)
Total lease liability	$	6,698

Note 7 — Other Assets

The Corporation has invested in a number of limited partnerships that provide income tax, financial, and regulatory benefits due to the nature of the partnerships. Our investment in and unfunded commitments to these partnerships are as follows:

		June 30, 2026		December 31, 2025
	(In Thousands)			
Investment:				
Low-Income Housing Tax Credit	$	53,982	$	48,472
Small Business Investment Company		17,628		14,797
Other Limited Partnerships		2,613		3,128
Historic Rehabilitation Tax Credit		1,217		1,970
Total limited partnership investments	$	75,440	$	68,367
Unfunded commitment:				
Small Business Investment Company	$	18,957	$	10,973
Other Limited Partnerships		1,011		1,542
Total limited partnership commitments	$	19,968	$	12,515

A summary of accrued interest receivable and other assets was as follows:

		June 30, 2026		December 31, 2025
	(In Thousands)			
Accrued interest receivable	$	12,782	$	13,100
Net deferred tax asset		13,555		13,176
Investment in limited partnerships		75,440		68,367
Prepaid expenses		5,698		4,791
Other assets		11,002		8,038
Total accrued interest receivable and other assets	$	118,477	$	107,472

For the six months ended June 30, 2026 and 2025, the Corporation amortized tax credit investments of $3.8 million and $3.1 million, respectively, and recognized tax credits and other benefits for the six months ended June 30, 2026 and 2025 of $4.9 million and $3.9 million, respectively, within the income tax expense line on the unaudited Consolidated Statements of Income.

Note 8 — Deposits

The composition of deposits is shown below. Average balances represent year-to-date averages.

	June 30, 2026		December 31, 2025	
	Balance	Average Balance	Balance	Average Balance
	(Dollars in Thousands)			
Non-interest-bearing transaction accounts	$ 420,556	$ 421,518	$ 378,770	$ 419,691
Interest-bearing transaction accounts	1,297,353	1,250,191	1,103,696	1,018,736
Money market accounts	936,914	928,183	905,773	856,554
Certificates of deposit	222,852	254,467	284,764	236,848
Wholesale deposits	714,490	636,186	707,412	737,253
Total deposits	$ 3,592,165	$ 3,490,545	$ 3,380,415	$ 3,269,082

A summary of annual maturities of core and wholesale certificates of deposit at June 30, 2026 is as follows:

(In Thousands)	
Maturities during the year ended December 31,	
2026	$ 339,269
2027	151,499
2028	55,384
2029	30,894
2030	34,017
Thereafter	1,022
	$ 612,085

Wholesale deposits include $389.2 million and $325.3 million of wholesale certificates of deposit and non-reciprocal interest-bearing transaction accounts, respectively, at June 30, 2026, compared to $537.1 million and $170.3 million of wholesale certificates of deposit and non-reciprocal interest-bearing transaction accounts, respectively, at December 31, 2025. The Corporation has entered into derivative contracts hedging a portion of the certificates of deposit included above. As of June 30, 2026, the notional amount of derivatives designated as cash flow hedges totaled $429.1 million with a weighted average remaining maturity of 3.09 years and a weighted average rate of 3.88%.

Certificates of deposit and wholesale deposits denominated in amounts greater than $250,000 were $70.8 million at June 30, 2026 and $113.0 million at December 31, 2025.

Note 9 — FHLB Advances, Other Borrowings and Subordinated Notes and Debentures

The composition of borrowed funds is shown below. Average balances represent year-to-date averages.

	June 30, 2026			December 31, 2025		
	Balance	Weighted Average Balance	Weighted Average Rate	Balance	Weighted Average Balance	Weighted Average Rate
	(Dollars in Thousands)					
FHLB advances	$ 291,929	$ 264,376	3.37%	$ 197,246	$ 246,486	3.20%
Line of credit	—	—	—	—	1	4.25
Other borrowings	—	—	—	—	4	—
Subordinated notes and debentures	54,865	54,831	6.42	54,805	54,742	6.43
	$ 346,794	$ 319,207	3.90	$ 252,051	$ 301,233	3.79

A summary of annual maturities of borrowings at June 30, 2026 is as follows:

(In Thousands)

Maturities during the year ended December 31,		
2026	$	240,912
2027		10,000
2028		10,450
2029		23,543
2030		—
Thereafter		61,889
	$	346,794

The Corporation has entered into derivative contracts hedging a portion of the borrowings included above. As of June 30, 2026, the notional amount of derivatives designated as cash flow hedges totaled $48.4 million with a weighted average remaining maturity of 1.62 years and a weighted average rate of 2.52%.

As of June 30, 2026 and December 31, 2025, the Corporation was in compliance with its debt covenants under its third-party secured senior line of credit. On February 18, 2026, the credit line was renewed for one additional year with pricing terms of 1-month term SOFR + 2.36% and a maturity date of February 17, 2027.

Note 10 — Preferred Stock

The Corporation has outstanding 12,500 shares, or $12.5 million in aggregate liquidation preference, of 7.0% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series A, par value $0.01 per share, with a liquidation preference of $1,000 per share (the "Series A Preferred Stock") in a private placement to institutional investors.

The Corporation pays dividends on the Series A Preferred Stock when and if declared by the Board, at a fixed rate of 7.0% per annum, payable quarterly, in arrears, on March 15, June 15, September 15 and December 15 of each year up to, but excluding, March 15, 2027. For each dividend period from and including March 15, 2027, dividends will be paid at a floating rate of Three-Month Term SOFR plus a spread of 539 basis points per annum. During the three and six months ended June 30, 2026, the Board of Directors declared an aggregate preferred stock dividend of $219,000 and $438,000, respectively. The Series A Preferred Stock is perpetual and has no stated maturity. The Corporation may redeem the Series A Preferred Stock at its option at a redemption price equal to $1,000 per share, plus any declared and unpaid dividends (without regard to any undeclared dividends), subject to regulatory approval, on or after March 15, 2027 or within 90 days following a regulatory capital treatment event, in accordance with the terms of the Series A Preferred Stock.

Note 11 — Commitments and Contingencies

In the normal course of business, various legal proceedings involving the Corporation are pending. Management, based upon advice from legal counsel, does not anticipate any significant losses as a result of these actions. Management believes that any liability arising from any such proceedings currently existing or threatened will not have a material adverse effect on the Corporation's financial position, results of operations, and cash flows.

The Corporation has sold the guaranteed portions of SBA 7(a) and 504 loans, as well as participation interests in other, non-SBA originated, loans to third parties. The Corporation has a continuing involvement in each of the transferred lending arrangements by way of relationship management and servicing the loans, as well as being subject to normal and customary requirements of the SBA loan program and standard representations and warranties related to sold amounts. In the event of a loss resulting from default and a determination by the SBA that there is a deficiency in the manner in which the loan was originated, funded, or serviced by the Corporation, the SBA may require the Corporation to repurchase the loan, deny its liability under the guaranty, reduce the amount of the guaranty, or, if it has already paid under the guaranty, seek recovery of the principal loss related to the deficiency from the Corporation. The Corporation must comply with applicable SBA regulations in order to maintain the guaranty. In addition, the Corporation retains the option to repurchase the sold guaranteed portion of an SBA loan if the loan defaults.

Management has assessed estimated losses inherent in the outstanding guaranteed portions of SBA loans sold in accordance with ASC 450, *Contingencies*, and determined a recourse reserve based on the probability of future losses for these loans to be $381,000 and

$502,000 at June 30, 2026 and December 31, 2025, respectively, which is reported in accrued interest payable and other liabilities on the unaudited Consolidated Balance Sheets.

The summary of the activity in the SBA recourse reserve is as follows:

	As of and for the Three Months Ended June 30,		As of and for the Six Months Ended June 30,	
	2026	2025	2026	2025
	(In Thousands)			
Balance at the beginning of the period	$ 381	$ 566	$ 502	$ 645
SBA recourse (benefit) expense	—	(59)	(121)	(59)
Charge-offs, net	—	—	—	(79)
Balance at the end of the period	$ 381	$ 507	$ 381	$ 507

Note 12 — Fair Value Disclosures

The Corporation determines the fair values of its financial instruments based on the fair value hierarchy established in ASC Topic 820, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Fair value is defined as the price that would be received in an orderly transaction that is not a forced liquidation or distressed sale at the measurement date and is based on exit prices. Fair value includes assumptions about risk, such as nonperformance risk in liability fair values, and is a market-based measurement, not an entity-specific measurement. The standard describes three levels of inputs that may be used to measure fair value.

Level 1 — Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Corporation has the ability to access at the measurement date.

Level 2 — Level 2 inputs are inputs, other than quoted prices included with Level 1, that are observable for the asset or liability either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 — Level 3 inputs are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Corporation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Assets and liabilities measured at fair value on a recurring basis, segregated by fair value hierarchy level, are summarized below:

	June 30, 2026			
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
	(In Thousands)			
Assets:				
Securities available-for-sale:				
U.S. treasuries	$ —	$ 4,964	$ —	$ 4,964
U.S. government agency securities - government-sponsored enterprises	—	2,309	—	2,309
Municipal securities	—	42,841	—	42,841
Residential mortgage-backed securities - government issued	—	164,417	—	164,417
Residential mortgage-backed securities - government-sponsored enterprises	—	154,023	—	154,023
Commercial mortgage-backed securities - government issued	—	1,994	—	1,994
Commercial mortgage-backed securities - government-sponsored enterprises	—	39,144	—	39,144
Interest rate swaps	—	45,827	—	45,827
Liabilities:				
Interest rate swaps	—	39,733	—	39,733

	December 31, 2025							
	Fair Value Measurements Using							
	Level 1		Level 2		Level 3		Total	
	(In Thousands)							
Assets:								
Securities available-for-sale:								
U.S. treasuries	$	—	$	4,901	$	—	$	4,901
U.S. government agency securities - government-sponsored enterprises		—		2,314		—		2,314
Municipal securities		—		43,892		—		43,892
Residential mortgage-backed securities - government issued		—		166,635		—		166,635
Residential mortgage-backed securities - government-sponsored enterprises		—		162,543		—		162,543
Commercial mortgage-backed securities - government issued		—		2,114		—		2,114
Commercial mortgage-backed securities - government-sponsored enterprises		—		39,688		—		39,688
Interest rate swaps		—		36,515		—		36,515
Liabilities:								
Interest rate swaps		—		36,926		—		36,926

For assets and liabilities measured at fair value on a recurring basis, there were no transfers between the levels during the three and six months ended June 30, 2026 or the year ended December 31, 2025 related to the above measurements.

Assets and liabilities measured at fair value on a non-recurring basis, segregated by fair value hierarchy are summarized below:

	June 30, 2026							
	Fair Value Measurements Using							
	Level 1		Level 2		Level 3		Total	
	(In Thousands)							
Collateral-dependent loans	$	—	$	—	$	7,444	$	7,444
Loan servicing rights		—		—		1,266		1,266

	December 31, 2025							
	Fair Value Measurements Using							
	Level 1		Level 2		Level 3		Total	
	(In Thousands)							
Collateral-dependent loans	$	—	$	—	$	8,796	$	8,796
Loan servicing rights		—		—		1,317		1,317

Collateral-dependent loans were written down to the fair value of their underlying collateral less costs to sell of $7.4 million and $8.8 million at June 30, 2026 and December 31, 2025, respectively, through the establishment of specific reserves or by recording charge-offs when the carrying value exceeded the fair value of the underlying collateral of individually evaluated loans. Valuation techniques consistent with the market approach, income approach, or cost approach were used to measure fair value. These techniques included observable inputs for the collateral dependent loans being evaluated, such as current appraisals, recent sales of similar assets, or other observable market data, and unobservable inputs, typically when discounts are applied to appraisal values to adjust such values to current market conditions or to reflect net realizable values. The quantification of unobservable inputs for Level 3 individually evaluated loan values range from 0% - 100% as of the measurement date of June 30, 2026. The weighted average of those unobservable inputs was 29%. The majority of the individually evaluated loans are considered collateral dependent loans or are supported by an SBA guaranty.

Loan servicing rights represent the asset retained upon sale of the guaranteed portion of certain SBA loans. When SBA loans are sold, servicing rights are initially recorded at fair value with the income statement effect recorded in gains on sales of loans. The servicing rights are subsequently measured using the amortization method, which requires amortization into interest income in proportion to, and over the period of, the estimated future net servicing income of the underlying loans.

The Corporation periodically reviews this portfolio for impairment and engages a third-party valuation firm to assess the fair value of the overall servicing rights portfolio. Loan servicing rights do not trade in an active, open market with readily observable prices.

While sales of loan servicing rights do occur, the precise terms and conditions typically are not readily available to allow for a “quoted price for similar assets” comparison. Accordingly, the Corporation utilizes an independent valuation from a third party which uses a discounted cash flow model to estimate the fair value of its loan servicing rights. The valuation model incorporates prepayment assumptions to project loan servicing rights cash flows based on the current interest rate scenario, which is then discounted to estimate an expected fair value of the loan servicing rights. The valuation model considers portfolio characteristics of the underlying serviced portion of the SBA loans and uses the following significant unobservable inputs: (1) constant prepayment rate (“CPR”) assumptions based on the SBA sold pools historical CPR as quoted in Bloomberg and (2) a discount rate. Due to the nature of the valuation inputs, loan servicing rights are classified in Level 3 of the fair value hierarchy.

Fair Value of Financial Instruments

The Corporation is required to disclose estimated fair values for its financial instruments. Fair value estimates, methods, and assumptions, consistent with exit price concepts for fair value measurements, are set forth below:

	June 30, 2026				
	Carrying Amount	Fair Value			
		Total	Level 1	Level 2	Level 3
	(In Thousands)				
Financial assets:					
Cash and cash equivalents	$ 163,358	$ 163,358	$ 163,358	$ —	$ —
Securities available-for-sale	409,692	409,692	—	409,692	—
Securities held-to-maturity	4,674	4,594	—	4,594	—
Loans held for sale	—	—	—	—	—
Loans and lease receivables, net	3,548,222	3,536,831	—	—	3,536,831
Federal Home Loan Bank stock	13,173	N/A	N/A	N/A	N/A
Accrued interest receivable	12,782	12,782	12,782	—	—
Interest rate swaps	45,827	45,827	—	45,827	—
Financial liabilities:					
Deposits	3,592,165	3,590,936	2,993,930	597,006	—
Federal Home Loan Bank advances and other borrowings	346,794	345,535	—	345,535	—
Accrued interest payable	8,998	8,998	8,998	—	—
Interest rate swaps	39,733	39,733	—	39,733	—
Off-balance sheet items:					
Standby letters of credit	316	316	—	—	316

N/A = The fair value is not applicable due to restrictions placed on transferability

	December 31, 2025				
	Carrying Amount	Fair Value			
		Total	Level 1	Level 2	Level 3
	(In Thousands)				
Financial assets:					
Cash and cash equivalents	$ 39,485	$ 39,485	$ 39,485	$ —	$ —
Securities available-for-sale	422,087	422,087	—	422,087	—
Securities held-to-maturity	5,210	5,141	—	5,141	—
Loans held for sale	18,849	20,357	—	20,357	—
Loans and lease receivables, net	3,337,364	3,330,756	—	—	3,330,756
Federal Home Loan Bank stock	8,940	N/A	N/A	N/A	N/A
Accrued interest receivable	13,100	13,100	13,100	—	—
Interest rate swaps	36,515	36,515	—	36,515	—
Financial liabilities:					
Deposits	3,380,415	3,382,348	2,575,431	806,917	—
Federal Home Loan Bank advances and other borrowings	252,051	251,312	—	251,312	—
Accrued interest payable	9,417	9,417	9,417	—	—
Interest rate swaps	36,926	36,926	—	36,926	—
Off-balance sheet items:					
Standby letters of credit	197	197	—	—	197

N/A = The fair value is not applicable due to restrictions placed on transferability

Disclosure of fair value information about financial instruments, for which it is practicable to estimate that value, is required whether or not recognized in the unaudited Consolidated Balance Sheets. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regard, the derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases, could not be realized in immediate settlement of the instruments. Certain financial instruments and all non-financial instruments are excluded from the disclosure requirements. Accordingly, the aggregate fair value amounts presented do not necessarily represent the underlying value of the Corporation.

Securities: The fair value measurements of investment securities are determined by a third-party pricing service which considers observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, trade execution data, market consensus prepayment speeds, credit information, and the securities' terms and conditions, among other things. The fair value measurements are subject to independent verification by another pricing source on a quarterly basis to review for reasonableness. Any significant differences in pricing are reviewed with appropriate members of management who have the relevant technical expertise to assess the results. The Corporation has determined that these valuations are classified in Level 2 of the fair value hierarchy. When the independent pricing service does not provide a fair value measurement for a particular security, the Corporation will estimate the fair value based on specific information about each security. Fair values derived in this manner are classified in Level 3 of the fair value hierarchy.

Loans Held for Sale: Loans held for sale, which consist of the guaranteed portions of SBA 7(a) loans, are carried at the lower of cost or estimated fair value. The estimated fair value is based on what secondary markets are currently offering for portfolios with similar characteristics.

Derivatives: The carrying amount and fair value of existing derivative financial instruments are based upon independent valuation models, which use widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each derivative contract. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. The Corporation incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of its derivative contracts for the effect of nonperformance risk, the Corporation considers the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees.

Limitations: Fair value estimates are made at a discrete point in time, based on relevant market information and information about the financial instrument. These estimates do not reflect any premium or discount that could result from offering for sale at one time the Corporation's entire holding of a particular financial instrument. Because no market exists for a significant portion of the Corporation's financial instruments, fair value estimates are based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Fair value estimates are based on existing balance sheet financial instruments without attempting to estimate the value of anticipated future business and the value of assets and liabilities that are not considered financial instruments. In addition, the tax ramifications related to the realization of the unrealized gains and losses can have a significant effect on fair value estimates and are not considered in the estimates.

Note 13 — Derivative Financial Instruments

The Corporation offers interest rate swap products directly to qualified commercial borrowers. The Corporation economically hedges client derivative transactions by entering into offsetting interest rate swap contracts executed with a third party. Derivative transactions executed as part of this program are not considered hedging instruments and are marked-to-market through earnings each period. The derivative contracts have mirror-image terms, which results in the positions' changes in fair value offsetting through earnings each period. The credit risk and risk of non-performance embedded in the fair value calculations is different between the dealer counterparties and the commercial borrowers which may result in a difference in the changes in the fair value of the mirror-image swaps. The Corporation incorporates credit valuation adjustments to appropriately reflect both its own non-performance risk and the counterparty's risk in the fair value measurements. When evaluating the fair value of its derivative contracts for the effects of non-performance and credit risk, the Corporation considered the impact of netting and any applicable credit enhancements such as collateral postings, thresholds, and guarantees. As of June 30, 2026 there was no credit valuation allowance. As of December 31, 2025 the credit valuation allowance was $116,000.

The Corporation receives fixed rates and pays floating rates based upon designated benchmark interest rates used on the swaps with commercial borrowers. Commercial borrower swaps are completed independently with each borrower and are not subject to master netting arrangements. The Corporation pays fixed rates and receives floating rates based upon designated benchmark interest rates used on the swaps with dealer counterparties. Dealer counterparty swaps are subject to master netting agreements among the contracts within our Bank and are reported on the unaudited Consolidated Balance Sheets. The gross amount of the fair value of the dealer counterparty swaps, without regard to the enforceable master netting agreement, was a gross derivative asset of $39.6 million and gross derivative liability of $2.5 million as of June 30, 2026.

All changes in fair value of these instruments are recorded in other non-interest income. Given the mirror-image terms of the outstanding derivative portfolio, the change in fair value for the three and six months ended June 30, 2026 and 2025 had an insignificant impact on the unaudited Consolidated Statements of Income.

The Corporation also enters into interest rate swaps to manage interest rate risk and reduce the cost of match-funding certain long-term fixed rate loans. These derivative contracts involve the receipt of floating rate interest from a counterparty in exchange for the Corporation making fixed-rate payments over the life of the agreement, without the exchange of the underlying notional value. The instruments are designated as cash flow hedges as the receipt of floating rate interest from the counterparty is used to manage interest rate risk related to cash outflows attributable to future wholesale deposit or short-term FHLB advance borrowings. The change in the fair value of these hedging instruments is recorded in accumulated other comprehensive income and is subsequently reclassified into earnings in the period that the hedged transactions affect earnings. A pre-tax unrealized gain of $3.6 million and $6.3 million was recognized in other comprehensive income for the three and six months ended June 30, 2026, respectively, and there were no ineffective portions of the hedges. A pre-tax unrealized loss of $3.1 million and $8.9 million was recognized in other comprehensive income for the three and six months ended June 30, 2025, respectively, and there were no ineffective portions of the hedges.

The Corporation also enters into interest rate swaps to mitigate market value volatility on certain long-term fixed securities. The objective of the hedge is to protect the Corporation against changes in fair value due to changes in benchmark interest rates. The instruments are designated as fair value hedges as the changes in the fair value of the interest rate swap are expected to offset changes in the fair value of the hedged item attributable to changes in the SOFR swap rate, the designated benchmark interest rate. These derivative contracts involve the receipt of floating rate interest from a counterparty in exchange for the Corporation making fixed-rate payments over the life of the agreement, without the exchange of the underlying notional value. For derivatives designated and that qualify as fair value hedges, the gain or loss on the derivative as well as the offsetting loss or gain on the hedged item attributable to the hedged risk are recognized in interest income. A pre-tax unrealized gain of $147,000 and $186,000 was recognized in other comprehensive income for the three and six months ended June 30, 2026, respectively, and there was no ineffective portion of the hedges. A pre-tax unrealized loss of $79,000 and $243,000 was recognized in other comprehensive income, resulting from adjustments to the carrying values of the hedged available-for-sale securities, for the three and six months ended June 30, 2025, respectively, and there was no ineffective portion of the hedges.

	As of June 30, 2026					
	Number of Instruments		Notional Amount	Weighted Average Maturity (In Years)		Fair Value
	(Dollars in Thousands)					
Included in Derivative assets						
Derivatives not designated as hedging instruments						
Interest rate swap agreements on loans with commercial loan clients	29	$	341,027	3.31	$	2,473
Interest rate swap agreements on loans with third-party counterparties	128		1,205,639	3.97		37,158
Derivatives designated as hedging instruments						
Interest rate swap related to AFS securities	11	$	12,500	5.78	$	1,025
Interest rate swap related to wholesale funding	42		439,489	3.08		5,171
Included in Derivative liabilities						
Derivatives not designated as hedging instruments						
Interest rate swap agreements on loans with commercial loan clients	99	$	864,612	4.22	$	39,631
Derivatives designated as hedging instruments						
Interest rate swap related to wholesale funding	5	$	38,000	1.29	$	102

	As of December 31, 2025					
	Number of Instruments		Notional Amount	Weighted Average Maturity (In Years)		Fair Value
	(Dollars in Thousands)					
Included in Derivative assets						
Derivatives not designated as hedging instruments						
Interest rate swap agreements on loans with commercial loan clients	62	$	662,325	3.64	$	9,704
Interest rate swap agreements on loans with third-party counter parties	124		1,166,859	4.36		24,854
Derivatives designated as hedging instruments						
Interest rate swap related to AFS securities	11	$	12,500	6.28	$	839
Interest rate swap related to wholesale funding	4		48,400	2.12		1,118
Included in Derivative liabilities						
Derivatives not designated as hedging instruments						
Interest rate swap agreements on loans with commercial loan clients	62	$	504,535	5.31	$	34,558
Derivatives designated as hedging instruments						
Interest rate swap related to wholesale funding	45	$	449,089	3.29	$	2,368

Note 14 — Regulatory Capital

The Corporation and the Bank are subject to various regulatory capital requirements administered by Federal and Wisconsin agencies that regulate financial institutions and financial service providers agencies. Failure to meet minimum capital requirements can result in certain mandatory, and possibly additional discretionary actions on the part of regulators, that if undertaken, could have a direct material effect on the Bank's assets, liabilities, and certain off-balance sheet items as calculated under regulatory practices. The Corporation's and the Bank's capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors. The Corporation regularly reviews and updates, when appropriate, its capital and liquidity action plans, which are designed to help ensure appropriate capital adequacy, to plan for future capital needs, and to ensure that the Corporation serves as a source of financial strength to the Bank. The Corporation's and the Bank's Board and management teams adhere to the appropriate regulatory guidelines on decisions which affect their respective capital positions, including but not limited to, decisions relating to the payment of dividends and increasing indebtedness.

As a bank holding company, the Corporation's ability to pay dividends is affected by the policies and enforcement powers of the Board of Governors of the Federal Reserve system (the "Federal Reserve"). Federal Reserve guidance urges financial institutions to strongly consider eliminating, deferring, or significantly reducing dividends if: (i) net income available to common shareholders for the past four quarters, net of dividends previously paid during that period, is not sufficient to fully fund the dividend; (ii) the prospective rate of earnings retention is not consistent with the bank holding company's capital needs and overall current and prospective financial condition; or (iii) the bank holding company will not meet, or is in danger of not meeting, its minimum regulatory capital ratios. Management intends, when appropriate under regulatory guidelines, to consult with the Federal Reserve Bank ("FRB") of Chicago and provide it with information on the Corporation's then-current and prospective earnings and capital position in advance of declaring any cash dividends. As a Wisconsin corporation, the Corporation is subject to the limitations of the Wisconsin Business Corporation Law, which prohibit the Corporation from paying dividends if such payment would: (i) render the Corporation unable to pay its debts as they become due in the usual course of business, or (ii) result in the Corporation's assets being less than the sum of its total liabilities plus the amount needed to satisfy the preferential rights upon dissolution of any shareholders with preferential rights superior to those shareholders receiving the dividend.

The Bank is also subject to certain legal, regulatory, and other restrictions on their ability to pay dividends to the Corporation. As a bank holding company, the payment of dividends by the Bank to the Corporation is one of the sources of funds the Corporation could use to pay dividends, if any, in the future and to make other payments. Future dividend decisions by the Bank and the Corporation will continue to be subject to compliance with various legal, regulatory, and other restrictions as defined from time to time.

Quantitative measures established by regulation to ensure capital adequacy require the Corporation and the Bank to maintain minimum amounts and ratios of Total Common Equity Tier 1 and Tier 1 capital to risk-weighted assets and of Tier 1 capital to adjusted total assets. These risk-based capital requirements presently address credit risk related to both recorded and off-balance sheet commitments and obligations.

As of June 30, 2026, the Corporation's capital levels exceeded the regulatory minimums and the Bank's capital levels remained characterized as well capitalized under the regulatory framework. The following tables summarize both the Corporation's and the Bank's capital ratios and the ratios required by their federal regulators:

	As of June 30, 2026							
	Actual		Minimum Required for Capital Adequacy Purposes		For Capital Adequacy Purposes Plus Capital Conservation Buffer		Minimum Required to Be Well Capitalized Under Prompt Corrective Action Requirements	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
	(Dollars in Thousands)							
Total capital (to risk-weighted assets)								
Consolidated	$486,735	12.21%	$318,793	8.00%	$418,415	10.50%	N/A	N/A
First Business Bank	485,212	12.18	318,817	8.00	418,448	10.50	$398,522	10.00%
Tier 1 capital (to risk-weighted assets)								
Consolidated	$391,971	9.84%	$239,094	6.00%	$338,717	8.50%	N/A	N/A
First Business Bank	445,313	11.17	239,113	6.00	338,743	8.50	$318,817	8.00%
Common equity tier 1 capital (to risk-weighted assets)								
Consolidated	$379,979	9.54%	$179,321	4.50%	$278,944	7.00%	N/A	N/A
First Business Bank	445,313	11.17	179,335	4.50	278,965	7.00	$259,039	6.50%
Tier 1 leverage capital (to adjusted assets)								
Consolidated	$391,971	9.11%	$172,019	4.00%	$172,019	4.00%	N/A	N/A
First Business Bank	445,313	10.37	171,774	4.00	171,774	4.00	$214,718	5.00%

	As of December 31, 2025							
	Actual (1)		Minimum Required for Capital Adequacy Purposes		For Capital Adequacy Purposes Plus Capital Conservation Buffer		Minimum Required to Be Well Capitalized Under Prompt Corrective Action Requirements	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
	(Dollars in Thousands)							
Total capital (to risk-weighted assets)								
Consolidated	$463,447	12.24%	$302,917	8.00%	$397,578	10.50%	N/A	N/A
First Business Bank	460,423	12.16	302,929	8.00	397,594	10.50	$378,661	10.00%
Tier 1 capital (to risk-weighted assets)								
Consolidated	$370,786	9.79%	$227,188	6.00%	$321,849	8.50%	N/A	N/A
First Business Bank	422,567	11.16	227,197	6.00	321,862	8.50	$302,929	8.00%
Common equity tier 1 capital (to risk-weighted assets)								
Consolidated	$358,794	9.48%	$170,391	4.50%	$265,052	7.00%	N/A	N/A
First Business Bank	422,567	11.16	170,398	4.50	265,063	7.00	$246,130	6.50%
Tier 1 leverage capital (to adjusted assets)								
Consolidated	$370,786	8.86%	$167,376	4.00%	$167,376	4.00%	N/A	N/A
First Business Bank	422,567	10.11	167,237	4.00	167,237	4.00	$209,046	5.00%

(1) 2025 capital amounts include $338,000 of additional stockholders' equity as elected by the Corporation and permitted by federal banking regulatory agencies related to the adoption of ASC 326. Risk-weighted assets were also adjusted accordingly.

Note 15 — Segment Information

The Corporation's reportable segment is determined by the Chief Executive Officer, who is the designated chief operating decision maker, based upon information provided by the Corporation's products and services offered, primarily banking operations. The segment is also distinguished by the level of information provided to the chief operating decision maker, who uses such information to review the performance of various components of the business. These components are then aggregated if operating performance, products and services and customers are similar. The chief operating decision maker will evaluate the financial performance of the Corporation's business components such as by evaluating revenue streams, significant expenses, and budget to actual results in assessing the Corporation's segment and in the determination of allocating resources. The chief operating decision maker uses revenue streams to evaluate product pricing and significant expenses to assess performance and return on assets. The chief operating decision maker uses consolidated net income to benchmark the Corporation against its competitors. The benchmarking analysis coupled with monitoring of budget to actual results is used in assessment performance and in establishing compensation. Loans, investments, and deposits provide the revenues in the banking operation. Interest expense, compensation expense, and provision for credit losses provide significant expenses in the banking operations. All operations are domestic.

	As of and for the Six Months Ended June 30,	
	2026	2025
	(In Thousands)	
Interest income	$ 126,916	$ 120,812
Reconciliation of revenue		
Other revenues	17,345	14,834
Total consolidated revenues	144,261	135,646
Less: interest expense	53,257	53,770
Segment net interest and non-interest income	91,004	81,876
Less:		
Provision for credit losses	5,027	5,360
Compensation expense	37,003	33,281
Other segment items	17,799	16,406
Income tax expense	3,395	4,236
Segment and consolidated net income	$ 27,780	$ 22,593
Other segment disclosures:		
Interest income	$ 126,916	$ 120,812
Interest expense	53,257	53,770
Depreciation, amortization, and accretion	1,897	1,821
Other significant noncash item:		
Provision for credit losses	5,027	5,360
Segment assets	4,410,004	4,002,725
Expenses for segment assets	54,802	49,687
Reconciliation of assets:		
Total assets for reportable segments	$ 4,410,004	$ 4,002,725
Other assets	—	—
Total consolidated assets	$ 4,410,004	$ 4,002,725

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

General

Unless otherwise indicated or unless the context requires otherwise, all references in this Report to the "Corporation," "we," "us," "our," or similar references mean First Business Financial Services, Inc. together with our subsidiary. "FBB" or the "Bank" refers to our subsidiary, First Business Bank.

Forward-Looking Statements

This report may include forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, which reflect our current views with respect to future events and financial performance. Forward-looking statements are not based on historical information, but rather are related to future operations, strategies, financial results, or other developments. Forward-looking statements are based on management's expectations as well as certain assumptions and estimates made by, and information available to, management at the time the statements are made. Such statements are subject to risks and uncertainties, including among other things:

- Adverse changes in the economy or business conditions, either nationally or in our markets including, without limitation, inflation, economic downturn, labor shortages, wage pressures, the adverse effects of public health events on the global, national, and local economy, and geopolitical instability and international conflicts that may affect energy prices or otherwise result in market volatility.
- Uncertainty created by potential federal government actions relating to the authority of regulatory agencies (including bank regulators), international trade policy, prolonged shutdown of the federal government, and other significant policy matters.
- Competitive pressures among depository and other financial institutions nationally and in our markets.
- Increases in defaults by borrowers and other delinquencies.
- Management's ability to manage growth effectively, including the successful expansion of our client support, administrative infrastructure, and internal management systems.
- Fluctuations in interest rates and market prices.
- Changes in legislative or regulatory requirements applicable to us and our subsidiaries.
- Changes in tax requirements, including tax rate changes, new tax laws, and revised tax law interpretations.
- Fraud, including client and system failure or breaches of our network security, including our internet banking activities.
- Failure to comply with the applicable SBA regulations in order to maintain the eligibility of the guaranteed portions of SBA loans.
- 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.
- The proportion of the Corporation's deposit account balances that exceed FDIC insurance limits may expose the Bank to enhanced liquidity risk.
- The Corporation may be subject to increases in FDIC insurance assessments.

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. See **Part I, Item 1A — Risk Factors** in our Annual Report on Form 10-K for the year ended December 31, 2025, for discussion relating to risk factors impacting us. Investors should not place undue reliance on any such forward-looking statements, which speak only as of the date made. These factors 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, we caution that, while our 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.

We do not intend to, and specifically disclaim any obligation to, update any forward-looking statements.

The following discussion and analysis is intended as a review of significant events and factors affecting our financial condition and results of operations for the periods indicated. The discussion should be read in conjunction with the unaudited Consolidated Financial Statements and the Notes thereto presented in this Form 10-Q.

Overview

We are a registered bank holding company incorporated under the laws of the State of Wisconsin and are engaged in the commercial banking business through our wholly-owned banking subsidiary, FBB. All of our operations are conducted through FBB and First Business Specialty Finance, LLC, a wholly-owned subsidiary of FBB. We operate as a business bank focusing on delivering a full line of commercial banking products and services tailored to meet the specific needs of small and medium-sized businesses, business owners, executives, professionals, and high net worth individuals. Our products and services include those for business banking, private wealth management services, and bank consulting. Within business banking, we offer commercial lending, asset-based lending, accounts receivable financing, equipment financing, floorplan financing, vendor financing, treasury management services, and company retirement plans. Our private wealth management services include trust and estate administration, financial planning, investment management, and private banking for executives and owners of our business banking clients and others. Our bank consulting experts provide investment portfolio administrative services and asset liability management services. We are not a retail bank and do not rely on a traditional branch network to gather deposits or attract clients. Instead, our operating model is built on deep client relationships, specialized financial expertise, and an efficient, centralized administrative structure designed to deliver best-in-class client satisfaction. This focused approach enables our experienced professionals to provide the level of insight and service required to develop and sustain long-term client relationships. We conduct our commercial banking operations through one operating segment.

Financial Performance Summary

Results as of and for the three and six months ended June 30, 2026 include:

- Net income available to common shareholders totaled $15.4 million, or diluted earnings per share of $1.84, for the three months ended June 30, 2026, compared to $11.2 million, or diluted earnings per share of $1.35, for the same period in 2025. Net income available to common shareholders totaled $27.3 million, or diluted earnings per share of $3.28, for the six months ended June 30, 2026, compared to $22.2 million, or diluted earnings per share $2.66, for the same period in 2025.
- Annualized return on average assets ("ROAA") for the three months ended June 30, 2026 measured 1.43%, compared to 1.14% for the same period in 2025. ROAA for the six months ended June 30, 2026 measured 1.28%, compared to 1.14% for the same period in 2025.
- Return on average tangible common equity ("ROATCE") is defined as net income available to common shareholders divided by average equity less average intangible assets and average preferred stock. ROATCE was 16.89% for the three months ended June 30, 2026, compared to 14.17% for the same period in 2025. ROATCE was 15.25% for the six months ended June 30, 2026, compared to 14.15% for the same period in 2025.
- Efficiency ratio measured 57.57% for the three months ended June 30, 2026, compared to 60.97% for the same period in 2025. Efficiency ratio measured 59.31% for the six months ended June 30, 2026, compared to 60.63% for the same period in 2025.
- Pre-tax, pre-provision ("PTPP") adjusted earnings, which excludes certain one-time and discrete items, for the three months ended June 30, 2026 was $19.8 million, compared to $16.0 million in the same period in 2025. PTPP for the six months ended June 30, 2026 was $37.0 million, compared to $32.2 million in the same period in 2025.
- Net interest margin was 3.78% for the three months ended June 30, 2026, compared to 3.67% for the same period in 2025. Net interest margin was 3.67% for the six months ended June 30, 2026, compared to 3.68% for the same period in 2025.

- Top line revenue, defined as net interest income plus non-interest income, totaled $46.7 million for the three months ended June 30, 2026, compared to $41.0 million in the same period in 2025. Top line revenue totaled $91.0 million for the six months ended June 30, 2026, compared to $81.9 million in the same period in 2025.
- Effective tax rate, including the benefit from Low-Income Housing Tax Credits, was 10.89% for the six months ended June 30, 2026 compared to 15.79% for the same period in 2025. Income tax expense for the three and six months ended June 30, 2026 included a $1.5 million release of the remaining state deferred tax valuation allowance.
- Provision for credit losses was $2.1 million for the three months ended June 30, 2026, compared to $2.7 million for the same period in 2025. Provision for credit losses was $5.0 million for the six months ended June 30, 2026, compared to $5.4 million for the same period in 2025.
- Total assets at June 30, 2026 increased $328.1 million, or 8.0%, to $4.410 billion from $4.082 billion at December 31, 2025.
- Period-end gross loans and leases receivable increased $213.1 million, or 12.6% annualized, to $3.588 billion as of June 30, 2026 compared to $3.375 billion as of December 31, 2025. Average gross loans and leases of $3.488 billion increased $275.5 million, or 8.6%, for the six months ended June 30, 2026, compared to $3.213 billion for the same period in 2025.
- Non-performing assets were $38.1 million and 0.86% of total assets as of June 30, 2026, compared to $43.9 million and 1.07% of total assets as of December 31, 2025.
- The allowance for credit losses, including reserve for unfunded credit commitments, increased $1.8 million compared to December 31, 2025. The allowance for credit losses, including reserve for unfunded credit commitments, was 1.10% of total loans, compared to 1.12% at December 31, 2025.
- Period-end core deposits at June 30, 2026 increased $204.7 million, or 15.3% annualized, to $2.878 billion from $2.673 billion as of December 31, 2025. Average core deposits of $2.854 billion increased $474.6 million or 19.9%, for the six months ended June 30, 2026, compared to $2.380 billion for the same period in 2025.
- Private wealth and trust assets under management and administration increased by $419.9 million, or 22.0% annualized, to $4.235 billion at June 30, 2026, compared to $3.815 billion at December 31, 2025. Private wealth and trust assets under management and administration increased $503.9 million, or 13.5%, compared to June 30, 2025.

Results of Operations

Top Line Revenue

Top line revenue, comprised of net interest income and non-interest income, increased $5.7 million, or 13.8%, for the three months ended June 30, 2026, compared to the same period in 2025, due to a 12.9% increase in net interest income and an 18.1% increase in non-interest income. The increase in net interest income was primarily driven by increases in average loans and leases outstanding and prepayment fees, partially offset by lower short-term market rates. The increase in non-interest income was due primarily to increases in income from limited partnership investment income, private wealth income, and service charges on deposits, partially offset by decreases in gains on sale of SBA loans due to the exit from the out of market SBA 7(a) lending activities in the current quarter.

Top line revenue increased $9.1 million, or 11.1%, for the six months ended June 30, 2026, compared to the same period in 2025, due to a 9.9% increase in net interest income and a 16.9% increase in non-interest income. The increase in net interest income was primarily driven by increases in average loans and leases outstanding and prepayment fees, partially offset by lower short-term market rates. The increase in non-interest income was due primarily to increases in private wealth income, income from limited partnership investments, commercial loan swap income, service charges on deposits, and bank-owned life insurance income, partially offset by decreases in gains on sale of SBA loans as noted above.

The components of top line revenue were as follows:

	For the Three Months Ended June 30,				For the Six Months Ended June 30,			
	2026	2025	$ Change	% Change	2026	2025	$ Change	% Change
	(Dollars in Thousands)							
Net interest income	$38,142	$33,784	$4,358	12.9%	$73,659	$67,042	$6,617	9.9%
Non-interest income	8,569	7,255	1,314	18.1	17,345	14,834	2,511	16.9
Top line revenue	$46,711	$41,039	$5,672	13.8	$91,004	$81,876	$9,128	11.1

Annualized Return on Average Assets (“ROAA”) and Annualized Return on Average Tangible Common Equity (“ROATCE”)

ROAA for the three and six months ended June 30, 2026 was 1.43% and 1.28%, respectively, compared to 1.14% for both the three and six months ended June 30, 2025. The increase in ROAA was due to an increase in pre-tax, pre-provision earnings driven by average loan growth, stable margin, and strong fee income, as well as a $1.5 million income tax benefit. Excluding the income tax benefit, ROAA was 1.29% and 1.21% for the three and six months ended June 30, 2026, respectively. We consider ROAA a critical metric to measure the profitability of our organization and how efficiently our assets are deployed. ROAA also allows us to better benchmark our profitability to our peers without the need to consider different degrees of leverage which can ultimately influence return on equity measures.

ROATCE for the three and six months ended June 30, 2026 was 16.9% and 15.2%, respectively, compared to 14.2% for both the three and six months ended June 30, 2025. The explanation of the increase in ROATCE is consistent with the ROAA discussion above. Excluding the income tax benefit, ROATCE was 15.3% and 14.4% for the three and six months ended June 30, 2026, respectively. We view ROATCE as an important measurement for monitoring profitability and continue to focus on improving our return to our shareholders by enhancing the overall profitability of our client relationships, controlling our expenses, and minimizing our costs of credit.

Efficiency Ratio and Pre-Tax, Pre-Provision Adjusted Earnings

Efficiency ratio measured 57.6% and 59.3% for the three and six months ended June 30, 2026, respectively, compared to 61.0% and 60.6% for the three and six months ended June 30, 2025, respectively. The decrease in efficiency ratio was primarily due to a volume-driven increase in net interest income and an increase in non-interest income, partially offset by an increase in compensation expense. Efficiency ratio is a non-GAAP measure representing operating expense, which is non-interest expense excluding the effects of the SBA recourse benefit or provision, net gains or losses on repossessed assets, amortization of other intangible assets, and other discrete items, if any, divided by operating revenue, which is equal to net interest income plus non-interest income less realized net gains or losses on securities, if any.

PTPP adjusted earnings for the three and six months ended June 30, 2026 were $19.8 million and $37.0 million, respectively, compared to $16.0 million and $32.2 million for the three and six months ended June 30, 2025, respectively. The increase in PTPP adjusted earnings is primarily due to an increase in net interest income and non-interest income and improved efficiency. This increase in total revenue was partially offset by an increase in non-interest expense primarily due to an increase in compensation expense. In the judgment of the Corporation’s management, the adjustments made to non-interest expense and non-interest income allow investors and analysts to better assess the Corporation’s operating expenses in relation to its core operating revenue by removing the volatility associated with certain one-time items and other discrete items. PTPP adjusted earnings is a non-GAAP measure that allows management to benchmark performance of our model to our peers without the influence of the provision for credit losses and tax considerations, which will ultimately influence other traditional financial measures, including ROAA and ROATCE. The information provided below reconciles the efficiency ratio to its most comparable GAAP measure.

Please refer to the **Non-Interest Income** and **Non-Interest Expense** sections below for discussion on additional drivers of the year-over-year change in the efficiency ratio and PTPP adjusted earnings.

	For the Three Months Ended June 30,				For the Six Months Ended June 30,			
	2026	2025	$ Change	% Change	2026	2025	$ Change	% Change
	(Dollars in Thousands)							
Total non-interest expense	$27,849	$24,968	$2,881	11.5%	$54,802	$49,687	$5,115	10.3%
Less:								
Net gain on repossessed assets	—	4	(4)	NM	—	(4)	4	NM
Impairment of tax credit investments	552	—	552	NM	545	110	435	NM
SBA severance expense	405	—	405	NM	405	—	405	NM
SBA recourse benefit	—	(59)	59	NM	(121)	(59)	(62)	NM
Total operating expense (a)	$26,892	$25,023	$1,869	7.5	$53,973	$49,640	$4,333	8.7
Net interest income	$38,142	$33,784	$4,358	12.9	$73,659	$67,042	$6,617	9.9
Total non-interest income	8,569	7,255	1,314	18.1	17,345	14,834	2,511	16.9
Operating revenue (b)	$46,711	$41,039	$5,672	13.8	$91,004	$81,876	$9,128	11.1
Efficiency ratio	57.57%	60.97%			59.31%	60.63%		
Pre-tax, pre-provision adjusted earnings (b-a)	$19,819	$16,016	$3,803	23.7	$37,031	$32,236	$4,795	14.9
Average total assets	$4,295,539	$3,928,087	$367,452	9.4	$4,272,092	$3,885,465	$386,627	10.0

Net Interest Income

Net interest income levels depend on the amount of and yield on interest-earning assets as compared to the amount of and rate paid on interest-bearing liabilities. Net interest income is sensitive to changes in market rates of interest and the asset/liability management processes to prepare for and respond to such changes.

The following table provides information with respect to (1) the change in net interest income attributable to changes in rate (changes in rate multiplied by prior volume) and (2) the change in net interest income attributable to changes in volume (changes in volume multiplied by prior rate) for the three and six months ended June 30, 2026 compared to the same period in 2025. The change in net interest income attributable to changes in rate and volume (changes in rate multiplied by changes in volume) has been allocated to the rate and volume changes in proportion to the relationship of the absolute dollar amounts of the change in each.

	Increase (Decrease) for the Three Months Ended June 30,			Increase (Decrease) for the Six Months Ended June 30,		
	2026 Compared to 2025			2026 Compared to 2025		
	Rate	Volume	Net	Rate	Volume	Net
	(In Thousands)					
Interest-earning assets						
Commercial real estate and other mortgage loans[1]	$ (1,777)	$ 3,093	$ 1,316	$ (3,630)	$ 5,275	$ 1,645
Commercial and industrial loans[1]	(181)	2,171	1,990	(1,355)	4,027	2,672
Consumer and other loans[1]	100	(17)	83	121	(16)	105
Total loans and leases receivable	(1,858)	5,247	3,389	(4,864)	9,286	4,422
Mortgage-related securities	3	405	408	65	1,113	1,178
Other investment securities	17	12	29	51	49	100
FHLB and FRB Stock	(23)	64	41	45	(86)	(41)
Short-term investments	(65)	(63)	(128)	(227)	672	445
Total net change in income on interest-earning assets	(1,926)	5,665	3,739	(4,930)	11,034	6,104
Interest-bearing liabilities						
Transaction accounts	(1,521)	2,113	592	(2,692)	4,226	1,534
Money market accounts	(1,138)	837	(301)	(2,248)	1,548	(700)
Certificates of deposit	(127)	516	389	(303)	1,279	976
Wholesale deposits	12	(1,844)	(1,832)	(87)	(1,963)	(2,050)
Total deposits	(2,774)	1,622	(1,152)	(5,330)	5,090	(240)
FHLB advances	156	377	533	558	(831)	(273)
Other borrowings	(2)	2	—	(4)	4	—
Total net change in expense on interest-bearing liabilities	(2,620)	2,001	(619)	(4,776)	4,263	(513)
Net change in net interest income	$ 694	$ 3,664	$ 4,358	$ (154)	$ 6,771	$ 6,617

(1) The average balances of loans and leases include non-accrual loans and leases and loans held for sale.

The table below shows our average balances, interest, average yields/rates, net interest margin, and the spread between the combined average yields earned on interest-earning assets and average rates on interest-bearing liabilities for the three and six months ended June 30, 2026 and 2025. The average balances are derived from average daily balances.

	For the Three Months Ended June 30,					
	2026			2025		
	Average Balance	Interest	Average Yield/Rate[4]	Average Balance	Interest	Average Yield/Rate[4]
	(Dollars in Thousands)					
Interest-earning assets						
Commercial real estate and other mortgage loans[1]	$ 2,137,098	$ 31,660	5.93%	$ 1,932,593	$ 30,344	6.28%
Commercial and industrial loans[1]	1,364,594	27,594	8.09	1,257,296	25,604	8.15
Consumer and other loans[1]	48,723	756	6.21	49,951	673	5.39
Total loans and leases receivable[1]	3,550,415	60,010	6.76	3,239,840	56,621	6.99
Mortgage-related securities[2]	372,462	3,941	4.23	334,159	3,533	4.23
Other investment securities[3]	48,679	279	2.29	46,416	250	2.15
FHLB and FRB stock	14,799	338	9.14	12,852	297	9.24
Short-term investments	46,681	453	3.88	52,772	581	4.40
Total interest-earning assets	4,033,036	65,021	6.45	3,686,039	61,282	6.65
Goodwill and other intangible assets	11,972			12,080		
Non-interest-earning assets	250,531			229,968		
Total assets	$ 4,295,539			$ 3,928,087		
Interest-bearing liabilities						
Transaction accounts	$ 1,279,116	$ 8,556	2.68%	$ 985,606	$ 7,964	3.23%
Money market accounts	931,051	6,488	2.79	821,845	6,789	3.30
Certificates of deposit	235,510	2,109	3.58	178,643	1,720	3.85
Wholesale deposits	590,739	5,952	4.03	773,750	7,784	4.02
Total interest-bearing deposits	3,036,416	23,105	3.04	2,759,844	24,257	3.52
FHLB advances	327,915	2,891	3.53	284,428	2,358	3.32
Other borrowings	54,846	883	6.44	54,733	883	6.45
Total interest-bearing liabilities	3,419,177	26,879	3.14	3,099,005	27,498	3.55
Non-interest-bearing demand deposit accounts	414,376			410,423		
Other non-interest-bearing liabilities	74,188			78,388		
Total liabilities	3,907,741			3,587,816		
Common stockholders' equity	375,806			328,279		
Preferred stock	11,992			11,992		
Total stockholders' equity	387,798			340,271		
Total liabilities and stockholders' equity	$ 4,295,539			$ 3,928,087		
Net interest income		$ 38,142			$ 33,784	
Interest rate spread			3.30%			3.10%
Net interest-earning assets	$ 613,859			$ 587,034		
Net interest margin			3.78%			3.67%
Average interest-earning assets to average interest-bearing liabilities	117.95%			118.94%		
Return on average assets[4]	1.43%			1.14%		
Return on average tangible common equity[4]	16.89%			14.17%		
Average equity to average assets	9.03%			8.66%		
Non-interest expense to average assets[4]	2.59%			2.54%		

(1) The average balances of loans and leases include non-accrual loans and leases and loans held for sale. Interest income related to non-accrual loans and leases is recognized when collected. Interest income includes net loan fees in lieu of interest.
(2) Includes amortized cost basis of assets available-for-sale and held-to-maturity.
(3) Yields on tax-exempt municipal securities are not presented on a tax-equivalent basis in this table.
(4) Represents annualized yields/rates.

	For the Six Months Ended June 30,					
	2026			2025		
	Average Balance	Interest	Average Yield/Rate[4]	Average Balance	Interest	Average Yield/Rate[4]
	(Dollars in Thousands)					
Interest-earning assets						
Commercial real estate and other mortgage loans[1]	$ 2,104,332	$ 61,875	5.88%	$ 1,929,146	$ 60,230	6.24%
Commercial and industrial loans[1]	1,335,941	53,003	7.93	1,235,099	50,331	8.15
Consumer and other loans[1]	48,154	1,439	5.98	48,722	1,334	5.48
Total loans and leases receivable[1]	3,488,427	116,317	6.67	3,212,967	111,895	6.97
Mortgage-related securities[2]	374,216	7,906	4.23	321,478	6,728	4.19
Other investment securities[3]	49,408	559	2.26	44,790	459	2.05
FHLB and FRB stock	11,949	549	9.19	13,235	590	8.92
Short-term investments	87,439	1,585	3.63	51,927	1,140	4.39
Total interest-earning assets	4,011,439	126,916	6.33	3,644,397	120,812	6.63
Goodwill and other intangible assets	11,980			12,020		
Non-interest-earning assets	248,673			229,048		
Total assets	$ 4,272,092			$ 3,885,465		
Interest-bearing liabilities						
Transaction accounts	$ 1,250,191	$ 16,910	2.71%	$ 956,589	$ 15,376	3.21%
Money market accounts	928,183	12,841	2.77	826,695	13,541	3.28
Certificates of deposit	254,467	4,556	3.58	184,065	3,580	3.89
Wholesale deposits	636,186	12,726	4.00	734,310	14,776	4.02
Total interest-bearing deposits	3,069,027	47,033	3.07	2,701,659	47,273	3.50
FHLB advances	264,376	4,458	3.37	294,930	4,731	3.21
Other borrowings	54,831	1,766	6.44	54,721	1,766	6.45
Total interest-bearing liabilities	3,388,234	53,257	3.14	3,051,310	53,770	3.52
Non-interest-bearing demand deposit accounts	421,518			412,450		
Other non-interest-bearing liabilities	79,715			84,501		
Total liabilities	3,889,467			3,548,261		
Common stockholders' equity	370,633			325,212		
Preferred stock	11,992			11,992		
Total stockholders' equity	382,625			337,204		
Total liabilities and stockholders' equity	$ 4,272,092			$ 3,885,465		
Net interest income		$ 73,659			$ 67,042	
Interest rate spread			3.18%			3.11%
Net interest-earning assets	$ 623,205			$ 593,087		
Net interest margin			3.67%			3.68%
Average interest-earning assets to average interest-bearing liabilities	118.39%			119.44%		
Return on average assets[4]	1.28%			1.14%		
Return on average tangible common equity[4]	15.25%			14.15%		
Average equity to average assets	8.96%			8.68%		
Non-interest expense to average assets[4]	2.57%			2.56%		

(1) The average balances of loans and leases include non-accrual loans and leases and loans held for sale. Interest income related to non-accrual loans and leases is recognized when collected. Interest income includes net loan fees in lieu of interest.
(2) Includes amortized cost basis of assets available-for-sale and held-to-maturity.
(3) Yields on tax-exempt municipal securities are not presented on a tax-equivalent basis in this table.
(4) Represents annualized yields/rates.

The change in yield of the respective interest-earning assets or the rate paid on interest-bearing liability compared to the change in short-term market rates is commonly referred to as a beta. The table below displays the beta calculations for loans and leases, total interest earning assets, core deposits, interest-bearing deposits and total interest-bearing liabilities for the three and six months ended June 30, 2026 and 2025.

	For the Three Months Ended June 30,			For the Six Months Ended June 30,		
	2026	2025	Increase	2026	2025	Increase
Asset and Liability Beta Analysis	Average Yield/Rate [3]		(Decrease)	Average Yield/Rate [3]		(Decrease)
Total loans and leases receivable [a]	6.76%	6.99%	(0.23)%	6.67%	6.97%	(0.30)%
Total interest-earning assets [b]	6.45%	6.65%	(0.20)%	6.33%	6.63%	(0.30)%
Total core deposits [c]	2.40%	2.75%	(0.35)%	2.40%	2.73%	(0.33)%
Total bank funding [d]	2.75%	3.08%	(0.33)%	2.74%	3.05%	(0.31)%
Net interest margin [e]	3.78%	3.67%	0.11%	3.67%	3.68%	(0.01)%
Effective fed funds rate [2][f]	3.63%	4.33%	(0.70)%	3.64%	4.33%	(0.69)%
Beta Calculations:						
Total loans and leases receivable [a]/[f]			32.9%			43.48%
Total interest-earning assets [b]/[f]			28.6%			43.48%
Total core deposits [c]/[f]			50.0%			47.83%
Total bank funding [1][d]/[f]			47.1%			44.93%

(1) Total bank funding represents total deposits plus FHLB advances.
(2) Board of Governors of the Federal Reserve System (US), Effective Federal Funds Rates (DFF) from FRED, Federal Reserve Bank of St. Louis.
(3) Represents annualized yields/rates.

Comparison of Net Interest Income for the Three and Six Months Ended June 30, 2026 and 2025

Net interest income increased $4.4 million, or 12.9%, and $6.6 million, or 9.9%, respectively, during the three and six months ended June 30, 2026, compared to the three and six months ended June 30, 2025. The increase in net interest income primarily reflected increases in average gross loans and leases outstanding and in prepayment fees of $706,000 and $280,000, respectively, during the three and six months ended June 30, 2026. Average gross loans and leases for the three and six months ended June 30, 2026 increased $310.6 million, or 9.6%, and $275.5 million, or 8.6%, respectively, compared to the three and six months ended June 30, 2025.

The yield on average interest-earning assets for the three and six months ended June 30, 2026 was 6.45% and 6.33%, respectively, compared to 6.65% and 6.63%, respectively, for the three and six months ended June 30, 2025. The decrease in yield was primarily due to the decrease in short-term market rates.

The average rate paid on total interest-bearing liabilities was 3.14% for both the three and six months ended June 30, 2026, compared to 3.55% and 3.52% for the three and six months ended June 30, 2025, respectively. Total interest-bearing liabilities includes interest-bearing deposits, FHLB advances, subordinated and junior subordinated notes and debentures payable, federal funds purchased, and other borrowings. The average rates paid decreased due to lower short-term interest rates.

Net interest margin increased to 3.78% and decreased to 3.67% for the three and six months ended June 30, 2026, respectively, compared to 3.67% and 3.68% for the three and six months ended June 30, 2025, respectively. The increase in net interest margin for the three months ended was primarily due to a $1.0 million increase in prepayment fees and asset-based loan fees, partially offset by a decrease in short-term market rates. The decrease in net interest margin for the six months ended was primarily due to a decrease in short term market rates, partially offset by an increase in prepayment fees and asset-based loan fees.

Management believes its success in growing core deposits, disciplined loan pricing, and increased production in existing higher-yielding commercial lending products will allow the Corporation to achieve a net interest margin that supports its long-term profitability goals. The collection of fees in lieu of interest (e.g. prepayment fees and asset-based loan fees) is an expected source of volatility to quarterly net interest income and net interest margin. In addition, net interest margin may also experience volatility due to events such as the collection of interest on loans previously in non-accrual status or the accumulation of significant short-term deposit inflows.

The Corporation maintains a target for net interest margin in the range of 3.60% - 3.65%. Performance in future periods will vary due to factors such as the level of fees in lieu of interest and the timing, pace, and scale of future interest rate changes.

Provision for Credit Losses

We determine our provision for credit losses pursuant to our allowance for credit loss methodology. It is based on a reasonable and supportable forecast as well as considerations for composition, risk, and performance indicators in our credit portfolio. Refer to **Allowance for Credit Losses**, below, for further information regarding our allowance for credit loss methodology.

The following table shows the components of the provision for credit losses for the three and six months ended June 30, 2026 compared to the same period in 2025.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
	(In Thousands)			
Change in qualitative factors	$ (357)	$ 590	$ (1,063)	$ 235
Change in quantitative factors	541	746	551	2,306
Charge-offs	1,524	1,338	3,856	5,148
Recoveries	(486)	(332)	(654)	(730)
Change in reserves on individually evaluated loans, net	(37)	(247)	345	(2,742)
Change due to loan growth, net	615	536	1,683	1,277
Change in unfunded credit commitment reserves	266	70	309	(134)
Total provision for credit losses	$ 2,066	$ 2,701	$ 5,027	$ 5,360

Qualitative factor changes reflect management's evaluation of the level of risk within the portfolio based upon several factors for each portfolio segment. Quantitative factor changes reflect the change in the reasonable and supportable forecast as well as other model assumptions. Charge-offs in excess of previously established specific reserves require an additional provision for credit losses to maintain the allowance for credit losses at a level deemed appropriate by management. This amount is net of the release of any specific reserve that may have already been provided. The addition of specific reserves on individually evaluated loans represents new specific reserves established when collateral shortfalls or government guaranty deficiencies are present, while the release of specific reserves represents the reduction of previously established reserves that are no longer required. Refer to **Asset Quality**, below, for further information regarding the overall credit quality of our loan and lease portfolio.

Comparison of Non-Interest Income for the Three and Six Months Ended June 30, 2026 and 2025

Non-Interest Income

Non-interest income for the three months ended June 30, 2026 increased $1.3 million, or 18.1%, to $8.6 million compared to $7.3 million for the same period in 2025. The increase in total non-interest income for the three months ended was primarily driven by higher returns on limited partnership investments, private wealth fee income, service charges on deposits, and bank-owned life insurance income, partially offset by a decrease in gains on sale of SBA loans due to the exit from the out of market SBA 7(a) lending activities in the current quarter. The increase in total non-interest income for the six months ended was primarily driven by increases in commercial loan swap fees, private wealth fee income, bank-owned life insurance income, higher returns on limited partnership investments and service charges on deposits, partially offset by a decrease in gains on sale of SBA loans due to the exit from the out of market SBA 7(a) lending activities in the current quarter. Non-interest income for the six months ended June 30, 2026 increased $2.5 million, or 16.9%, to $17.3 million compared to $14.8 million for the same period in 2025.

Management continues to focus on revenue growth from multiple non-interest income sources to maintain a diversified revenue stream. Contribution from fee-based revenue sources can be variable and driven by changes in the interest rate environment, client activity, and the value of underlying investments. Total non-interest income accounted for 18.3% and 19.1% of total revenues for the three and six months ended June 30, 2026, respectively, compared to 17.7% and 18.1% for the three and six months ended June 30, 2025, respectively.

The components of non-interest income were as follows:

	For the Three Months Ended June 30,				For the Six Months Ended June 30,			
	2026	2025	$ Change	% Change	2026	2025	$ Change	% Change
				(Dollars in Thousands)				
Private wealth management services fee income	$4,257	$3,748	$509	13.6%	$8,134	$7,240	$894	12.3%
Gain on sale of SBA loans	—	397	(397)	(100.0)	592	1,360	(768)	(56.5)
Service charges on deposits	1,336	1,103	233	21.1	2,653	2,152	501	23.3
Loan fees	528	424	104	24.5	964	812	152	18.7
Bank-owned life insurance policy income	757	615	142	23.1	1,514	1,051	463	44.1
Swap fees	162	170	(8)	(4.7)	790	283	507	179.2
Other non-interest income	1,529	798	731	91.6	2,698	1,936	762	39.4
Total non-interest income	$8,569	$7,255	$1,314	18.1	$17,345	$14,834	$2,511	16.9
Fee income ratio(1)	18.3%	17.7%			19.1%	18.1%		

(1) Fee income ratio is fee income, per the above table, divided by top line revenue (defined as net interest income plus non-interest income).

Private wealth fee income increased $509,000, or 13.6%, and $894,000, or 12.3%, for the three and six months ended June 30, 2026, respectively, compared to the same period in 2025. Private wealth fee income was up compared to the prior year primarily due to an increase in assets under management and administration. Private wealth fee income can vary due to the mix of business at different fee structures and can be positively or negatively influenced by the timing and magnitude of volatility in the capital markets. As of June 30, 2026, private wealth and trust assets under management and administration increased $503.9 million, or 13.5%, totaling $4.235 billion compared to $3.731 billion as of June 30, 2025, due to an increase in market values, new clients, and new money from existing clients.

Other non-interest income increased $731,000, or 91.6%, and $762,000, or 39.4%, for the three and six months ended June 30, 2026, respectively, compared to the same period in 2025. The increase is primarily due to returns on the Corporation's investments in limited partnership investments. Income from limited partnership investments varies from period to period based on changes in the realized and unrealized fair value of the underlying investments.

Commercial loan swap fee income decreased $8,000, or 4.7%, and increased $507,000, or 179.2%, for the three and six months ended June 30, 2026, respectively, compared to the same period in 2025. Swap fee income varies period to period based on loan activity and the interest rate environment.

Service charges on deposits increased $233,000, or 21.1%, and $501,000, or 23.3%, for the three and six months ended June 30, 2026, respectively, compared to the same period in 2025. The increase was primarily driven by new and expanded core deposit relationships. Treasury management business development efforts remain robust as gross treasury management service charges increased $281,000, or 16.5%, and $537,000, or 16.0%, for the three and six months ended June 30, 2026, compared to the same period in 2025. Management believes growth in gross analyzed service charges is a strong indicator of success for the Corporation given the direct correlation to adding and expanding core business relationships.

Gain on sale of SBA loans decreased $397,000, or 100.0%, and $768,000, or 56.5%, for the three and six months ended June 30, 2026, respectively, compared to the same period in 2025. The decrease was due to management's decision to hold for investment any existing and new SBA 7(a) loans.

Comparison of Non-Interest Expense for the Three and Six Months Ended June 30, 2026 and 2025

Non-Interest Expense

Non-interest expense for the three and six months ended June 30, 2026 increased $2.9 million, or 11.5%, and $5.1 million, or 10.3%, respectively, compared to the same periods in 2025. Operating expense, which excludes certain one-time and discrete items as defined in the **Efficiency Ratio and Pre-Tax, Pre-Provision Adjusted Earnings** section above, increased $1.9 million, or 7.5%, and $4.3 million, or 8.7%, for the three and six months ended June 30, 2026, respectively, compared to the same periods in 2025. The increase in operating expense was primarily due to an increase in compensation expense.

The components of non-interest expense were as follows:

	For the Three Months Ended June 30,				For the Six Months Ended June 30,			
	2026	2025	$ Change	% Change	2026	2025	$ Change	% Change
				(Dollars in Thousands)				
Compensation	$18,462	$16,534	$1,928	11.7%	$37,003	$33,281	$3,722	11.2%
Occupancy	638	564	74	13.1	1,226	1,155	71	6.1
Professional fees	1,493	1,487	6	0.4	2,938	2,946	(8)	(0.3)
Data processing	1,482	1,368	114	8.3	2,752	2,450	302	12.3
Marketing	840	1,062	(222)	(20.9)	1,551	2,030	(479)	(23.6)
Equipment	351	335	16	4.8	758	711	47	6.6
Computer software	1,958	1,656	302	18.2	3,879	3,259	620	19.0
FDIC insurance	819	834	(15)	(1.8)	1,729	1,614	115	7.1
Other non-interest expense	1,806	1,128	678	60.1	2,966	2,241	725	32.4
Total non-interest expense	$27,849	$24,968	$2,881	11.5	$54,802	$49,687	$5,115	10.3
Total operating expense[(1)]	$26,892	$25,023	$1,869	7.5	$53,973	$49,640	$4,333	8.7
Actual full-time equivalent employees	355	368			355	368		

(1) Total operating expense represents total non-interest expense, adjusted to exclude the impact of discrete items as previously defined in the non-GAAP efficiency ratio calculation, above.

Compensation expense for the three and six months ended June 30, 2026 increased $1.9 million, or 11.7%, and $3.7 million, or 11.2%, respectively, compared to the same period in 2025. Growth reflects annual merit increases, promotions, $405,000 of severance expense related to the out of market SBA 7(a) lending exit, and higher annual cash bonus accruals due to improved Company performance. Excluding SBA severance, compensation expense increased $1.5 million, or 9.2%. Average full-time equivalent employees for the three months ended June 30, 2026 decreased to 360, down 1.1%, compared to 364 for the three months ended June 30, 2025. Excluding FTEs in out of market SBA 7(a) lending, average FTEs for the three months ended June 30, 2026 increased to 354, up 2.9%, compared to 344 for the three months ended June 30, 2025.

Other non-interest expense for the three and six months ended June 30, 2026 increased $678,000, or 60.1%, and $725,000, or 32.4%, respectively, compared to the same period in 2025. The increase was primarily due to impairment of tax credit investments and an increase in liquidation expense.

Computer software expense increased $302,000, or 18.2%, and $620,000, or 19.0%, for the three and six months ended June 30, 2026, respectively, compared to the same period in 2025. The increase was primarily due to our commitment to innovative technology to support growth initiatives, enhance productivity, and improve the client experience.

Data processing expense increased $114,000, or 8.3%, and $302,000, or 12.3%, for the three and six months ended June 30, 2026, respectively, compared to the same period in 2025. The increase was primarily due to a change in credit card vendor and core provider costs commensurate with an increase in transactions, accounts, and clients.

Marketing expense decreased $222,000, or 20.9%, and $479,000, or 23.6%, for the three and six months ended June 30, 2026, respectively, compared to the same period in 2025. The decrease was primarily due to seasonality and timing of marketing campaigns. Management expects marketing spend for full year 2026 to be in line with prior year spend.

Income Taxes

Income tax expense totaled $3.4 million for the six months ended June 30, 2026 compared to $4.2 million for the same period in 2025. Income tax expense included a $1.2 million net benefit from tax credit investments compared to $882,000 for the same period in 2025. The effective tax rate for the six months ended June 30, 2026 was 10.9%, compared to 15.8% for the same period in 2025. The change in tax expense reflects the release of state deferred tax valuation allowance and timing of stock compensation vesting activity. Income tax expense for the three and six months ended June 30, 2026 includes a $1.5 million release of the remaining state deferred tax valuation allowance. This was initially recognized in 2023 following the enactment of a state law, which excluded small business lending interest from state income tax. The valuation allowance was released due to sustained historical and forecasted Wisconsin taxable income.

The Corporation expects to report a full year 2026 effective tax rate between 13% and 15%. For the remaining quarters, the effective quarterly tax rate is estimated to range between 15% and 17%.

The provision for income taxes is determined by applying an estimated annual effective income tax rate to income before taxes and adjusting for discrete items. The rate is based on the most recent annualized forecast of pre-tax income, book versus tax differences, and tax credits, if any. If we conclude that a reliable estimated annual effective tax rate cannot be determined, the actual effective tax rate for the year-to-date period may be used. We re-evaluate the income tax rates each quarter and the current projected effective tax rate for the entire year may change.

Financial Condition

General

Total assets increased by $328.1 million, or 8.0%, to $4.410 billion as of June 30, 2026 compared to $4.082 billion at December 31, 2025. The increase in total assets was primarily driven by increases in loans and leases receivable and short-term investments. Total liabilities increased by $304.4 million, or 8.2%, to $4.015 billion at June 30, 2026 compared to $3.710 billion at December 31, 2025. The increase in total liabilities was primarily due to an increase in core deposits. Total stockholders' equity increased by $23.7 million, or 6.4%, to $395.3 million at June 30, 2026 compared to $371.6 million at December 31, 2025. The increase in total stockholders' equity was primarily due to the retention of earnings partially offset by dividends paid to common and preferred stockholders.

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments and cash and due from banks. Cash and due from banks increased $1.3 million to $32.1 million at June 30, 2026 from $30.8 million at December 31, 2025. Short-term investments increased by $122.6 million to $131.3 million at June 30, 2026 from $8.7 million at December 31, 2025. Our short-term investments primarily consist of interest-bearing deposits held at the FRB. We value the safety and soundness provided by the FRB, and therefore, we incorporate short-term investments in our readily accessible liquidity program. The increase compared to prior year-end is primarily due to cash management activity, including loan funding and deposit activity. As of June 30, 2026 and December 31, 2025, interest-bearing deposits held at the FRB were $130.1 million and $7.7 million, respectively. In general, the level of our cash and short-term investments will be influenced by the timing of deposit gathering, scheduled maturities of wholesale deposits, funding of loan and lease growth when opportunities are presented, and the level of our securities portfolio. Please refer to the section entitled **Liquidity and Capital Resources** for further discussion.

Securities

Total securities, including available-for-sale and held-to-maturity, decreased by $12.9 million, or 3.0%, to $414.4 million, or 9.4% of total assets at June 30, 2026 compared to $427.3 million or 10.5% of total assets at December 31, 2025. During the six months ended June 30, 2026, the Corporation recognized unrealized losses of $4.0 million before income taxes through other comprehensive income, compared to unrealized gains of $7.2 million for the same period in 2025. The unrealized losses in the current period were driven by changes in market interest rates. As of June 30, 2026 and December 31, 2025, our overall securities portfolio, including available-for-sale securities and held-to-maturity securities, had an estimated weighted-average expected maturity of 5.0 and 4.7 years, respectively. Our investment philosophy remains as stated in our most recent Annual Report on Form 10-K.

We use a third-party pricing service as our primary source of market prices for our securities portfolio. On a quarterly basis, we validate the reasonableness of prices received from this source through independent verification, data integrity validation primarily through comparison of current price to an expectation-based analysis of movement in prices based upon the changes in the related yield curves, and other market factors. We did not recognize any credit losses in the securities portfolio as of June 30, 2026.

Loans and Leases Receivable

Period-end loans and leases receivable, net of allowance for credit losses, increased by $210.9 million, or 12.6% annualized, to $3.548 billion at June 30, 2026 from $3.337 billion at December 31, 2025 primarily driven by commercial and industrial loan growth. Management expects to continue to manage loan growth towards our long term target of 10%.

Commercial and Industrial ("C&I") loans increased $106.5 million, or 16.7% annualized, to $1.380 billion compared to December 31, 2025 and included a $23.7 million transfer from loans held for sale related to the exit from out of market SBA 7(a) lending activities in the current quarter. The increase was also due to growth across our bank markets and in Asset Based Lending.

Total commercial real estate ("CRE") loans increased $101.6 million, or 9.9% annualized, to $2.162 billion. The increase was primarily due to growth across our bank markets.

CRE loans represented 60.2% and 61.0% of our total loans as of June 30, 2026 and December 31, 2025, respectively. As of June 30, 2026, 16.0% of the CRE loans were owner-occupied CRE, compared to 14.3% as of December 31, 2025. We consider the owner-occupied CRE more characteristic of the Corporation's C&I portfolio as, in general, the client's primary source of repayment is the cash flow from the operating entity occupying the commercial real estate property.

We continue to actively pursue C&I loans across the Corporation as this segment of our loan and lease portfolio provides an attractive yield commensurate with an appropriate level of credit risk and creates more opportunities for core deposit, treasury management, and private wealth management relationships which generate additional fee revenue.

Underwriting of new credit is primarily through approval from a serial sign-off or committee process and is a key component of our operating philosophy. Business development officers have no individual lending authority. To monitor the ongoing credit quality of our loans and leases, each credit is evaluated for proper risk rating using a nine grade risk rating system at the time of origination, subsequent renewal, evaluation of updated financial information from our borrowers, or as other circumstances dictate.

While we continue to experience competition from banks and non-banks operating in our primary geographic areas, we remain committed to our underwriting standards and will not deviate from those standards for the sole purpose of growing our loan and lease portfolio. We continue to expect our new loan and lease activity to be adequate to replace normal amortization, allowing us to continue growing in future years. The types of loans and leases we originate and the various risks associated with these originations remain consistent with information previously outlined in our most recent Annual Report on Form 10-K.

The following table presents information concerning the composition of the Bank's consolidated loans and leases receivable.

	As of June 30, 2026		As of December 31, 2025	
	Amount Outstanding	% of Total Loans and Leases	Amount Outstanding	% of Total Loans and Leases
	(Dollars in Thousands)			
Commercial real estate:				
Commercial real estate — owner occupied	$ 345,984	9.6%	$ 293,706	8.7%
Commercial real estate — non-owner occupied	874,669	24.4	885,870	26.2
Construction and land development	227,782	6.3	248,560	7.4
Multi-family	654,405	18.2	571,468	16.9
1-4 family	58,981	1.6	60,661	1.8
Total commercial real estate	2,161,821	60.1	2,060,265	61.0
Commercial and industrial	1,380,476	38.6	1,273,997	37.8
Consumer and other	46,027	1.3	40,965	1.2
Total gross loans and leases receivable	3,588,324	100.0%	3,375,227	100.0%
Less:				
Allowance for credit losses	37,393		35,877	
Deferred loan fees and costs, net	2,709		1,986	
Loans and leases receivable, net	$ 3,548,222		$ 3,337,364	

Below is a view of selected loan portfolios disaggregated by North American Industry Classification System ("NAICs") code as of June 30, 2026:

	Real Estate	Wholesale and Manufacturing	Retail and Hospitality	Transportation and Warehousing	Other	Total
Commercial real estate — owner occupied	5%	32%	20%	12%	31%	100%
Commercial real estate — non-owner occupied	78% (1)	—%	9%	2%	11%	100%
Commercial and industrial	4%	28%	17%	6%	45%	100%

(1) Includes approximately $302.4 million of office real estate, or 8.4% of gross loans.

See **Asset Quality** for further discussion of industry-specific risks.

Deposits

Deposit composition

	As of June 30, 2026		As of December 31, 2025	
	Amount Outstanding	% of Total Deposits	Amount Outstanding	% of Total Deposits
	(Dollars in Thousands)			
Non-interest-bearing transaction accounts	$420,556	11.7%	$378,770	11.2%
Interest-bearing transaction accounts	1,297,353	36.1	1,103,696	32.7
Money market accounts	936,914	26.1	905,773	26.8
Certificates of deposit	222,852	6.2	284,764	8.4
Wholesale deposits	714,490	19.9	707,412	20.9
Total deposits	$3,592,165	100.0%	$3,380,415	100.0%
Uninsured deposits	$1,192,776		$1,220,177	
Less: uninsured deposits collateralized by pledged assets or letters of credit	42,130		68,656	
Total uninsured, net of collateralized deposits	$1,150,646	32.0%	$1,151,521	34.1%

As of June 30, 2026, total period-end deposits increased by $211.8 million, or 12.5% annualized, to $3.592 billion from $3.380 billion at December 31, 2025. As of June 30, 2026, total period-end core deposits increased $204.7 million, or 15.3% annualized, to $2.878 billion, compared to $2.673 billion at December 31, 2025. Core deposits are considered all deposits that are not wholesale deposits. Management believes the Bank's deposit-centric sales strategy, led by treasury management sales, will continue to contribute to a net increase in core deposits; however, period-end deposit balances associated with core relationships will fluctuate based upon maturity of time deposits, client demands for the use of their cash, and our ability to maintain existing and acquire new client relationships. Therefore, we believe average balances are a better indicator of our deposit growth.

Our strategic efforts remain focused on adding core deposit relationships. We measure the success of core deposit gathering efforts based on the number and average balances of our deposit accounts as compared to ending balances due to the variability of some of our larger relationships. The Bank's average core deposits increased $474.6 million, or 19.9%, to $2.854 billion for the six months ended June 30, 2026 compared to $2.380 billion for the six months ended June 30, 2025.

FHLB Advances and Other Borrowings

As of June 30, 2026, FHLB advances and other borrowings increased by $94.7 million, or 37.6%, to $346.8 million from $252.1 million at December 31, 2025. The increase was primarily driven by liquidity management considerations. The increase also supported interest rate risk management through match-funding of fixed-rate assets to enhance funding flexibility and help stabilize net interest margin. Average FHLB advances and other borrowings decreased by $30.6 million, or 10.4%, to $264.4 million from $294.9 million at June 30, 2025. The decrease is primarily due to funding needs being met by growth in deposits.

We may utilize FHLB advances to the extent we maintain an adequate level of excess borrowing capacity for liquidity and contingency funding purposes and pricing remains favorable in comparison to the wholesale deposit alternative. We will use FHLB advances and/or brokered certificates of deposit in specific maturity periods needed, typically three to five years, to match-fund fixed rate loans and effectively mitigate the interest rate risk measured through our asset/liability management process and to support asset growth initiatives while taking into consideration our operating goals and desired level of usage of wholesale funds. Please refer to the section entitled **Liquidity and Capital Resources**, below, for further information regarding our use and monitoring of wholesale funds.

Preferred Stock

The Corporation has 12,500 shares, or $12.5 million in aggregate liquidation preference, of 7.0% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series A, par value $0.01 per share, with a liquidation preference of $1,000 per share (the “Series A Preferred Stock”) outstanding as of June 30, 2026 and December 31, 2025.

The Corporation expects to pay dividends on the Series A Preferred Stock when and if declared by its Board, at a fixed rate of 7.0% per annum, payable quarterly, in arrears, on March 15, June 15, September 15 and December 15 of each year up to, but excluding, March 15, 2027. For each dividend period from and including March 15, 2027, dividends will be paid at a floating rate of Three-Month Term SOFR plus a spread of 539 basis points per annum. During the three and six months ended June 30, 2026, the Corporation paid $219,000 and $438,000, respectively, in cash dividends with respect to the Series A Preferred Stock. The Series A Preferred Stock is perpetual and has no stated maturity. The Corporation may redeem the Series A Preferred Stock at its option at a redemption price equal to $1,000 per share, plus any declared and unpaid dividends (without regard to any undeclared dividends), subject to regulatory approval, on or after March 15, 2027 or within 90 days following a regulatory capital treatment event, in accordance with the terms of the Series A Preferred Stock.

Derivatives

The Board approved Bank policies allow the Bank to participate in hedging strategies or to use financial futures, options, forward commitments, or interest rate swaps. The Bank utilizes, from time to time, derivative instruments in the course of its asset/liability management. The Bank’s derivative financial instruments, under which the Bank is required to either receive cash from or pay cash to counterparties depending on changes in interest rates applied to notional amounts, are carried at fair value on the consolidated balance sheets.

As of June 30, 2026, the aggregate amortizing notional value of interest rate swaps with various commercial borrowers was approximately $1.206 billion, compared to $1.167 billion as of December 31, 2025. We receive fixed rates and pay floating rates based upon designated benchmark interest rates on the swaps with commercial borrowers. These swaps mature between September 2026 and July 2041. Commercial borrower swaps are completed independently with each borrower and are not subject to master netting arrangements. As of June 30, 2026, the commercial borrower swaps were reported on the Unaudited Consolidated Balance Sheets as a derivative asset of $2.5 million and liability of $39.6 million compared to a derivative asset of $9.7 million and liability of $34.6 million as of December 31, 2025. On the offsetting swap contracts with dealer counterparties, we pay fixed rates and receive floating rates based upon designated benchmark interest rates. These interest rate swaps also have maturity dates between September 2026 and July 2041. Dealer counterparty swaps are subject to master netting agreements among the contracts within our Bank and were reported on the Unaudited Consolidated Balance Sheets as a net derivative asset of $37.2 million as of June 30, 2026, compared to a net derivative asset of $24.9 million as of December 31, 2025. The gross amounts of the fair value of the dealer counterparty swaps as of June 30, 2026, without regard to the enforceable master netting agreement, was a gross derivative liability of $2.5 million and gross derivative asset of $39.6 million, compared to a gross derivative liability of $9.7 million and gross derivative asset of $34.6 million as of December 31, 2025.

The Bank also enters into interest rate swaps to manage interest rate risk and reduce the cost of match-funding certain long-term fixed rate loans. These derivative contracts involve the receipt of floating rate interest from a counterparty in exchange for the Bank making fixed-rate payments over the life of the agreement, without the exchange of the underlying notional value. The instruments are designated as cash flow hedges as the receipt of floating rate interest from the counterparty is used to manage interest rate risk associated with forecasted interest payments on short-term FHLB advances or wholesale deposits. The change in the fair value of these hedging instruments is recorded in accumulated other comprehensive income and is subsequently reclassified into earnings in the period that the hedged transactions affect earnings. As of June 30, 2026, the aggregate notional value of interest rate swaps designated as cash flow hedges was $477.5 million. These interest rate swaps mature between July 2026 and February 2041. A pre-tax unrealized gain of $3.6 million and $6.3 million was recognized in other comprehensive income for the three and six months ended June 30, 2026, respectively, and there was no ineffective portion of these hedges.

The Bank also enters into interest rate swaps to mitigate market value volatility on certain long-term fixed securities. The objective of the hedge is to protect the Corporation against changes in fair value due to changes in benchmark interest rates. The instruments are designated as fair value hedges as the changes in the fair value of the interest rate swap are expected to offset changes in the fair value of the hedged item attributable to changes in the SOFR swap rate, the designated benchmark interest rate. These derivative contracts involve the receipt of floating rate interest from a counterparty in exchange for the Bank making fixed-rate payments over the life of the agreement, without the exchange of the underlying notional value. The change in the fair value of these hedging instruments is recorded in accumulated other comprehensive income and is subsequently reclassified into earnings in the period that the hedged transactions affect earnings. As of June 30, 2026, the aggregate notional value of interest rate swaps designated as fair value hedges was $12.5 million. These interest rate swaps mature between February 2031 and October 2034. A pre-tax unrealized gain of $147,000 and $186,000 was recognized in other comprehensive income for the three and six months ended June 30, 2026, respectively, and there was no ineffective portion of these hedges.

For further information and discussion of our derivatives, see **Note 13 — Derivative Financial Instruments** of the Consolidated Financial Statements.

Asset Quality

Non-performing Assets

Total non-performing assets consisted of the following at June 30, 2026 and December 31, 2025, respectively:

	June 30, 2026	December 31, 2025
	(Dollars in Thousands)	
Non-accrual loans and leases		
Commercial real estate:		
Commercial real estate - owner occupied	$ —	$ —
Commercial real estate - non-owner occupied	—	—
Construction and land development	11,424	14,581
Multi-family	4,111	4,292
1-4 family	—	—
Total non-accrual commercial real estate	15,535	18,873
Commercial and industrial	22,527	24,982
Consumer and other	—	—
Total non-accrual loans and leases	38,062	43,855
Repossessed assets, net	—	—
Total non-performing assets	$ 38,062	$ 43,855
Total non-accrual loans and leases to gross loans and leases	1.06%	1.30%
Total non-accrual loans to gross loans and leases plus repossessed assets, net	1.06	1.30
Total non-performing assets to total assets	0.86	1.07
Allowance for credit losses to gross loans and leases	1.10	1.12
Allowance for credit losses to non-accrual loans and leases	103.82	85.95

Non-performing assets decreased $5.8 million, to $38.1 million at June 30, 2026, compared to $43.9 million at December 31, 2025. The Corporation's non-accrual loans as a percentage of total gross loans and leases measured 1.06% and 1.30% at June 30, 2026 and December 31, 2025, respectively. The decline was primarily due to a $3.4 million sale at par of a land development CRE non-accrual loan, paydowns in the SBA portfolio, and lower non-accrual balances from equipment finance loans.

We use a wide variety of available metrics to assess the overall asset quality of the portfolio and no one metric is used independently to make a final conclusion as to the asset quality of the portfolio. Non-performing assets as a percentage of total assets were 0.86% and 1.07% at June 30, 2026 and December 31, 2025, respectively. As of June 30, 2026 and December 31, 2025, the payment performance of our loans and leases did not indicate any new areas of concern, as 98.9% and 98.7%, respectively, of the total portfolio at the end of each period was in current payment status.

We reviewed loans and leases with exposure to certain industries as of June 30, 2026:

- Transportation, Equipment Finance: $14.4 million, or 0.4%, of total loans - Management considered the following: $1.1 million, or 7.8%, of Equipment Finance Transportation loans are rated Category IV. Due to our experience and forecast of continued sector stress, we are not currently originating new loans to this borrower profile in this lending niche. Based on our reserve methodology for individually and collectively evaluated loans, we believe our reserves related to this industry to be appropriate.

- Transportation, excluding Equipment Finance: $44.0 million or 1.2% of total loans - Management considered the following: One borrower with a balance of $5.6 million, or 12.6%, of the loan balance in this category is rated Category IV. Collateral on these loans includes commercial real estate, business assets, and equipment. Based on our reserve methodology for individually and collectively evaluated loans, we believe our reserves related to this industry to be appropriate.

- Office, Commercial Real Estate: $302.4 million, or 8.4%, of total loans - Management considered the following: office exposure is concentrated in the Wisconsin markets where local market vacancy rates are below national rates and none of the loans in this category are rated Category IV. Based on our reserve methodology for individually and collectively evaluated loans, we believe our reserves related to this loan category to be appropriate.

- Multifamily, Commercial Real Estate: $654.4 million, or 18.2%, of total loans - Management considered the following: multifamily exposure is concentrated in the Wisconsin markets where local market vacancy rates are below national rates and none of the loans in this category are rated Category IV. Based on our reserve methodology for individually and collectively evaluated loans, we believe our reserves related to this loan category to be appropriate.

We also monitor asset quality through our established categories as defined in **Note 5 – Loans, Lease Receivables, and Allowance for Credit Losses** of the Consolidated Financial Statements. As we continue to actively monitor the credit quality of our loan and lease portfolios, we may identify additional loans and leases for which the borrowers or lessees are having difficulties making the required principal and interest payments based upon factors including, but not limited to, the inability to sell the underlying collateral, inadequate cash flow from the operations of the underlying businesses, liquidation events, or bankruptcy filings. We proactively work with our loan borrowers experiencing financial difficulty to find meaningful solutions to difficult situations that are in the best interests of the Bank.

As of June 30, 2026, as well as in all previous reporting periods, there were no loans over 90 days past due and still accruing interest. Loans and leases greater than 90 days past due are placed on non-accrual status and individually evaluated for reserve requirement. Cash received while a loan or a lease is on non-accrual status is generally applied solely against the outstanding principal. If collectability of the contractual principal and interest is not in doubt, payments received may be applied to both interest and principal.

The following represents additional information regarding our non-accrual loans and leases:

	As of and for the Six Months Ended June 30,		As of and for the Year Ended December 31,
	2026	2025	2025
		(In Thousands)	
Individually evaluated loans and leases with no specific reserves required	$ 24,724	$ 15,148	$ 29,525
Individually evaluated loans and leases with specific reserves required	13,338	13,485	14,330
Total individually evaluated loans and leases	38,062	28,633	43,855
Less: Specific reserves (included in allowance for credit losses)	5,894	6,176	5,550
Net carrying value of non-accrual loans and leases	$ 32,168	$ 22,457	$ 38,305
Average non-accrual loans and leases	$ 42,735	$ 26,024	$ 26,567

Allowance for Credit Losses

The allowance for credit losses, including unfunded commitment reserves, increased $1.8 million, or 4.8%, to $39.5 million as of June 30, 2026 from $37.7 million as of December 31, 2025. The allowance for credit losses as a percentage of gross loans and leases was 1.10% as of June 30, 2026 compared to 1.12% as of December 31, 2025.

During the six months ended June 30, 2026, we recorded net charge-offs of $3.2 million, comprised of $3.9 million of charge-offs and $654,000 of recoveries, compared to net charge-offs of $4.4 million, comprised of $5.1 million of charge-offs and $730,000 of recoveries during the six months ended June 30, 2025. Charge-offs on Equipment Finance loans were higher in the six months ended June 30, 2025 due to a change in policy which accelerated charge-offs by approximately one quarter. Management believes this change better reflects the impact of an accelerated collection and liquidation process. We will continue to experience some level of periodic charge-offs in the future as exit strategies are considered and executed. Loans and leases with previously established specific reserves may ultimately result in a charge-off under a variety of scenarios.

As of June 30, 2026 and December 31, 2025, our ratio of allowance for credit losses to total non-accrual loans and leases was 103.8% and 86.0%, respectively. This ratio increased primarily due to a decrease in non-accrual loans primarily driven by the sale of a non-accrual loan and increase in ACL reserves primarily driven by an increase in general reserves due to loan growth. Non-accrual loans and leases exhibit weaknesses that inhibit repayment in compliance with the original terms of the note or lease; however, the evaluation of non-accrual loans and leases may not always result in a specific reserve included in the allowance for credit losses.

When it is determined that we will not receive our entire contractual principal or the loss is confirmed, we record a charge against the allowance for credit loss reserve to bring the loan or lease to its net realizable value. It is typically part of our process to obtain appraisals on individually evaluated loans and leases that are primarily secured by real estate. As we complete new appraisals and/or market evaluations, in specific situations current fair values collateralizing certain collateral-dependent loans are inadequate to support the entire amount of the outstanding debt.

As a result of our review process, we have concluded an appropriate allowance for credit losses for the funded and unfunded loan and lease portfolio was $39.5 million, or 1.10% of gross loans and leases, at June 30, 2026 compared to $37.7 million, or 1.12% of gross loans and leases, at December 31, 2025. The decrease in this ratio is due to lower general reserves as a percentage of total loans primarily due to lower qualitative factors. Given the ongoing complexities with current workout situations and the uncertainty surrounding future economic conditions, further charge-offs, and increased provisions for credit losses may be recorded if additional facts and circumstances lead us to a different conclusion. Various federal and state regulatory agencies review the allowance for credit losses. These agencies could require certain loan and lease balances to be classified differently or charged off when their credit evaluations differ from those of management, based on their judgments about information available to them at the time of their examination.

The following represents additional information regarding our allowance for credit losses:

	As of							
	June 30, 2026		March 31, 2026		December 31, 2025		September 30, 2025	
	(In Thousands)	% of Total Loans and Leases	(In Thousands)	% of Total Loans and Leases	(In Thousands)	% of Total Loans and Leases	(In Thousands)	% of Total Loans and Leases
Allowance for credit losses:								
Loans collectively evaluated	$31,499	0.88%	$30,700	0.88%	$30,327	0.90%	$31,065	0.93%
Loans individually evaluated	5,894	0.16%	5,931	0.17%	5,550	0.16%	5,625	0.17%
Unfunded commitments reserve	2,124		1,858		1,815		1,692	
Total	39,517	1.10%	38,489	1.10%	37,692	1.12%	38,382	1.15%
Loans and lease receivables:	$3,585,615		$3,498,903		$3,373,241		$3,334,956	

The following is a summary of the activity in the allowance for credit losses:

	As of and for the Three Months Ended June 30, 2026	As of and for the Three Months Ended June 30, 2025	As of and for the Six Months Ended June 30, 2026	As of and for the Six Months Ended June 30, 2025
	(Dollars in Thousands)			
Allowance at beginning of period	$ 38,489	$ 36,515	$ 37,692	$ 37,268
Charge-offs:				
Commercial real estate:				
Commercial real estate — owner occupied	—	—	—	—
Commercial real estate — non-owner occupied	—	—	—	—
Construction and land development	—	—	—	—
Multi-family	—	—	—	—
1-4 family	—	—	—	—
Commercial and industrial	(1,524)	(1,338)	(3,856)	(5,138)
Consumer and other	—	—	—	(10)
Total charge-offs	(1,524)	(1,338)	(3,856)	(5,148)
Recoveries:				
Commercial real estate:				
Commercial real estate — owner occupied	—	—	—	2
Commercial real estate — non-owner occupied	—	—	—	—
Construction and land development	—	—	—	—
Multi-family	—	—	—	—
1-4 family	5	7	12	13
Commercial and industrial	481	325	642	715
Consumer and other	—	—	—	—
Total recoveries	486	332	654	730
Net charge-offs	(1,038)	(1,006)	(3,202)	(4,418)
Provision for credit losses	2,066	2,701	5,027	5,360
Allowance at end of period	$ 39,517	$ 38,210	$ 39,517	$ 38,210
Components:				
Allowance for credit losses on loans	$ 37,393	$ 36,861	$ 37,393	$ 36,861
Allowance for credit losses on unfunded credit commitments	2,124	1,349	2,124	1,349
Total ACL	$ 39,517	$ 38,210	$ 39,517	$ 38,210
Annualized net charge offs (recoveries) as a percentage of average gross loans and leases	0.12%	0.12%	0.18%	0.28%

Liquidity and Capital Resources

The Corporation expects to meet its liquidity needs through existing cash on hand, established cash flow sources, its third-party senior line of credit, and dividends received from the Bank. While the Bank is subject to certain generally applicable regulatory limitations regarding its ability to pay dividends to the Corporation, we do not believe that the Corporation will be adversely affected by these dividend limitations. The Corporation's principal liquidity requirements at June 30, 2026 were the interest payments due on subordinated notes and debentures and cash dividends payable to both common and preferred stockholders. The capital ratios of the Bank met all applicable regulatory capital adequacy requirements in effect on June 30, 2026. The Corporation's Board and management teams adhere to the appropriate regulatory guidelines on decisions which affect their capital positions, including but not limited to, decisions relating to the payment of dividends and increasing indebtedness.

The Bank maintains liquidity by obtaining funds from several sources. The Bank's primary sources of funds are principal and interest payments on loans receivable and mortgage-related securities, deposits, and other borrowings, such as federal funds, and FHLB advances. The scheduled payments of loans and mortgage-related securities are generally a predictable source of funds. Deposit flows and loan prepayments, however, are influenced by market interest rates, economic and industry conditions, and competition.

Sources of liquidity

	As of				
(in thousands)	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
Short-term investments	$ 131,294	$ 104,565	$ 8,714	$ 8,074	$ 72,520
Collateral value of unencumbered pledged loans	987,993	968,320	992,398	906,042	893,499
Market value of unencumbered securities	378,423	387,700	388,474	376,783	347,196
Readily accessible liquidity	1,497,710	1,460,585	1,389,586	1,290,899	1,313,215
Fed fund lines	45,000	45,000	45,000	45,000	45,000
Excess brokered CD capacity (1)	878,888	806,268	775,851	732,951	645,843
Total liquidity	$ 2,421,598	$ 2,311,853	$ 2,210,437	$ 2,068,850	$ 2,004,058
Total uninsured deposits, net of collateralized deposits	1,150,646	1,177,731	1,151,521	1,028,307	1,001,519

(1) Bank internal policy limits brokered CDs to 50% of total bank funding when combined with value of unencumbered pledged loans.

We view readily accessible liquidity as a critical measure of our ability to meet our cash and collateral obligations. We define our readily accessible liquidity as the total of our short-term investments, our unencumbered securities available-for-sale, and our unencumbered pledged loans. Our readily accessible liquidity increased $108.1 million from December 31, 2025 due primarily to an increase in short-term investments. Any excess funds not used for loan funding or satisfying other cash obligations were maintained as part of our readily accessible liquidity in our interest-bearing accounts with the FRB, as we value the safety and soundness provided by the FRB. We plan to utilize excess liquidity to fund loan and lease portfolio growth, pay down maturing debt, allow run off of maturing wholesale certificates of deposit or invest in securities to maintain adequate liquidity.

We had $1.006 billion of outstanding wholesale funds at June 30, 2026, compared to $904.7 million of wholesale funds as of December 31, 2025, which represented 25.9% and 25.3%, respectively, of ending balance total bank funding. Wholesale funds include FHLB advances and brokered deposits. Total bank funding is defined as total deposits plus FHLB advances. We are committed to raising core deposits while utilizing wholesale funds to mitigate interest rate risk. Wholesale funds continue to be an efficient and cost effective source of funding for the Bank and allows it to gather funds across a larger geographic base at price levels and maturities that are more attractive than local time deposits when required to raise a similar level of core deposits within a short time period. Access to such deposits and borrowings allows us the flexibility to refrain from pursuing single service deposit relationships in markets that have experienced unfavorable pricing levels. The administrative costs associated with wholesale funds are considerably lower than those that would be incurred to administer a similar level of core deposits with a similar maturity structure. Term wholesale funds are stable as each issuance has a structured maturity date and may only be redeemed in certain limited circumstances. Non-maturity wholesale deposits are also stable as the Bank has developed relationships with reliable providers and the term of the deposit is typically agreed upon by both parties. During the time frames necessary to accumulate wholesale funds in an orderly manner, we will use short-term FHLB advances to meet our temporary funding needs. The short-term FHLB advances will typically have terms of one week to one month to cover the overall expected funding demands.

We will continue to use term wholesale funds in specific maturity periods, typically three to five years, needed to effectively mitigate the interest rate risk measured through our asset/liability management process or in shorter time periods if core deposit balances decline. In order to provide for ongoing liquidity and funding, none of our wholesale certificates of deposit allow for withdrawal at the option of the depositor before the stated maturity date and FHLB advances have contractual maturity terms. The Bank limits the percentage of wholesale funds to total bank funds in accordance with liquidity policies approved by its Board. The Bank was in compliance with its policy limits as of June 30, 2026.

The Bank was able to access the wholesale funding market as needed at rates and terms comparable to market standards during the quarter ended June 30, 2026. In the event that there is a disruption in the availability of wholesale funds at maturity, the

Bank has managed the maturity structure, in compliance with our approved liquidity policy, so at least one year of maturities could be funded through readily accessible liquidity. As of June 30, 2026, the accessible liquidity was in excess of the stated policy minimum. We believe the Bank will also have access to the unused federal funds lines, cash flows from borrower repayments, and cash flows from security maturities. The Bank also has the ability to raise local market deposits by offering attractive rates to generate the level required to fulfill its liquidity needs.

The Corporation has a shelf registration statement on file with the Securities and Exchange Commission that would allow the Corporation to offer and sell, from time to time and in one or more offerings, up to $100.0 million in aggregate initial offering price of common and preferred stock, debt securities, warrants, units, or depository shares, or any combination thereof. The Corporation has in recent years, and may from time to time in the future, raise capital through the sale of debt or equity securities in private placements exempt from registration under federal securities laws.

During the six months ended June 30, 2026, operating activities resulted in a net cash inflow of $46.8 million, which included net income of $27.8 million. Net cash used by investing activities for the six months ended June 30, 2026 was $221.6 million primarily due to net loan disbursements, investments made in securities available for sale, and additional investments in tax credit investments. Net cash provided by financing activities was $298.6 million for the six months ended June 30, 2026 primarily due to a net increase in deposits and FHLB advances. Please refer to the **Unaudited Consolidated Statements of Cash Flows** included in **PART I., Item 1** for further details regarding significant sources of cash flow for the Corporation.

Contractual Obligations and Off-Balance Sheet Arrangements

As of June 30, 2026, there were no material changes to our contractual obligations and off-balance sheet arrangements disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025. We continue to believe that we have adequate capital and liquidity accessible from various sources to fund projected contractual obligations and commitments.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Our primary market risk is interest rate risk, which arises from exposure of our financial position to changes in interest rates. It is our strategy to reduce the impact of interest rate risk on net interest margin by maintaining a largely match-funded position between the maturities and repricing dates of interest-earning assets and interest-bearing liabilities. This strategy is monitored by the Bank's Asset/Liability Management Committee, in accordance with policies approved by the Bank's Board. The committee meets regularly to review the sensitivity of the Bank's assets and liabilities to changes in interest rates, liquidity needs and sources, and pricing and funding strategies.

The primary technique we use to measure interest rate risk is simulation of earnings. In this measurement technique the balance sheet is modeled as an ongoing entity whereby future growth, pricing, and funding assumptions are utilized. These assumptions are modeled under different rate scenarios that include a simultaneous, instant, and sustained change in interest rates. The Bank updates its interest rate risk exposure model quarterly to reflect interest rate assumptions, including those for indeterminable maturity deposits (transaction accounts and money market accounts). With short-term rates changing, deposit pricing can vary by product and client. These assumptions have been developed through a combination of historical analysis and projection of future expected pricing behavior. This modeling indicated interest rate sensitivity as follows:

	Impact on Net Interest Income as of	
Instantaneous Rate Change in Basis Points	June 30, 2026	December 31, 2025
Down 300	(1.44)%	(3.26)%
Down 200	(0.10)	(0.94)
Down 100	(0.14)	(0.47)
No Change	—	—
Up 100	0.07	0.72
Up 200	0.10	1.34
Up 300	0.12	1.95

Management believes market risk is well managed with minimal impact on net interest income in simulated instantaneous rate shock scenarios, and we will continually monitor and adjust the balance sheet for optimal positioning as new data becomes available. The simulations used to manage market risk are based on numerous assumptions regarding the effect of changes in interest rates on the timing and extent of repricing characteristics, future cash flows and client behavior. These assumptions are inherently uncertain and, as a result, the model cannot precisely estimate net interest income or precisely predict the impact of higher or lower interest rates on net interest income. Actual results will differ from simulated results due to timing, magnitude and frequency of interest rate changes as well as changes in market conditions, client behavior and management strategies, among other factors.

We manage the structure of interest-earning assets and interest-bearing liabilities by adjusting their mix, yield, maturity, and/or repricing characteristics based on market conditions. FHLB advances and wholesale deposits are a significant source of funds. We use a variety of maturities to augment our management of interest rate exposure. Management has the authorization, as permitted within applicable approved policies, and ability to utilize derivatives should they be appropriate to manage interest rate exposure.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

The Corporation's management, with the participation of the Corporation's Chief Executive Officer and Chief Financial Officer, has evaluated the Corporation's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based upon that evaluation, the Corporation's Chief Executive Officer and Chief Financial Officer have concluded that the Corporation's disclosure controls and procedures were effective as of June 30, 2026.

Changes in Internal Control over Financial Reporting

There was no change in the Corporation's internal controls over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) that occurred during the quarter ended June 30, 2026 that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

PART II. Other Information

Item 1. Legal Proceedings

From time to time, the Corporation and its subsidiaries are engaged in legal proceedings in the ordinary course of their respective businesses. Management believes that any liability arising from any such proceedings currently existing or threatened will not have a material adverse effect on the Corporation’s financial position, results of operations, or cash flows.

Item 1A. Risk Factors

There were no material changes to the risk factors previously disclosed in Item 1A. to Part I of the Corporation’s Annual Report on Form 10-K for the year ended December 31, 2025.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Securities

As previously announced, on April 26, 2024, the Corporation’s Board of Directors authorized the repurchase by the Corporation of shares of its common stock with a maximum aggregate purchase price of $5.0 million, in such quantities, at such prices and on such other terms and conditions as the Corporation’s Chief Executive Officer or Chief Financial Officer determine in their discretion to be in the best interests of the Corporation and its shareholders, any time with no expiration date. As of June 30, 2026, the Corporation has not repurchased any shares under this repurchase program.

The following table sets forth information about the Corporation's purchases of its common stock during the three months ended June 30, 2026.

Period	Total Number of Shares Purchased[1]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Total Number of Shares that May Yet Be Purchased Under the Plans or Programs[2]
April 1, 2026 - April 30, 2026	14,304	$ 58.60	—	—
May 1, 2026 - May 31, 2026	725	53.81	—	—
June 1, 2026 - June 30, 2026	—	—	—	—
Total	15,029	$ 58.37	—	79,152

(1) During the second quarter of 2026, the Corporation repurchased an aggregate 15,029 shares of the Corporation’s common stock in open-market transactions, all of which were surrendered to us to satisfy income tax withholding obligations in connection with the vesting of restricted awards.
(2) Number of shares available to purchase under the April 26, 2024 share repurchase program was calculated by dividing the $5.0 million remaining capacity by the closing stock price on June 30, 2026 of $63.17.

Item 5. Other Information

During the three months ended June 30, 2026, no director or “officer” of the Corporation adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

10.1	Form of Performance Executive Officer Share Awards for 2026
10.2	Form of Time Vested Share Awards for 2026
10.3	Form of Director Share Awards for 2026
10.4	Employment Agreement dated as of April 15, 2026, by and between First Business Financial Service, Inc. and David R. Seiler, incorporated by reference to Current Report on Form 8-K/A, filed May 11, 2026
10.5	First Business Financial Services, Inc. 2026 Equity Incentive Plan (incorporated by reference to Appendix A to the Definitive Proxy Statement filed on March 5, 2026)
31.1	Certification of the Chief Executive Officer
31.2	Certification of the Chief Financial Officer
32	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350
101	The following financial information from First Business Financial Services, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2026, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as of June 30, 2026 and December 31, 2025, (ii) Consolidated Statements of Income for the three and six months ended June 30, 2026 and 2025, (iii) Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2026 and 2025, (iv) Consolidated Statements of Changes in Stockholders' Equity for the three and six months ended June 30, 2026 and 2025, (v) Consolidated Statements of Cash Flows for the six months ended June 30, 2026 and 2025, and (vi) the Notes to Unaudited Consolidated Financial Statements
104	The cover page from First Business Financial Services, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 has been formatted in Inline XBRL and contained in Exhibit 101.

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.

	FIRST BUSINESS FINANCIAL SERVICES, INC.
July 31, 2026	/s/ David R. Seiler
	David R. Seiler
	President & Chief Executive Officer
July 31, 2026	/s/ Brian D. Spielmann
	Brian D. Spielmann
	Chief Financial Officer
	(principal financial officer)

EXHIBIT 10.1

FORM OF PERFORMANCE EXECUTIVE OFFICER SHARE AWARDS FOR 2026

FIRST BUSINESS FINANCIAL SERVICES, INC.
2026 EQUITY INCENTIVE PLAN

PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT

The Participant specified below is hereby granted a performance-based restricted stock unit award (the "**Award**") by **First Business Financial Services, Inc.**, a Wisconsin corporation (the "**Company**"), under the **First Business Financial Services, Inc. 2026 Equity Incentive Plan**, as amended (the "**Plan**"). The Award shall be subject to the terms of the Plan and the terms set forth in this Performance-Based Restricted Stock Unit Award Agreement ("**Award Agreement**").

1. Award. The Company hereby grants to Participant the Award of restricted stock units (each such unit, an "**RSU**"), where each RSU represents the right of Participant to receive one Share in the future upon the expiration of the Performance Period, subject to the terms of this Award Agreement and the Plan.

2. Terms of Restricted Stock Unit Award. The following words and phrases relating to the Award shall have the following meanings:

2.1. The "**Participant**" is ______________________________.

2.2. The "**Grant Date**" is ______________________________.

2.3. The target number of **RSUs** is __________________________.

2.4. The maximum number of **RSUs** is ______________________.

2.5. The "**Performance Period**" begins on January 1, 2027 and concludes on December 31, 2029.

Except for words and phrases otherwise defined in this Award Agreement, any capitalized word or phrase in this Award Agreement shall have the meaning ascribed to it in the Plan.

3. Performance Measurement.

3.1. The Committee shall establish one or more performance goals for each Performance Period, which may consist of business criteria or other metrics (the "**Performance Goals**"). The Performance Goals are set forth on **Exhibit A** hereto. As soon as practicable following the expiration of the Performance Period, but in no event later than June 30 of the calendar year immediately following the end of the Performance Period, the Committee, in its sole discretion, shall determine the level of achievement of the Performance Goals and, in accordance with **Exhibit A**, the number of RSUs, if any, that Participant has earned. The date that the Committee makes such determination is hereinafter referred to as the "**Determination Date**."

3.2. Except as set forth below in **Section 3(c) and Section 3(d)** or as may otherwise be provided by the Committee, if Participant's Termination of Service occurs prior to the Determination Date, Participant shall forfeit all rights, title and interest in and to any RSUs granted hereunder.

3.3. Notwithstanding the foregoing provisions of this **Section 3**, if Participant incurs a Termination of Service due to Disability or death prior to the Determination Date, a prorated portion of the RSUs shall become vested on the date of Participant's Termination of Service at the level of target performance, such portion equal to the portion of the Performance Period worked by the Participant between the first day of the Performance Period and the date of the Participant's Termination of Service.

3.4. Notwithstanding the foregoing provisions of this **Section 3** or any other agreement to the contrary between Participant and the Company, if Participant incurs a Termination of Service as a result of Retirement after the first anniversary of the Grant Date, then the RSUs shall not be forfeited as a result of such Retirement and shall continue to vest for as long as Participant remains Retired. Participant's RSUs earned shall be prorated based on the portion of the Performance Period worked by the Participant between the first day of the Performance Period and the date of the

Participant's Termination of Service.

3.4.1."**Retirement**" means a Termination of Service on or after the date on which Participant has achieved age sixty (60) with at least ten (10) years of service with the Company; *provided* that Participant provides at least twelve (12) months' notice to the Company's Chief Executive Officer (or, if Participant is the Company's Chief Executive Officer, to the Board) prior to such Retirement, or such other Termination of Service that the Committee has approved as a Retirement in its discretion.

3.4.2.Following Retirement, Participant shall be "**Retired**" so long as Participant does not (x) directly, or indirectly through another, act as an officer, director, partner or employee of or consultant or independent contractor to, or act in any managerial capacity with, any entity that is engaged in the financial services industry or (y) act in any position with any other entity if such position requires duties and responsibilities similar to the duties and responsibilities of Participant with the Company prior to Retirement.

3.4.3.Whether Participant remains Retired at any time shall be determined by the Board or the Committee in its sole discretion. If, while this Award is outstanding, Participant commences employment or other work of any kind following Retirement, then Participant is required to promptly provide written notice to the Company of the name of Participant's employer and the nature of Participant's position or other work. In addition, as a condition for this Award to remain outstanding following Retirement, the Company will require Participant to provide information relating to Participant's activities following Retirement prior to each vesting date to enable the Board or the Committee to determine whether Participant remains Retired, and Participant's failure to provide such information upon request will cause the Award to be forfeited.

3.4.4.If Participant receives any benefit under this Award after Retirement but when he or she is no longer Retired, then Participant will be obligated to repay to the Company the value of such benefit (with such value to be determined by the Company, which may include a reasonable rate of interest) promptly following receipt from the Company of notice to Participant of Participant's repayment obligation.

4. <u>Settlement of RSUs</u>. Delivery of Shares or other amounts under this Award Agreement and the Plan shall be subject to the following:

4.1. Delivery of Shares. The Company shall deliver to Participant one Share free and clear of any restrictions in settlement of each of the vested and unrestricted RSUs as soon as practicable following the Determination Date, but in no event later than thirty (30) days following the Determination Date. Notwithstanding the foregoing, in the event of the Participant's Termination of Service due to death or Disability prior to the Determination Date, the Company shall deliver such Shares within 45 days following the date of such a Termination of Service.

4.2. Compliance with Applicable Laws. Notwithstanding any other term of this Award Agreement or the Plan, the Company shall have no obligation to deliver any Shares or make any other distribution of benefits under this Award Agreement or the Plan unless such delivery or distribution complies with all applicable laws and the applicable rules of any securities exchange or similar entity.

4.3. Certificates Not Required. To the extent that this Award Agreement and the Plan provide for the issuance of Shares, such issuance may be effected on a non-certificated basis, to the extent not prohibited by applicable law or the applicable rules of any securities exchange or similar entity.

5. <u>Holding Requirement</u>. Fifty percent (50%) of any Shares delivered to the Participant under **Section 4(a)**shall be subject to transfer restrictions for a period lasting from the Determination Date applicable to such Shares until the first of the following to occur: (i) the first anniversary of the applicable Determination Date or (ii) the date of Participant's Termination of Service due to the Participant's Disability, the Participant's death, or the Participant's Retirement (such period, the "**Post-Determination Hold Period**"). During the Post-Determination Hold Period applicable to any Shares, the Participant may not sell, exchange, dispose, or otherwise transfer such Shares other than to the Participant's immediate family members or trusts, partnerships, limited liability companies or other business entities controlled by the Participant such that the transferred Shares would continue to be "beneficially owned" by such Participant during the Post-Determination Holding Period. The Participant must notify the Company in writing prior to any proposed transfer of Shares subject to a Post-Determination Hold Period. Any attempted transfer in violation of this **Section 5**, without prior Company consent in writing, shall be null and void and of no force or effect. For purposes of this **Section 5**, the term "beneficially owned" shall have the meaning ascribed to it under Rule 13d-3 of the Exchange Act.

6. **Dividend Equivalents.** Participant shall receive a cash payment equivalent to any dividends or other distributions that would have been paid with respect to the same number of Shares subject to the RSUs that are earned under this Award Agreement while the RSUs are outstanding (i.e., between the Grant Date and the date the RSUs are settled above in **Section 4)** if such Shares were held by the Participant during the same period. Such cash payment shall be paid to Participant (or Participant's beneficiary in accordance with **Section 88**) at the same time as any Shares are issued to Participant in accordance with **Section 4**. If Participant's RSUs are settled in accordance with **Section 4** between a record date and payment date for a dividend payment, the cash payment made under this **Section 6** will include a dividend equivalent payment for such last record date. For the avoidance of doubt, no dividend equivalents shall be payable to Participant with respect to record dates for dividends occurring before the Grant Date or on or after the date the RSUs are settled above in **Section 4** and no dividend equivalents shall be payable with respect to any RSUs that are not earned or are forfeited. If, however, any dividends or distributions with respect to the Shares underlying the RSUs are paid in Shares rather than cash, then Participant shall be credited with additional RSUs equal to the number of Shares that Participant would have received had the earned RSUs been actual Shares, and such RSUs shall be deemed RSUs added to the Award subject to the same risk of forfeiture and other terms of this Award Agreement.

7. **No Shareholder Rights.** Participant shall not have any rights of a Shareholder with respect to the RSUs, including but not limited to, voting rights, prior to settlement of the RSUs pursuant to **Section 4(a)** above.

8. **Heirs and Successors.** This Award Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring all or substantially all of the Company's assets or business. If any rights of Participant or benefits distributable to Participant under this Award Agreement have not been settled or distributed at the time of Participant's death, such rights shall be settled for and such benefits shall be distributed to the Designated Beneficiary in accordance with the provisions of this Award Agreement and the Plan. The "**Designated Beneficiary**" shall be the beneficiary or beneficiaries designated by Participant in a writing filed with the Committee in such form as the Committee may require. Participant's designation of beneficiary may be amended or revoked from time to time by Participant in accordance with any procedures established by the Committee. If a Participant fails to designate a beneficiary, or if the Designated Beneficiary does not survive Participant, any benefits that would have been provided to Participant shall be provided to the legal representative of the estate of Participant. If a Participant designates a beneficiary and the Designated Beneficiary survives Participant but dies before the provision of the Designated Beneficiary's benefits under this Award Agreement, then any benefits that would have been provided to the Designated Beneficiary shall be provided to the legal representative of the estate of the Designated Beneficiary.

9. **Administration.** The authority to manage and control the operation and administration of this Award Agreement and the Plan shall be vested in the Committee, and the Committee shall have all powers with respect to this Award Agreement as it has with respect to the Plan. Any interpretation of this Award Agreement or the Plan by the Committee and any decision made by the Committee with respect to this Award Agreement or the Plan shall be final and binding on all persons.

10. **Plan Governs.** Notwithstanding any provision of this Award Agreement to the contrary, this Award Agreement shall be subject to the terms of the Plan, a copy of which may be obtained by Participant from the office of the secretary of the Company. This Award Agreement shall be subject to all interpretations, amendments, rules and regulations promulgated by the Committee from time to time. Notwithstanding any provision of this Award Agreement to the contrary, in the event of any discrepancy between the corporate records of the Company, including the Plan, and this Award Agreement, the corporate records of the Company shall control.

11. **Not an Employment Contract.** Neither the Award nor this Award Agreement shall confer on Participant any rights with respect to continuance of employment or other service with the Company or a Subsidiary, nor shall they interfere in any way with any right the Company or a Subsidiary may otherwise have to terminate or modify the terms of Participant's employment or other service at any time.

12. **Amendment.** Without limitation of **Section 144** below, this Award Agreement may be amended in accordance with the provisions of the Plan and may otherwise be amended in writing by Participant and the Company without the consent of any other person.

13. **Governing Law.** This Award Agreement, the Plan and all actions taken in connection herewith and therewith shall be governed by and construed in accordance with the laws of the State of Wisconsin, without reference to

principles of conflict of laws, except as superseded by applicable federal law; and any court action commenced to enforce this Agreement shall have as its sole and exclusive venue the County of Waukesha, Wisconsin.

14. Clawback. The Award and any amount or benefit received under the Plan shall be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any applicable Company clawback policy (the "**Policy**") or any applicable law, as may be in effect from time to time. Participant hereby acknowledges and consents to the Company's application, implementation and enforcement of (a) the Policy and any similar policy established by the Company that may apply to Participant together with all other similarly situated participants, whether adopted prior to or following the date of this Award Agreement and (b) any provision of applicable law relating to cancellation, rescission, payback or recoupment of compensation, and agrees that the Company may take such actions as may be necessary to effectuate the Policy, any similar policy and applicable law, without further consideration or action.

15. Nonsolicitation of Clients.

15.1. While Participant is employed by the Company and for a period of twelve (12) months immediately following, Participant will not, except on behalf of or as otherwise directed by the Company, directly or indirectly (through or by providing assistance to another person or entity), solicit Financial Services (defined below) business from any client of the Company who/which was a client of the Company and (1) with whom/which Participant had any contact or (2) about whom/which Participant had access to non-public confidential or proprietary information, in the case of both (1) and (2), above, during the period of one year prior to the date Participant ceased to be an employee of the Company.

15.2. While Participant is employed by the Company, and for a period of twelve (12) months immediately following, Participant will not, except on behalf of or as otherwise directed by the Company, conduct business relating to Financial Services (defined below) with any client of the Company who/which was a client of the Company and (1) with whom/which Participant had any contact or (2) about whom/which Participant had access to non-public confidential or proprietary information, in the case of both (1) and (2), above, during the period of one year prior to the date Participant ceased to be an employee of the Company.

15.3. While Participant is employed by the Company, and for a period of six (6) months immediately following, Participant will not, except on behalf of or as otherwise directed by the Company, directly or indirectly (through or by providing assistance to another person or entity), solicit Financial Services (defined below) business from any prospective client of the Company with whom/which the Company engaged in direct marketing efforts (as opposed to general solicitations of business) and (1) with whom/which Participant had any contact or (2) about whom/which Participant had access to non-public confidential or proprietary information, in the case of both (1) and (2), above, during the period of one year prior to the date Participant ceased to be an employee of the Company.

15.4. For clarification purposes, the restrictions described in the above subparagraphs apply to clients whether they are persons or entities. The term "**Financial Services**" as used herein shall mean products and/or services offered by the Company within the twelve (12) month period immediately preceding Participant's last day of employment with the Company.

15.5. These covenants are effective immediately and shall remain in force before and after RSUs granted under this Agreement vest, and after Shares in respect of RSUs are issued to or transferred by Participant hereunder. The parties intend that this **Section 15(e)** and each and all of its individual subparagraphs, provisions, and clauses are severable from any other provision of this agreement, as provided in **Section 222**, and are also severable from any other promise or duty owed by Participant to the Company.

15.6. Participant agrees that each of these covenants is reasonably and properly necessary to protect the legitimate business interests of the Company. Participant acknowledges that damages for the violation of any of these covenants will be inadequate and will not give full, sufficient relief to the Company, and that a breach of any of these covenants will constitute irreparable harm to the Company. Therefore, Participant agrees that in the event of any violation of any of these covenants, the Company shall be entitled to compensatory damages and injunctive relief.

15.7. Participant will reimburse and indemnify the Company for the actual costs incurred by the Company in enforcing any of these covenants, including, but not limited to, attorney's fees reasonably incurred in enforcement activity.

16. Protection of Leadership Pool. Participant and the Company agree to the following:

16.1. Participant is a top-level employee of the Company or has special skills or knowledge important to the Company or has skills that are difficult for the Company to replace.

16.2. Participant's colleagues who are employed by the Company in a position of officer or manager, or above (collectively, the "**Leadership Pool**") are likewise top-level employees of the Company or have special skills or knowledge important to the Company or have skills that are difficult for the Company to replace.

16.3. If Participant or any member of the Leadership Pool ceases to be so employed, the Company will have a business necessity to replace the skills lost.

16.4. It takes time after an employee of the caliber of Participant and/or the Leadership Pool leaves the employ of the Company to replace the skills lost; 180 days is a reasonable measure of the time needed to replace such skills.

16.5. A primary and necessary source of replacement of the skills of Participant and/or a member of the Leadership Pool are the other members of the Leadership Pool.

16.6. The parties recognize that employees of the Company (not otherwise bound by contract) are not in any way restricted from competing with the Company, and are not obligated to accept, nor even to consider, proposals by the Company that they replace Participant or a member of the Leadership Pool in the event Participant or a member of the Leadership Pool leaves the Company.

16.7. Because of Participant's present position, Participant is in a position to assist and influence those members of the Leadership Pool with whom Participant has or had a working relationship during the immediately preceding two (2) years, or about whom/which Participant has acquired or possessed specialized knowledge (in either case, a "**Restricted Person**") in choosing whether to remain with the Company and consider or accept other positions with the Company rather than choosing to seek other opportunities outside the Company. Any suggestion by Participant that a Restricted Person should seek another employment opportunity outside the Company, and any offer of another employment opportunity by another employer to a Restricted Person with the assistance of Participant, would be such assistance and influence, in derogation of Participant's duty to the Company as a managerial and supervisory employee.

16.8. The monetary value of the loss to the Company in case Participant in fact assists or influences a Restricted Person to leave the Company for a competitor would be impossible to precisely measure. Injunctive relief for a breach of subsection (j) would also be ineffective.

16.9. The parties agree that a fair estimate of the monetary value of the loss to the Company in case Participant assists or influences another employee to leave the Company for a competitor would be Participant's daily rate of base pay as of the last day he or she was employed by the Company times 180.

16.10. In consideration of this Agreement, and of the continued employment of Participant by the Company, Participant agrees that Participant will not, directly or through another, during Participant's employment and for a period of one (1) year thereafter, assist or influence any Restricted Person to take a position outside the Company which is reasonably likely to pose a competitive threat to the Company.

16.11. In the event of a breach by Participant of subsection (j), the stipulated damages for such breach are agreed to be Participant's daily rate of base pay as of the time he or she leaves the Company times 180. This provision for stipulated damages is intended to be and is severable from the substantive obligation in subsection (j), and from the other provisions of this Agreement.

16.12. Subsections (j) and (k) are solely for the purposes stated in subsections (a) through (k), and are not for the purpose of limiting the ability of Participant to compete with the Company.

16.13. Participant and the Company intend that the promise by Participant in subsection (j) is separate and separable from any other obligation of Participant, and for a different purpose, and with a different remedy from the promise of Participant not to solicit or conduct business with certain clients or to disclose Confidential Information or Trade Secrets of the Company, under **Section 155** and **Section 177**, respectively.

16.14. This **Section 166** is effective immediately and remains in force before and after RSUs granted under this Agreement vest, and after Shares in respect of RSUs are issued to or transferred by Participant hereunder.

16.15. Participant will reimburse and indemnify the Company for the actual costs incurred by the Company in enforcing these covenants, including, but not limited to, attorney's fees reasonably incurred in enforcement activity.

17. Confidentiality. In consideration of this Agreement, Participant agrees to the following:

17.1. During the term of Participant's employment, Participant has been, and will continue to be, provided with Trade Secrets and/or Confidential Information. This information has been developed at great expense to Company and is necessary for Company to conduct its business.

17.2. While Participant is employed by Company, Participant will not directly or indirectly use or disclose any Trade Secret or Confidential Information, except in the interest and for the benefit of Company.

17.3. After the termination of Participant's employment with Company for any reason, Participant will not directly or indirectly use or disclose any Trade Secret.

17.4. For a period of twenty-four (24) months following the termination of Participant's employment with Company for any reason, Participant will not directly or indirectly use or disclose any Confidential Information. This confidentiality provision is not intended in any way to modify or limit Participant's ongoing duty to maintain the confidentiality of information as required under federal and state laws and regulations.

17.5. For purposes of this Agreement, the term "**Trade Secret**" has that meaning set forth under applicable law. Participant shall not disclose any information that constitutes a trade secret as defined in § 134.90, Wis. Stats. for as long as the information continues to be a trade secret or any information where disclosure is otherwise restricted by federal, state or local laws and regulations.

17.6. For purposes of this Agreement, the term "**Confidential Information**" means all non-Trade Secret information of, about or related to Company or provided to Company by its clients, vendors and suppliers that is not known generally to the public or Company's competitors. Confidential Information includes, but is not limited to: (i) new products, product specifications, information about products under development, research, development or business plans, financial information, client lists, vendor or supplier lists, information about transactions with clients, pricing information, information relating to costs, business records, and employment records and policies (other than Participant's own); (ii) information that is marked or otherwise designated or treated as confidential or proprietary by Company; and (iii) information received by Company from others which Company has an obligation to treat as confidential.

17.7. Notwithstanding the foregoing, the terms "**Confidential Information**" and "**Trade Secret**" do not include, and the obligations set forth in this Agreement do not apply to, any information that: (1) can be demonstrated by Participant to have been known by Participant prior to Participant's employment by Company; (2) is or becomes generally available to the public through no act or omission of Participant; (3) is obtained by Participant in good faith from a third party who discloses such information to Participant on a non-confidential basis without violating any obligation of confidentiality or secrecy relating to the information disclosed; or (4) is independently developed by Participant outside the scope of Participant's employment without the use of Confidential Information or Trade Secrets. Nothing in this Agreement shall limit or supersede any common law, statutory or other protections of trade secrets where such protections provide the Company with greater rights or protections for a longer duration than provided in this Agreement. With respect to the disclosure of a Trade Secret and in accordance with 18 U.S.C. § 1833, Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a Trade Secret that (i) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, provided that, the information is disclosed solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding filed under seal so that it is not disclosed to the public. Participant is further notified that if Participant files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Participant may disclose the Company's Trade Secrets to Participant's attorney and use the Trade Secret information in the court proceeding, provided that Participant files any document containing the Trade Secret under seal so that it is not disclosed to the public, and does not disclose the Trade Secret, except pursuant to court order.

17.8. These covenants are effective immediately and shall remain in force before and after RSUs granted under this Agreement vest, and after such Shares in respect of RSUs are issued to or transferred by Participant hereunder. The parties intend that this **Section 177** and each and all of its individual subparagraphs, provisions, and clauses are severable from any other provision of this agreement, as provided in **Section 222**, and are also severable from any other promise or duty owed by Participant to the Company.

17.9. Participant agrees that each of these covenants is reasonably and properly necessary to protect the legitimate business interests of the Company. Participant acknowledges that damages for the violation of any of these covenants will be inadequate and will not give full, sufficient relief to the Company, and that a breach of any of these covenants will constitute irreparable harm to the Company. Therefore, Participant agrees that in the event of any violation of any of these covenants, the Company shall be entitled to compensatory damages and injunctive relief.

17.10. Participant will reimburse and indemnify the Company for the actual costs incurred by the Company in enforcing any of these covenants, including, but not limited to, attorney's fees reasonably incurred in enforcement activity.

17.11. Notwithstanding anything herein to the contrary, in accordance with Rule 21F-17 under the Securities Exchange Act of 1934 and the rules promulgated thereunder, the Company shall not impede a Participant's ability to communicate with the Securities and Exchange Commission or other governmental agencies regarding possible federal securities law violations (1) without the Company's approval and (2) without having to forfeit or forego any resulting whistleblower awards, and the Company shall not enforce any provision of any policy to the extent such provision would be deemed to require the Company's prior approval of such communication or forfeiture of any award, except to the extent otherwise permitted by Rule 21F-17. Furthermore, in accordance with the Illinois law, to the extent applicable, nothing in this Award Agreement shall prohibit, prevent, or otherwise restrict Participant from (y) reporting any allegations of unlawful conduct to federal, State, or local officials for investigation, including, but not limited to, alleged criminal conduct or unlawful employment practices, or (z) engaging in concerted activity to address work-related issues.

18. Breach of Restrictive Covenants. Except as otherwise provided by the Committee, notwithstanding any provision of the Plan to the contrary, if Participant breaches a non-competition, non-solicitation, non-disclosure, non-disparagement or other restrictive covenant set forth in an Award Agreement or any other agreement between Participant and the Company, whether during or after Participant's Termination of Service, in addition to and not in limitation of any other rights, remedies, damages, penalties or restrictions available to the Company under the Plan, an Award Agreement, any other agreement between Participant and the Company, or otherwise at law or in equity, Participant shall forfeit or pay to the Company:

18.1. Any and all outstanding Awards granted to Participant, including Awards that have become vested or exercisable;

18.2. Any Shares held by Participant in connection with the Plan that were acquired by Participant after Participant's Termination of Service and within the 12-month period immediately preceding Participant's Termination of Service;

18.3. The profit realized by Participant from the exercise of any stock options and SARs that Participant exercised after Participant's Termination of Service and within the 12-month period immediately preceding Participant's Termination of Service, which profit is the difference between the exercise price of the stock option or SAR and the Fair Market Value of any Shares or cash acquired by Participant upon exercise of such stock option or SAR; and

18.4. The profit realized by Participant from the sale, or other disposition for consideration, of any Shares received by Participant in connection with the Plan after Participant's Termination of Service and within the 12-month period immediately preceding Participant's Termination of Service and where such sale or disposition occurs in such similar time period.

19. Offset. The Company shall have the right to offset, from any amount payable or Shares deliverable hereunder, any amount that Participant owes to the Company without the consent of Participant or any individual with a right to Participant's Award

20. Effect on Other Agreements. The foregoing provisions of **Section 155** (Nonsolicitation of Clients), **Section 166** (Protection of Leadership Pool), and **Section 177** (Confidentiality) shall not be construed to supersede or alleviate any obligations of Participant to the Company with respect to any restrictive covenant, non-compete or confidentiality agreement otherwise binding on Participant, which shall remain in full force and effect to the extent provided in any such agreements, and in the event that a provision of such agreement shall conflict with any provision of this Award Agreement, Participant acknowledges and agrees that the provision which is most protective of the Company's confidential or proprietary interests shall control. Notwithstanding the foregoing, the provisions of **Section 155**, **Section 166** and **Section 177** shall supersede and replace any similar restrictions included in previous Award Agreements.

21. Notices. Any notice hereunder to the Company shall be addressed to it at its office, 401 Charmany Drive, Madison, WI 53719; Attention: Corporate Secretary, with a copy to the Chief Human Resources Officer, and any notice hereunder to Participant shall be addressed to the last home address of Participant on file with the Company. Either party may designate some other address at any time hereafter in writing.

22. Severability. In the event any provision of the Agreement is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining provisions of the Agreement, and the Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.

23. New Employers. While Participant is employed by the Company and for a period of twelve (12) months immediately following the date Participant ceases to be an employee of the Company, Participant will inform each new employer, prior to accepting employment, of the existence of this Agreement, including the prohibitions contained in **Section 155**, **Section 166** and **Section 177** and provide that employer with a copy of it. Participant authorizes the Company to forward a copy of the prohibitions against competition as contained in this section to any actual or prospective new employer.

24. Acceptance procedures.

24.1. Consultation with an Attorney. Participant is hereby advised in writing to consult with an attorney before signing this Award Agreement and Employee acknowledges and agrees that Participant has done so or had the opportunity to do so.

24.2. Opportunity to Review Award Agreement. Participant acknowledges and agrees that Participant has been provided at least fourteen (14) calendar days to review this Award Agreement. Participant further acknowledges and agrees that if Participant signs this Award Agreement prior to the expiration of the fourteen (14) day period, Participant does so voluntarily.

24.3. Forfeiture. Participant further acknowledges and agrees that if Participant fails to execute this Award Agreement on or before 5:00 pm CST on the fifteenth (15th) calendar day after Participant has been provided the Award Agreement, it shall be null and void and Participant shall forfeit all RSUs and all of such RSUs shall revert to the Company.

25. Waiver of Jury Trial. EXCEPT TO THE EXTENT PROHIBITED BY STATE LAW, BY SIGNING THIS AWARD AGREEMENT, EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL ACTION, PROCEEDING, CAUSE OF ACTION OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AWARD AGREEMENT, INCLUDING ANY EXHIBITS, SCHEDULES, AND APPENDICES ATTACHED TO THIS AWARD AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) IT HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) IT MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY, AND (D) IT HAS DECIDED TO ENTER INTO THIS AWARD AGREEMENT IN CONSIDERATION OF, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

IN WITNESS WHEREOF, the Company has caused this Award Agreement to be executed in its name and on its behalf, and Participant acknowledges understanding and acceptance of, and agrees to, the terms of this Award Agreement (including, but not limited to, the Waiver of Jury Trial provision set forth in **Section 255**), all as of the Grant Date.

BY:

Print Name: David Seiler

Title: CEO

PARTICIPANT

Print Name:

<u>EXHIBIT A</u>

Performance-Based Restricted Stock Unit
<u>Performance Goals</u>

Performance Goals and Vesting Percentages

Performance Goal	**Weighting**	**Threshold**	**Target**	**Maximum**	**Actual Performance Result**	**Achievement Percentage***
[Relative Return on Average Tangible Common Equity]**	50%	50%	100%	200%	[__]%	[__]%
[Relative Total Shareholder Return]	50%	50%	100%	200%	[__]%	[__]%
Total Performance-Based RSU Vesting as a percentage of the Target Award						**[__]%**

*Achievement of each performance goal to be determined by straight-line interpolation for actual performance falling between threshold and target or target and maximum levels. If achievement with respect to a particular performance goal does not reach threshold level, then no portion of the award will vest with respect to such performance goal.

** Calculation of Return on Average Tangible Common Equity: Denominator = Total Average Shareholders' Equity Less Average Preferred Stock Less Average Intangible Assets = Average Tangible Common Equity (Based on GAAP Financial Statements). Numerator = Net Income Available to Common Shareholders (Based on GAAP Financial Statements).

Performance-Based RSU Award Opportunities (as % of Target Award)

Attainment Level	**[Relative Return on Average Tangible Common Equity]**	**[Relative Total Shareholder Return]**
Threshold	50%	50%
Target	100%	100%
Maximum	200%	200%

EXHIBIT 10.2

FORM OF TIME VESTED SHARE AWARDS FOR 2026

FIRST BUSINESS FINANCIAL SERVICES, INC.
2026 EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT
EXECUTIVE

The Participant specified below is hereby granted a restricted stock unit award (the "**Award**") by **First Business Financial Services, Inc.**, a Wisconsin corporation (the "**Company**"), under the **First Business Financial Services, Inc. 2026 Equity Incentive Plan,** as amended (the "**Plan**"). The Award shall be subject to the terms of the Plan and the terms set forth in this Restricted Stock Unit Award Agreement ("**Award Agreement**").

(1) Award. The Company hereby grants to Participant the Award of restricted stock units (each such unit, an "**RSU**"), where each RSU represents the right of Participant to receive one Share in the future upon the expiration of the Restricted Period, subject to the terms of this Award Agreement and the Plan.

(2) Terms of Restricted Stock Unit Award. The following words and phrases relating to the Award shall have the following meanings:

a. The "**Participant**" is ______________________________.

b. The "**Grant Date**" is ______________________________.

c. The number of **RSUs** is ______________________.

Except for words and phrases otherwise defined in this Award Agreement, any capitalized word or phrase in this Award Agreement shall have the meaning ascribed to it in the Plan.

(3) Restricted Period.

a. The "**Restricted Period**" for thirty-three percent (33%) of the RSUs will end on each of the first two (2) anniversaries of the Grant Date and thirty-four percent (34%) of the RSUs will end on the third (3rd) anniversary (each such anniversary date, a "**Restriction End Date**").

b. Notwithstanding the foregoing provisions of this **Section 3**, the Restricted Period for all the RSUs shall cease immediately and such RSUs shall become fully vested immediately upon Participant's Termination of Service due to Participant's Disability or Participant's death.

c. Except as set forth in **Section 3(b) and 3(d)**, or as may otherwise be provided by the Committee, if Participant's Termination of Service occurs prior to the expiration of one or more Restricted Periods, Participant shall forfeit all rights, title and interest in and to any RSUs still subject to a Restricted Period as of such Termination of Service.

d. Notwithstanding the foregoing provisions of this **Section 3** or any other agreement to the contrary between Participant and the Company, if Participant incurs a Termination of Service as a result of Retirement after the first anniversary of the Grant Date, then the RSUs shall not be forfeited as a result of such Retirement and shall continue to vest for as long as Participant remains Retired.

i. "**Retirement**" means a Termination of Service on or after the date on which Participant has achieved age sixty (60) with at least ten (10) years of service with the Company; *provided* that Participant provides at least twelve (12) months' notice to the Company's Chief Executive Officer (or, if Participant is the Company's Chief Executive Officer, to the Board) prior to such Retirement, or such other Termination of Service that the Committee has approved as a Retirement in its discretion.

ii. Following Retirement, Participant shall be "**Retired**" so long as Participant does not (x) directly, or indirectly through another, act as an officer, director, partner or employee of or consultant or independent contractor to, or act in any managerial capacity with, any entity that is engaged in the financial services industry or (y) act in any position with any other entity if such position requires duties and responsibilities similar to the duties and responsibilities of Participant with the Company prior to Retirement.

iii. Whether Participant remains Retired at any time shall be determined by the Board or the Committee in its sole discretion. If, while this Award is outstanding, Participant commences employment or other work of any kind following Retirement, then Participant is required to promptly provide written notice to the Company of the name of Participant's employer and the nature of Participant's position or other work. In addition, as a condition for this Award to remain outstanding following Retirement, the Company will require Participant to provide information relating to Participant's activities following Retirement prior to each vesting date to enable the Board or the Committee to determine whether Participant remains Retired, and Participant's failure to provide such information upon request will cause the Award to be forfeited.

iv. If Participant receives any benefit under this Award after Retirement but when he or she is no longer Retired, then Participant will be obligated to repay to the Company the value of such benefit (with such value to be determined by the Company, which may include a reasonable rate of interest) promptly following receipt from the Company of notice to Participant of Participant's repayment obligation.

(4) <u>Settlement of RSUs</u>. Delivery of Shares or other amounts under this Award Agreement and the Plan shall be subject to the following:

a. *Delivery of Shares*. The Company shall deliver to Participant one Share free and clear of any restrictions in settlement of each of the vested and unrestricted RSUs within 45 days following the end of the respective Restricted Period.

b. *Compliance with Applicable Laws.* Notwithstanding any other term of this Award Agreement or the Plan, the Company shall have no obligation to deliver any Shares or make any other distribution of benefits under this Award Agreement or the Plan unless such delivery or distribution complies with all applicable laws and the applicable rules of any securities exchange or similar entity.

c. *Certificates Not Required.* To the extent that this Award Agreement and the Plan provide for the issuance of Shares, such issuance may be effected on a non-certificated basis, to the extent not prohibited by applicable law or the applicable rules of any securities exchange or similar entity.

(5) <u>Holding Requirement</u>. Fifty percent (50%) of any Shares delivered to the Participant under **Section 4(a)** shall be subject to transfer restrictions for a period lasting from the applicable Restriction End Date applicable to such Shares until the first of the following to occur: (i) the first anniversary of the applicable Restriction End Date or (ii) the date of Participant's Termination of Service due to the Participant's Disability, the Participant's death, or the Participant's Retirement (such period, the "**Post-Restriction Hold Period**"). During the Post-Restriction Hold Period applicable to any Shares, the Participant may not sell, exchange, dispose, or otherwise transfer such Shares other than to the Participant's immediate family members or trusts, partnerships, limited liability companies or other business entities controlled by the Participant such that the transferred Shares would continue to be "beneficially owned" by such Participant during the Post-Restriction Holding Period. The Participant must notify the Company in writing prior to any proposed transfer of Shares subject to a Post-Restriction Hold Period. Any attempted transfer in violation of this **Section 5**, without prior Company consent in writing, shall be null and void and of no force or effect. For purposes of this **Section 5**, the term "beneficially owned" shall have the meaning ascribed to it under Rule 13d-3 of the Exchange Act.

(6) <u>Dividend Equivalents</u>. Participant shall receive a cash payment equivalent to any dividends or other distributions that would have been paid with respect to the same number of Shares earned under this Award Agreement while the RSUs are outstanding (i.e., between the Grant Date and the date the RSUs are settled above in **Section 4**) if such Shares were held by the Participant during the same period, but only to the extent such RSUs become vested and unrestricted pursuant to this Award Agreement. Such cash payment shall be paid to Participant (or Participant's beneficiary in accordance with **Section 8**) at the same time as Shares are delivered with respect to such vested and unrestricted RSUs under **Section 4** (i.e., following the end of the respective Restricted Period). If Participant's RSUs are settled in accordance with **Section 4** between a record date and payment date for a dividend payment, the cash payment made under this **Section 6** will include a dividend equivalent payment for such last record date. For the avoidance of doubt, no dividend equivalents shall be payable to Participant with respect to record dates for dividends occurring before the Grant Date or on or after the date the RSUs are settled above in **Section 4** and no dividend equivalents shall be payable with respect to any RSUs that are forfeited. If, however, any dividends or distributions with respect to the Shares underlying the RSUs are paid in Shares rather than cash, then Participant shall be credited with additional RSUs equal to the number of Shares that Participant would have received had the RSUs been actual Shares, and such RSUs shall be deemed RSUs added to the Award subject to the same risk of forfeiture and other terms of this Award Agreement.

(7) No Shareholder Rights. Participant shall not have any rights of a Shareholder with respect to the RSUs, including but not limited to, voting rights, prior to settlement of the RSUs pursuant to **Section 4(a)** above.

(8) Heirs and Successors. This Award Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring all or substantially all of the Company's assets or business. If any rights of Participant or benefits distributable to Participant under this Award Agreement have not been settled or distributed at the time of Participant's death, such rights shall be settled for and such benefits shall be distributed to the Designated Beneficiary in accordance with the provisions of this Award Agreement and the Plan. The "**Designated Beneficiary**" shall be the beneficiary or beneficiaries designated by Participant in a writing filed with the Committee in such form as the Committee may require. Participant's designation of beneficiary may be amended or revoked from time to time by Participant in accordance with any procedures established by the Committee. If a Participant fails to designate a beneficiary, or if the Designated Beneficiary does not survive Participant, any benefits that would have been provided to Participant shall be provided to the legal representative of the estate of Participant. If a Participant designates a beneficiary and the Designated Beneficiary survives Participant but dies before the provision of the Designated Beneficiary's benefits under this Award Agreement, then any benefits that would have been provided to the Designated Beneficiary shall be provided to the legal representative of the estate of the Designated Beneficiary.

(9) Administration. The authority to manage and control the operation and administration of this Award Agreement and the Plan shall be vested in the Committee, and the Committee shall have all powers with respect to this Award Agreement as it has with respect to the Plan. Any interpretation of this Award Agreement or the Plan by the Committee and any decision made by the Committee with respect to this Award Agreement or the Plan shall be final and binding on all persons.

(10)Plan Governs. Notwithstanding any provision of this Award Agreement to the contrary, this Award Agreement shall be subject to the terms of the Plan, a copy of which may be obtained by Participant from the office of the secretary of the Company. This Award Agreement shall be subject to all interpretations, amendments, rules and regulations promulgated by the Committee from time to time. Notwithstanding any provision of this Award Agreement to the contrary, in the event of any discrepancy between the corporate records of the Company, including the Plan, and this Award Agreement, the corporate records of the Company shall control.

(11)Not an Employment Contract. Neither the Award nor this Award Agreement shall confer on Participant any rights with respect to continuance of employment or other service with the Company or a Subsidiary, nor shall they interfere in any way with any right the Company or a Subsidiary may otherwise have to terminate or modify the terms of Participant's employment or other service at any time.

(12)Amendment. Without limitation of **Section 14** below, this Award Agreement may be amended in accordance with the provisions of the Plan and may otherwise be amended in writing by Participant and the Company without the consent of any other person.

(13)Governing Law. This Award Agreement, the Plan and all actions taken in connection herewith and therewith shall be governed by and construed in accordance with the laws of the State of Wisconsin, without reference to principles of conflict of laws, except as superseded by applicable federal law; and any court action commenced to enforce this Agreement shall have as its sole and exclusive venue the County of Waukesha, Wisconsin.

(14)Clawback. The Award and any amount or benefit received under the Plan shall be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any applicable Company clawback policy (the "**Policy**") or any applicable law, as may be in effect from time to time. Participant hereby acknowledges and consents to the Company's application, implementation and enforcement of (a) the Policy and any similar policy established by the Company that may apply to Participant together with all other similarly situated participants, whether adopted prior to or following the date of this Award Agreement and (b) any provision of applicable law relating to cancellation, rescission, payback or recoupment of compensation, and agrees that the Company may take such actions as may be necessary to effectuate the Policy, any similar policy and applicable law, without further consideration or action.

(15)Nonsolicitation of Clients.

a. While Participant is employed by the Company and for a period of twelve (12) months immediately following, Participant will not, except on behalf of or as otherwise directed by the Company, directly or indirectly (through or by providing assistance to another person or entity), solicit Financial Services (defined below) business from any client of the Company who/which was a client of the Company and (1) with whom/which Participant had any contact or (2) about whom/which Participant had access to non-public confidential or proprietary information, in the case of both (1) and (2), above, during the period of one year prior to the date Participant ceased to be an employee of the Company.

b. While Participant is employed by the Company, and for a period of twelve (12) months immediately following, Participant will not, except on behalf of or as otherwise directed by the Company, conduct business relating to Financial Services (defined below) with any client of the Company who/which was a client of the Company and (1) with whom/which Participant had any contact or (2) about whom/which Participant had access to non-public confidential or proprietary information, in the case of both (1) and (2), above, during the period of one year prior to the date Participant ceased to be an employee of the Company.

c. While Participant is employed by the Company, and for a period of six (6) months immediately following, Participant will not, except on behalf of or as otherwise directed by the Company, directly or indirectly (through or by providing assistance to another person or entity), solicit Financial Services (defined below) business from any prospective client of the Company with whom/which the Company engaged in direct marketing efforts (as opposed to general solicitations of business) and (1) with whom/which Participant had any contact or (2) about whom/which Participant had access to non-public confidential or proprietary information, in the case of both (1) and (2), above, during the period of one year prior to the date Participant ceased to be an employee of the Company.

d. For clarification purposes, the restrictions described in the above subparagraphs apply to clients whether they are persons or entities. The term "**Financial Services**" as used herein shall mean products and/or services offered by the Company within the twelve (12) month period immediately preceding Participant's last day of employment with the Company.

e. These covenants are effective immediately and shall remain in force before and after RSUs granted under this Agreement vest, and after Shares in respect of RSUs are issued to or transferred by Participant hereunder. The parties intend that this **Section 15** and each and all of its individual subparagraphs, provisions, and clauses are severable from any other provision of this agreement, as provided in **Section 22**, and are also severable from any other promise or duty owed by Participant to the Company.

f. Participant agrees that each of these covenants is reasonably and properly necessary to protect the legitimate business interests of the Company. Participant acknowledges that damages for the violation of any of these covenants will be inadequate and will not give full, sufficient relief to the Company, and that a breach of any of these covenants will constitute irreparable harm to the Company. Therefore, Participant agrees that in the event of any violation of any of these covenants, the Company shall be entitled to compensatory damages and injunctive relief.

g. Participant will reimburse and indemnify the Company for the actual costs incurred by the Company in enforcing any of these covenants, including, but not limited to, attorney's fees reasonably incurred in enforcement activity.

(16)Protection of Leadership Pool. Participant and the Company agree to the following:

a. Participant is a top-level employee of the Company or has special skills or knowledge important to the Company or has skills that are difficult for the Company to replace.

b. Participant's colleagues who are employed by the Company in a position of officer or manager, or above (collectively, the "**Leadership Pool**") are likewise top-level employees of the Company or have special skills or knowledge important to the Company or have skills that are difficult for the Company to replace.

c. If Participant or any member of the Leadership Pool ceases to be so employed, the Company will have a business necessity to replace the skills lost.

d. It takes time after an employee of the caliber of Participant and/or the Leadership Pool leaves the employ of the Company to replace the skills lost; 180 days is a reasonable measure of the time needed to replace such skills.

e. A primary and necessary source of replacement of the skills of Participant and/or a member of the

Leadership Pool are the other members of the Leadership Pool.

f. The parties recognize that employees of the Company (not otherwise bound by contract) are not in any way restricted from competing with the Company, and are not obligated to accept, nor even to consider, proposals by the Company that they replace Participant or a member of the Leadership Pool in the event Participant or a member of the Leadership Pool leaves the Company.

g. Because of Participant's present position, Participant is in a position to assist and influence those members of the Leadership Pool with whom Participant has or had a working relationship during the immediately preceding two (2) years, or about whom/which Participant has acquired or possessed specialized knowledge (in either case, a "**Restricted Person**") in choosing whether to remain with the Company and consider or accept other positions with the Company rather than choosing to seek other opportunities outside the Company. Any suggestion by Participant that a Restricted Person should seek another employment opportunity outside the Company, and any offer of another employment opportunity by another employer to a Restricted Person with the assistance of Participant, would be such assistance and influence, in derogation of Participant's duty to the Company as a managerial and supervisory employee.

h. The monetary value of the loss to the Company in case Participant in fact assists or influences a Restricted Person to leave the Company for a competitor would be impossible to precisely measure. Injunctive relief for a breach of subsection (j) would also be ineffective.

i. The parties agree that a fair estimate of the monetary value of the loss to the Company in case Participant assists or influences another employee to leave the Company for a competitor would be Participant's daily rate of base pay as of the last day he or she was employed by the Company times 180.

j. In consideration of this Agreement, and of the continued employment of Participant by the Company, Participant agrees that Participant will not, directly or through another, during Participant's employment and for a period of one (1) year thereafter, assist or influence any Restricted Person to take a position outside the Company which is reasonably likely to pose a competitive threat to the Company.

k. In the event of a breach by Participant of subsection (j), the stipulated damages for such breach are agreed to be Participant's daily rate of base pay as of the time he or she leaves the Company times 180. This provision for stipulated damages is intended to be and is severable from the substantive obligation in subsection (j), and from the other provisions of this Agreement.

l. Subsections (j) and (k) are solely for the purposes stated in subsections (a) through (k) and are not for the purpose of limiting the ability of Participant to compete with the Company.

m. Participant and the Company intend that the promise by Participant in subsection (j) is separate and separable from any other obligation of Participant, and for a different purpose, and with a different remedy from the promise of Participant not to solicit or conduct business with certain clients or to disclose Confidential Information or Trade Secrets of the Company, under **Section 15** and **Section 17**, respectively.

n. This **Section 16** is effective immediately and remains in force before and after RSUs granted under this Agreement vest, and after Shares in respect of RSUs are issued to or transferred by Participant hereunder.

o. Participant will reimburse and indemnify the Company for the actual costs incurred by the Company in enforcing these covenants, including, but not limited to, attorney's fees reasonably incurred in enforcement activity.

(17)<u>Confidentiality</u>. In consideration of this Agreement, Participant agrees to the following:

a. During the term of Participant's employment, Participant has been, and will continue to be, provided with Trade Secrets and/or Confidential Information. This information has been developed at great expense to Company and is necessary for Company to conduct its business.

b. While Participant is employed by Company, Participant will not directly or indirectly use or disclose any Trade Secret or Confidential Information, except in the interest and for the benefit of Company.

c. After the termination of Participant's employment with Company for any reason, Participant will not directly or indirectly use or disclose any Trade Secret.

d. For a period of twenty-four (24) months following the termination of Participant's employment with Company for any reason, Participant will not directly or indirectly use or disclose any Confidential Information. This confidentiality provision is not intended in any way to modify or limit Participant's ongoing duty to maintain the confidentiality of information as required under federal and state laws and regulations.

e. For purposes of this Agreement, the term "**Trade Secret**" has that meaning set forth under applicable law. Participant shall not disclose any information that constitutes a trade secret as defined in § 134.90, Wis. Stats. for as long as the information continues to be a trade secret or any information where disclosure is otherwise restricted by federal, state or local laws and regulations.

f. For purposes of this Agreement, the term "**Confidential Information**" means all non-Trade Secret information of, about or related to Company or provided to Company by its clients, vendors and suppliers that is not known generally to the public or Company's competitors. Confidential Information includes, but is not limited to: (i) new products, product specifications, information about products under development, research, development or business plans, financial information, client lists, vendor or supplier lists, information about transactions with clients, pricing information, information relating to costs, business records, and employment records and policies (other than Participant's own); (ii) information that is marked or otherwise designated or treated as confidential or proprietary by Company; and (iii) information received by Company from others which Company has an obligation to treat as confidential.

g. Notwithstanding the foregoing, the terms "**Confidential Information**" and "**Trade Secret**" do not include, and the obligations set forth in this Agreement do not apply to, any information that: (1) can be demonstrated by Participant to have been known by Participant prior to Participant's employment by Company; (2) is or becomes generally available to the public through no act or omission of Participant; (3) is obtained by Participant in good faith from a third party who discloses such information to Participant on a non-confidential basis without violating any obligation of confidentiality or secrecy relating to the information disclosed; or (4) is independently developed by Participant outside the scope of Participant's employment without the use of Confidential Information or Trade Secrets. Nothing in this Agreement shall limit or supersede any common law, statutory or other protections of trade secrets where such protections provide the Company with greater rights or protections for a longer duration than provided in this Agreement. With respect to the disclosure of a Trade Secret and in accordance with 18 U.S.C. § 1833, Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a Trade Secret that (i) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, provided that, the information is disclosed solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding filed under seal so that it is not disclosed to the public. Participant is further notified that if Participant files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Participant may disclose the Company's Trade Secrets to Participant's attorney and use the Trade Secret information in the court proceeding, provided that Participant files any document containing the Trade Secret under seal so that it is not disclosed to the public, and does not disclose the Trade Secret, except pursuant to court order.

h. These covenants are effective immediately and shall remain in force before and after RSUs granted under this Agreement vest, and after Shares in respect of RSUs are issued to or transferred by Participant hereunder. The parties intend that this **Section 17** and each and all of its individual subparagraphs, provisions, and clauses are severable from any other provision of this agreement, as provided in **Section 22**, and are also severable from any other promise or duty owed by Participant to the Company.

i. Participant agrees that each of these covenants is reasonably and properly necessary to protect the legitimate business interests of the Company. Participant acknowledges that damages for the violation of any of these covenants will be inadequate and will not give full, sufficient relief to the Company, and that a breach of any of these covenants will constitute irreparable harm to the Company. Therefore, Participant agrees that in the event of any violation of any of these covenants, the Company shall be entitled to compensatory damages and injunctive relief.

j. Participant will reimburse and indemnify the Company for the actual costs incurred by the Company in enforcing any of these covenants, including, but not limited to, attorney's fees reasonably incurred in enforcement activity.

k. Notwithstanding anything herein to the contrary, in accordance with Rule 21F-17 under the Securities Exchange Act of 1934 and the rules promulgated thereunder, the Company shall not impede a Participant's ability to communicate with the Securities and Exchange Commission or other governmental agencies regarding possible federal securities law violations (1) without the Company's approval and (2) without having to forfeit or forego any resulting whistleblower awards, and the Company shall not enforce any provision of any policy to the extent such provision would be deemed to require the Company's prior approval of such communication or forfeiture of any award, except to the extent otherwise permitted by Rule 21F-17. Furthermore, in accordance with the Illinois law, to the extent applicable, nothing in this Award Agreement shall prohibit, prevent, or otherwise restrict Participant from (y) reporting any allegations of unlawful conduct to federal, State, or local officials for investigation, including, but not limited to, alleged criminal conduct or unlawful employment practices, or (z) engaging in concerted activity to address work-related issues.

(18)Breach of Restrictive Covenants. Except as otherwise provided by the Committee, notwithstanding any provision of the Plan to the contrary, if Participant breaches a non-competition, non-solicitation, non-disclosure, non-disparagement or other restrictive covenant set forth in an Award Agreement or any other agreement between Participant and the Company, whether during or after Participant's Termination of Service, in addition to and not in limitation of any other rights, remedies, damages, penalties or restrictions available to the Company under the Plan, an Award Agreement, any other agreement between Participant and the Company, or otherwise at law or in equity, Participant shall forfeit or pay to the Company:

a. Any and all outstanding Awards granted to Participant, including Awards that have become vested or exercisable;

b. Any Shares held by Participant in connection with the Plan that were acquired by Participant after Participant's Termination of Service and within the 12-month period immediately preceding Participant's Termination of Service;

c. The profit realized by Participant from the exercise of any stock options and SARs that Participant exercised after Participant's Termination of Service and within the 12-month period immediately preceding Participant's Termination of Service, which profit is the difference between the exercise price of the stock option or SAR and the Fair Market Value of any Shares or cash acquired by Participant upon exercise of such stock option or SAR; and

d. The profit realized by Participant from the sale, or other disposition for consideration, of any Shares received by Participant in connection with the Plan after Participant's Termination of Service and within the 12-month period immediately preceding Participant's Termination of Service and where such sale or disposition occurs in such similar time period.

(19)Offset. The Company shall have the right to offset, from any amount payable or Shares deliverable hereunder, any amount that Participant owes to the Company without the consent of Participant or any individual with a right to Participant's Award

(20)Effect on Other Agreements. The foregoing provisions of **Section 15** (Nonsolicitation of Clients), **Section 16** (Protection of Leadership Pool), and **Section 17**(Confidentiality) shall not be construed to supersede or alleviate any obligations of Participant to the Company with respect to any restrictive covenant, non-compete or confidentiality agreement otherwise binding on Participant, which shall remain in full force and effect to the extent provided in any such agreements, and in the event that a provision of such agreement shall conflict with any provision of this Award Agreement, Participant acknowledges and agrees that the provision which is most protective of the Company's confidential or proprietary interests shall control. Notwithstanding the foregoing, the provisions of **Section 15**, **Section 16** and **Section 17** shall supersede and replace any similar restrictions included in previous Award Agreements.

(21)Notices. Any notice hereunder to the Company shall be addressed to it at its office, 401 Charmany Drive, Madison, WI 53719; Attention: Corporate Secretary, with a copy to the Chief Human Resources Officer and any notice hereunder to Participant shall be addressed to the last home address of Participant on file with the Company. Either party may designate some other address at any time hereafter in writing.

(22)Severability. In the event any provision of the Agreement is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining provisions of the Agreement, and the Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.

(23)New Employers. While Participant is employed by the Company and for a period of twelve (12) months immediately following the date Participant ceases to be an employee of the Company, Participant will inform each new employer, prior to accepting employment, of the existence of this Agreement, including the prohibitions contained in **Section 15**, **Section 16** and **Section 17** and provide that employer with a copy of it. Participant authorizes the Company to forward a copy of the prohibitions against competition as contained in this section to any actual or prospective new employer.

(24)Acceptance procedures.

a. Consultation with an Attorney. Participant is hereby advised in writing to consult with an attorney before signing this Award Agreement and Employee acknowledges and agrees that Participant has done so or had the opportunity to do so.

b. Opportunity to Review Award Agreement. Participant acknowledges and agrees that Participant has been provided at least fourteen (14) calendar days to review this Award Agreement. Participant further acknowledges and agrees that if Participant signs this Award Agreement prior to the expiration of the fourteen (14) day period, Participant does so voluntarily.

c. Forfeiture. Participant further acknowledges and agrees that if Participant fails to execute this Award Agreement on or before 5:00 pm CST on the fifteenth (15th) calendar day after Participant has been provided the Award Agreement, it shall be null and void and Participant shall forfeit all RSUs and all of such RSUs shall revert to the Company.

(25)Waiver of Jury Trial. EXCEPT TO THE EXTENT PROHIBITED BY STATE LAW, BY SIGNING THIS AWARD AGREEMENT, EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL ACTION, PROCEEDING, CAUSE OF ACTION OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AWARD AGREEMENT, INCLUDING ANY EXHIBITS, SCHEDULES, AND APPENDICES ATTACHED TO THIS AWARD AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) IT HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) IT MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY, AND (D) IT HAS DECIDED TO ENTER INTO THIS AWARD AGREEMENT IN CONSIDERATION OF, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

IN WITNESS WHEREOF, the Company has caused this Award Agreement to be executed in its name and on its behalf, and Participant acknowledges understanding and acceptance of, and agrees to, the terms of this Award Agreement (including, but not limited to, the Waiver of Jury Trial provision set forth in **Section 25**), all as of the Grant Date.

FIRST BUSINESS FINANCIAL SERVICES, INC.

By:

Print Name: David Seiler

Title: CEO

PARTICIPANT

Print Name:

EXHIBIT 10.3

FORM OF DIRECTOR SHARE AWARDS FOR 2026

FIRST BUSINESS FINANCIAL SERVICES, INC.
2026 EQUITY INCENTIVE PLAN

SHARE AWARD AGREEMENT
BOARD OF DIRECTORS

The Participant specified below is hereby granted a Share award (the "**Award**") by **First Business Financial Services, Inc.**, a Wisconsin corporation (the "**Company**"), under the **First Business Financial Services, Inc. 2026 Equity Incentive Plan** as amended (the "**Plan**"). The Award shall be subject to the terms of the Plan and the terms set forth in this Share Award Agreement ("**Award Agreement**").

(1) Award. The Company hereby issues to Participant the number of Shares set forth below in Section 2(c), subject to the terms of this Award Agreement and the Plan.

(2) Terms of Share Award. The following words and phrases relating to the Award shall have the following meanings:

a. The "**Participant**" is ______________________________.

b. The "**Grant Date**" is ______________________________.

c. The number of **Shares** is ______________________.

Except for words and phrases otherwise defined in this Award Agreement, any capitalized word or phrase in this Award Agreement shall have the meaning ascribed to it in the Plan.

(3) Holding Requirement. One hundred percent (100%) of any Shares issued to the Participant under this Award Agreement shall be subject to transfer restrictions for a period lasting from the Grant Date applicable to such Shares until such time as the Participant has satisfied the applicable target Share ownership established in the or, if later, the one- year anniversary of the Grant Date (such period, the "**Hold Period**"). Notwithstanding the foregoing, the Hold Period shall terminate at the end of Participant's service as a Director on the Board. During the Hold Period applicable to any Shares, the Participant may not sell, exchange, dispose, or otherwise transfer such Shares other than to the Participant's immediate family members or trusts, partnerships, limited liability companies or other business entities controlled by the Participant such that the transferred Shares would continue to be "beneficially owned" by such Participant during the Hold Period. The Participant must notify the Company in writing prior to any proposed transfer of Shares subject to a Hold Period. Any attempted transfer in violation of this **Section 3**, without prior Company consent in writing, shall be null and void and of no force or effect. For purposes of this **Section 3**, the term "beneficially owned" shall have the meaning ascribed to it under Rule 13d-3 of the Exchange Act.

(4) Plan Governs. Notwithstanding any provision of this Award Agreement to the contrary, this Award Agreement shall be subject to the terms of the Plan, a copy of which may be obtained by Participant from the office of the secretary of the Company. This Award Agreement shall be subject to all interpretations, amendments, rules and regulations promulgated by the Committee from time to time. Notwithstanding any provision of this Award Agreement to the contrary, in the event of any discrepancy between the corporate records of the Company, including the Plan, and this Award Agreement, the corporate records of the Company shall control.

(5) Not an Employment or Service Contract. Neither the Award nor this Award Agreement shall confer on Participant any rights with respect to continuance of employment or other service with the Company or a Subsidiary, nor shall they interfere in any way with any right the Company or a Subsidiary may otherwise have to terminate or modify the terms of Participant's employment or other service at any time.

(6) Amendment. Without limitation of **Section 8** below, this Award Agreement may be amended in accordance with the provisions of the Plan and may otherwise be amended in writing by Participant and the Company without the consent of any other person.

(7) Governing Law. This Award Agreement, the Plan and all actions taken in connection herewith and therewith shall be governed by and construed in accordance with the laws of the State of Wisconsin, without reference to principles of conflict of laws, except as superseded by applicable federal law; and any court action commenced to enforce this Agreement shall have as its sole and exclusive venue the County of Waukesha, Wisconsin.

(8) Clawback. The Award and any amount or benefit received under the Plan shall be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any applicable Company clawback policy (the "**Policy**") or any applicable law, as may be in effect from time to time. Participant hereby acknowledges and consents to the Company's application, implementation and enforcement of (a) the Policy and any similar policy established by the Company that may apply to Participant together with all other similarly situated participants, whether adopted prior to or following the date of this Award Agreement and (b) any provision of applicable law relating to cancellation, rescission, payback or recoupment of compensation, and agrees that the Company may take such actions as may be necessary to effectuate the Policy, any similar policy and applicable law, without further consideration or action.

(9) Service on the Board of another Financial Services Organization

a. While Participant is a director of the Company and for a period of twelve (12) months immediately following a Termination of Service, Participant will not, except on behalf of or as otherwise directed by the Company, serve as a director of another organization offering Financial Services (defined below).

b. The term "**Financial Services**" as used herein shall mean products and/or services offered by the Company within the twelve (12) month period immediately preceding Participant's Termination of Service.

c. These covenants are effective immediately. The parties intend that this **Section 9**and each and all of its individual subparagraphs, provisions, and clauses are severable from any other provision of this agreement, as provided in **Section 15** and are also severable from any other promise or duty owed by Participant to the Company.

d. Participant agrees that this covenant is reasonably and properly necessary to protect the legitimate business interests of the Company. Participant acknowledges that damages for the violation of this covenant will be inadequate and will not give full, sufficient relief to the Company, and that a breach of any of these covenants will constitute irreparable harm to the Company. Therefore, Participant agrees that in the event of any violation of this covenant, the Company shall be entitled to compensatory damages and injunctive relief.

e. Participant will reimburse and indemnify the Company for the actual costs incurred by the Company in enforcing this covenant, including, but not limited to, attorney's fees reasonably incurred in enforcement activity.

(10)Protection of Leadership Pool. Participant and the Company agree to the following:

a. Participant is a director of the Company or has special skills or knowledge important to the Company or has skills that are difficult for the Company to replace.

b. Individuals who are employed by the Company in a position of officer or manager, or above (collectively, the "**Leadership Pool**") are top-level employees of the Company or have special skills or knowledge important to the Company or have skills that are difficult for the Company to replace.

c. If Participant or any member of the Leadership Pool ceases to be so employed, the Company will have a business necessity to replace the skills lost.

d. It takes time after a director of the caliber of Participant and/or the Leadership Pool leaves the employ of the Company to replace the skills lost; 180 days is a reasonable measure of the time needed to replace such skills.

e. Because of Participant's present position, Participant is in a position to assist and influence those members of the Leadership Pool with whom Participant has or had a working relationship during the immediately preceding two (2) years, or about whom/which Participant has acquired or possessed specialized knowledge (in either case, a "**Restricted Person**") in choosing whether to remain with the Company and consider or accept other positions with the Company rather than choosing to seek other opportunities outside the Company. Any suggestion by Participant that a Restricted Person should seek another employment opportunity outside the Company, and any offer of another employment opportunity by another employer to a Restricted Person with the assistance of Participant, would be such assistance and influence, in derogation of Participant's duty to the Company as a Company director.

f. The monetary value of the loss to the Company in case Participant in fact assists or influences a Restricted Person to leave the Company for a competitor would be impossible to precisely measure. Injunctive relief for a breach of subsection (h) would also be ineffective.

g. The parties agree that a fair estimate of the monetary value of the loss to the Company in case Participant assists or influences another employee to leave the Company for a competitor would be 50% of Participant's prior calendar year's total director fees paid.

h. In consideration of this Agreement, and of the Participant's continued services as a director of the Company, Participant agrees that Participant will not, directly or through another, during Participant's service as a director of the Company and for a period of one (1) year thereafter, assist or influence any Restricted Person to take a position outside the Company which is reasonably likely to pose a competitive threat to the Company.

i. In the event of a breach by Participant of subsection (h), the stipulated damages for such breach are agreed to be 50% of Participant's prior calendar year's total director fees paid. This provision for stipulated damages is intended to be and is severable from the substantive obligation in subsection (h), and from the other provisions of this Agreement.

j. Subsections (h) and (i) are solely for the purposes stated in subsections (a) through (i) and are not for the purpose of limiting the ability of Participant to compete with the Company.

k. Participant and the Company intend that the promise by Participant in subsection (h) is separate and separable from any other obligation of Participant, and for a different purpose, and with a different remedy from the promise of Participant not to serve on the board of another Financial

Services organization or to disclose Confidential Information or Trade Secrets of the Company, under **Section 9** and **Section 11**, respectively.

l. These covenants are effective immediately.

m. Participant will reimburse and indemnify the Company for the actual costs incurred by the Company in enforcing these covenants, including, but not limited to, attorney's fees reasonably incurred in enforcement activity.

(11)<u>Confidentiality</u>. In consideration of this Agreement, Participant agrees to the following:

a. During the term of Participant's service as a Company director, Participant has been, and will continue to be, provided with Trade Secrets and/or Confidential Information. This information has been developed at great expense to Company and is necessary for Company to conduct its business.

b. While Participant is a Company director, Participant will not directly or indirectly use or disclose any Trade Secret or Confidential Information, except in the interest and for the benefit of Company.

c. After Participant's Termination of Service for any reason, Participant will not directly or indirectly use or disclose any Trade Secret.

d. For a period of twenty-four (24) months following the Participant's Termination of Service for any reason, Participant will not directly or indirectly use or disclose any Confidential Information. This confidentiality provision is not intended in any way to modify or limit Participant's ongoing duty to maintain the confidentiality of information as required under federal and state laws and regulations.

e. For purposes of this Agreement, the term "**Trade Secret**" has that meaning set forth under applicable law. Participant shall not disclose any information that constitutes a trade secret as defined in § 134.90, Wis. Stats. for as long as the information continues to be a trade secret or any information where disclosure is otherwise restricted by federal, state or local laws and regulations.

f. For purposes of this Agreement, the term "**Confidential Information**" means all non-Trade Secret information of, about or related to Company or provided to Company by its clients, vendors and suppliers that is not known generally to the public or Company's competitors. Confidential Information includes, but is not limited to: (i) new products, product specifications, information about products under development, research, development or business plans, financial information, client lists, vendor or supplier lists, information about transactions with clients, pricing information, information relating to costs, business records, and employment records and policies (other than Participant's own); (ii) information that is marked or otherwise designated or treated as confidential or proprietary by Company; and (iii) information received by Company from others which Company has an obligation to treat as confidential.

g. Notwithstanding the foregoing, the terms "**Confidential Information**" and "**Trade Secret**" do not include, and the obligations set forth in this Agreement do not apply to, any information that: (1) can be demonstrated by Participant to have been known by Participant prior to Participant's appointment as a director of the Company; (2) is or becomes generally available to the public through no act or omission of Participant; (3) is obtained by Participant in good faith from a third party who discloses such information to Participant on a non-confidential basis without violating any obligation of confidentiality or secrecy relating to the information disclosed; or (4) is independently developed by Participant outside the scope of Participant's role as a director of the Company without the use of Confidential Information or Trade Secrets. Nothing in this Agreement shall limit or supersede any common law, statutory or other protections of trade secrets where such protections provide the Company with greater rights or protections for a longer duration than provided in this Agreement. With respect to the disclosure of a Trade Secret and in accordance with 18 U.S.C. § 1833, Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a Trade Secret that (i) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, provided that, the information is disclosed solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding filed under seal so that it is not disclosed to the public. Participant is further notified that if Participant files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Participant may disclose the Company's Trade Secrets to Participant's attorney and use the Trade Secret information in the court proceeding, provided that Participant files any document containing the Trade Secret under seal so that it is not disclosed to the public, and does not disclose the Trade Secret, except pursuant to court order.

h. These covenants are effective immediately. The parties intend that this **Section 11** and each and all of its individual subparagraphs, provisions, and clauses are severable from any other provision of this agreement, as provided in **Section 15**, and are also severable from any other promise or duty owed by Participant to the Company

i. Participant agrees that each of these covenants is reasonably and properly necessary to protect the legitimate business interests of the Company. Participant acknowledges that damages for the violation of any of these covenants will be inadequate and will not give full, sufficient relief to the Company, and that a breach of any of these covenants will constitute irreparable harm to the Company. Therefore, Participant agrees that in the event of any violation of any of these covenants, the Company shall be entitled to compensatory damages and injunctive relief.

j. Participant will reimburse and indemnify the Company for the actual costs incurred by the Company in enforcing any of these covenants, including, but not limited to, attorney's fees reasonably incurred in enforcement activity.

k. Notwithstanding anything herein to the contrary, in accordance with Rule 21F-17 under the Securities Exchange Act of 1934 and the rules promulgated thereunder, the Company shall not impede a Participant's ability to communicate with the Securities and Exchange Commission or other governmental agencies regarding possible federal securities law violations (1) without the Company's approval and (2) without having to forfeit or forego any resulting whistleblower awards, and the Company shall not enforce any provision of any policy to the extent such provision would be deemed to require the Company's prior approval of such communication or forfeiture of any award, except to the extent otherwise permitted by Rule 21F-17. Furthermore, in accordance with the Illinois law, to the extent applicable, nothing in this Award Agreement shall prohibit, prevent, or otherwise restrict Participant from (y) reporting any allegations of unlawful conduct to federal, State, or local officials for investigation, including, but not limited to, alleged criminal conduct or unlawful employment practices, or (z) engaging in concerted activity to address work-related issues.

(12)<u>Breach of Restrictive Covenants</u>. Except as otherwise provided by the Committee, notwithstanding any provision of the Plan to the contrary, if Participant breaches a non-competition, non-solicitation, non-disclosure, non-disparagement or other restrictive covenant set forth in an Award Agreement or any other agreement between Participant and the Company, whether during or after Participant's Termination of Service, in addition to and not in limitation of any other rights, remedies, damages, penalties or restrictions available to the Company under the Plan, an Award Agreement, any other agreement between Participant and the Company, or otherwise at law or in equity, Participant shall forfeit or pay to the Company:

a. Any and all outstanding Awards granted to Participant, including Awards that have become vested or exercisable;

b. Any Shares held by Participant in connection with the Plan that were acquired by Participant after Participant's Termination of Service and within the 12-month period immediately preceding Participant's Termination of Service;

c. The profit realized by Participant from the exercise of any stock options and SARs that Participant exercised after Participant's Termination of Service and within the 12-month period immediately preceding Participant's Termination of Service, which profit is the difference between the exercise price of the stock option or SAR and the Fair Market Value of any Shares or cash acquired by Participant upon exercise of such stock option or SAR; and

d. The profit realized by Participant from the sale, or other disposition for consideration, of any Shares received by Participant in connection with the Plan after Participant's Termination of Service and within the 12-month period immediately preceding Participant's Termination of Service and where such sale or disposition occurs in such similar time period.

(13)Effect on Other Agreements. The foregoing provisions of **Section 9** (Service on the Board of another Financial Services Organization), **Section 10** (Protection of Leadership Pool), and **Section 11** (Confidentiality) shall not be construed to supersede or alleviate any obligations of Participant to the Company with respect to any restrictive covenant, non-compete or confidentiality agreement otherwise binding on Participant, which shall remain in full force and effect to the extent provided in any such agreements, and in the event that a provision of such agreement shall conflict with any provision of this Award Agreement, Participant acknowledges and agrees that the provision which is most protective of the Company's confidential or proprietary interests shall control. Notwithstanding the foregoing, the provisions of **Section 9**, **Section 10**and **Section 11** shall supersede and replace any similar restrictions included in previous Award Agreements.

(14)Notices. Any notice hereunder to the Company shall be addressed to it at its office, 401 Charmany Drive, Madison, WI 53719; Attention: Corporate Secretary, with a copy to the Chief Human Resources Officer, and any notice hereunder to Participant shall be addressed to the last home address of Participant on file with the Company. Either party may designate some other address at any time hereafter in writing.

(15)Severability. In the event any provision of the Agreement is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining provisions of the Agreement, and the Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.

(16)Waiver of Jury Trial.EXCEPT TO THE EXTENT PROHIBITED BY STATE LAW, BY SIGNING THIS AWARD AGREEMENT, EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL ACTION, PROCEEDING, CAUSE OF ACTION OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AWARD AGREEMENT, INCLUDING ANY EXHIBITS, SCHEDULES, AND APPENDICES ATTACHED TO THIS AWARD AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) IT HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) IT MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY, AND (D) IT HAS DECIDED TO ENTER INTO THIS AWARD AGREEMENT IN CONSIDERATION OF, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

IN WITNESS WHEREOF, the Company has caused this Award Agreement to be executed in its name and on its behalf, and Participant acknowledges understanding and acceptance of, and agrees to, the terms of this Award Agreement (including, but not limited to, the Waiver of Jury Trial provision set forth in **Section 16**), all as of the Grant Date.

FIRST BUSINESS FINANCIAL SERVICES, INC.

BY:

Print Name:

Title:

PARTICIPANT

Print Name:

Exhibit 31.1

Certifications

I, David R. Seiler, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of First Business Financial Services, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. Any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ David R. Seiler

David R. Seiler
President & Chief Executive Officer
July 31, 2026

Exhibit 31.2

Certifications

I, Brian D. Spielmann, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of First Business Financial Services, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. Any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Brian D. Spielmann
Brian D. Spielmann
Chief Financial Officer
July 31, 2026

Exhibit 32

Certification of the Chief Executive Officer and the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350

Solely for the purposes of complying with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, we, the undersigned Chief Executive Officer and Chief Financial Officer, of First Business Financial Services, Inc., a Wisconsin Corporation (the "Corporation"), hereby certify, based on our knowledge that the Quarterly Report on Form 10-Q of the Corporation for the quarter ended June 30, 2026 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

/s/ David R. Seiler
David R. Seiler
President & Chief Executive Officer
July 31, 2026

/s/ Brian D. Spielmann
Brian D. Spielmann
Chief Financial Officer
July 31, 2026