

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
FIRST BUSINESS FINANCIAL SERVICES, INC.		39-1576570	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
DAVID R. PAPRITZ	608-232-5970	DPAPRITZ@FIRSTBUSINESS.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
401 CHARMANY DRIVE		MADISON, WI 53719	
8 Date of action		9 Classification and description	
NOVEMBER 1, 2014		COMMON STOCK; CASH	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
319390100		FBIZ	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ THE ORGANIZATIONAL ACTION OCCURED ON NOVEMBER 1, 2014. AS OF THAT DATE, ASLIN GROUP INC. ("ASLIN GROUP") WAS MERGED WITH AND INTO FIRST BUSINESS FINANCIAL SERVICES, INC. ("FIRST BUSINESS"), WITH FIRST BUSINESS CONTINUING ON AS THE SURVIVING CORPORATION, PURSUANT TO THE AGREEMENT AND PLAN OF MERGER DATED MAY 22, 2014.

EACH OUTSTANDING SHARE OF ASLIN GROUP COMMON STOCK HAS BEEN CONVERTED INTO (i) \$6,496.02 IN CASH AND (ii) 172.665 SHARES OF FIRST BUSINESS COMMON STOCK, FOR A TOTAL PER SHARE VALUE OF \$14,435.59. IN AGGREGATE, SHAREHOLDERS OF ASLIN GROUP RECEIVED \$16,557,424.58 OF FIRST BUSINESS COMMON STOCK AND \$13,547,994.96 IN CASH (INCLUSIVE OF CASH PAYMENTS FOR FRACTIONAL SHARES).

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ SEE THE ATTACHED STATEMENT.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ SEE THE ATTACHED STATEMENT. THE FAIR MARKET VALUE OF THE FIRST BUSINESS COMMON STOCK AS OF THE EFFECTIVE DATE OF THE MERGER ON NOVEMBER 1, 2014 WAS \$46.93 PER SHARE.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ AS MENTIONED IN THE ATTACHMENT TO BOXES 15 AND 16, THE MERGER OF ASLIN GROUP WITH AND INTO FIRST BUSINESS ("THE MERGER") QUALIFIES AS A REORGANIZATION WITHIN THE MEANING OF SECTION 368(a) OF THE INTERNAL REVENUE CODE OF 1986. TAX CONSEQUENCES TO INDIVIDUAL SHAREHOLDERS ARE DETERMINED UNDER CODE SECTIONS 354, 356, 358, and 1001.

18 Can any resulting loss be recognized? ▶ ASLIN GROUP SHAREHOLDERS CAN GENERALLY NOT RECOGNIZE LOSS UPON THE EXCHANGE OF ASLIN GROUP COMMON STOCK FOR FIRST BUSINESS COMMON STOCK, EXCEPT WITH RESPECT TO CASH RECEIVED INSTEAD OF FRACTIONAL SHARE INTERESTS IN FIRST BUSINESS.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ ANY ADJUSTMENT TO THE TAX BASIS OF SECURITIES RESULTING FROM THE MERGER IS REPORTABLE IN THE TAX YEAR WHICH INCLUDES NOVEMBER 1, 2014.

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ _____ Date ▶ _____

Print your name ▶ _____ Title ▶ _____

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	BRIAN P. MCDONALD	<i>Brian P. McDonald</i>	12/16/14		P01322243
	Firm's name ▶ KPMG LLP	Firm's EIN ▶ 13-5565207		Phone no. 312-665-1000	
Firm's address ▶ 200 E. RANDOLPH STREET, STE 5500, CHICAGO, IL 60601					

FIRST BUSINESS FINANCIAL SERVICES, INC.
FEIN: 39-1576570
STATEMENT ATTACHED TO FORM 8937,
REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

FORM 8937, PART II, BOXES 15 AND 16:

THE MERGER OF ASLIN GROUP WITH AND INTO FIRST BUSINESS (THE "MERGER") WAS INTENDED TO QUALIFY AS A REORGANIZATION WITHIN THE MEANING OF SECTION 368(a) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. THE TAX BASIS OF FIRST BUSINESS SECURITIES RECEIVED BY ASLIN GROUP SHAREHOLDERS PURSUANT TO THE MERGER, SUBJECT TO LIMITATIONS AND ASSUMPTIONS, IS DETERMINED TO BE AS FOLLOWS:

- THE SHAREHOLDER'S AGGREGATE TAX BASIS IN FIRST BUSINESS COMMON STOCK RECEIVED WILL BE THE SAME AS THE AGGREGATE TAX BASIS OF THE ASLIN GROUP COMMON STOCK FOR WHICH IT IS EXCHANGED, REDUCED BY THE AMOUNT OF CASH RECEIVED (WITH THE EXCEPTION OF ANY CASH RECEIVED INSTEAD OF FRACTIONAL SHARE INTERESTS IN FIRST BUSINESS COMMON STOCK), AND INCREASED BY ANY TAXABLE GAIN RECOGNIZED ON THE EXCHANGE (WITH THE EXCEPTION OF ANY GAIN RECOGNIZED RELATED TO FRACTIONAL SHARE INTERESTS).
- THE HOLDING PERIOD OF FIRST BUSINESS COMMON STOCK RECEIVED WILL INCLUDE THE HOLDING PERIOD OF ASLIN GROUP COMMON STOCK FOR WHICH IT IS EXCHANGED.

EACH ASLIN GROUP SHAREHOLDER WILL RECOGNIZE TAXABLE GAIN (BUT NOT LOSS), IN AN AMOUNT EQUAL TO THE LESSER OF:

- THE AMOUNT BY WHICH THE SUM OF CASH RECEIVED IN THE EXCHANGE PLUS THE FAIR MARKET VALUE OF THE FIRST BUSINESS COMMON STOCK EXCEEDS THE SHAREHOLDER'S TAX BASIS IN ITS ASLIN GROUP COMMON STOCK, OR
- THE AMOUNT OF CASH RECEIVED BY THE SHAREHOLDER IN THE EXCHANGE (WITH THE EXCEPTION OF ANY CASH RECEIVED INSTEAD OF FRACTIONAL SHARE INTERESTS IN FIRST BUSINESS COMMON STOCK).

TAXABLE GAIN OR LOSS SHOULD BE DETERMINED SEPARATELY WITH RESPECT TO EACH IDENTIFIABLE BLOCK OF ASLIN GROUP COMMON STOCK HAVING THE SAME TAX BASIS WHICH WAS EXCHANGED IN THE MERGER. IN GENERAL, GAIN RECOGNIZED IN CONNECTION WITH THE EXCHANGE WILL BE CAPITAL IN NATURE AND CONSTITUTE LONG-TERM CAPITAL GAIN IF SUCH SHAREHOLDER ARE TREATED AS HAVING HELD THEIR ASLIN GROUP COMMON STOCK FOR MORE THAN ONE YEAR AS OF THE DATE OF MERGER.

AN ASLIN GROUP SHAREHOLDER WHO RECEIVES CASH INSTEAD OF A FRACTIONAL SHARE OF FIRST BUSINESS COMMON STOCK WILL BE TREATED AS HAVING RECEIVED THAT FRACTIONAL SHARE PURSUANT TO THE MERGER AND THEN AS HAVING SUBSEQUENTLY SOLD THAT FRACTIONAL SHARE FOR CASH. AS A RESULT, THE SHAREHOLDER WILL GENERALLY RECOGNIZE TAXABLE GAIN (OR LOSS) EQUAL TO THE DIFFERENCE BETWEEN THE AMOUNT OF CASH RECEIVED AND THE TAX BASIS IN ITS FRACTIONAL SHARE INTEREST. AS DESCRIBED ABOVE, THIS GAIN (OR LOSS) WILL GENERALLY BE TREATED AS LONG-

TERM CAPITAL GAIN (LOSS) IF THE HOLDING PERIOD FOR ITS EXCHANGED ASLIN GROUP COMMON STOCK IS GREATER THAN ONE YEAR. THE DEDUCTIBILITY OF ANY RESULTING CAPITAL LOSS MAY BE SUBJECT TO LIMITATIONS.

THE ABOVE INFORMATION AND THE INFORMATION INCLUDED ON FORM 8937 DOES NOT CONSTITUTE TAX ADVICE. SHAREHOLDERS ARE STRONGLY ENCOURAGED TO CONSULT THEIR TAX ADVISORS AS TO THE SPECIFIC TAX CONSEQUENCES RESULTING FROM THE MERGER. FURTHER TAX IMPLICATIONS CAN BE FOUND IN THE FORM S-4 AS FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ON JULY 8, 2014 UNDER THE SECTION TITLED "MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGERS."