

SHAREHOLDER NEWS



MAY 2015

Bank First rolls out goBank for Business mobile app

Bank First customers enrolled in Internet Banking for Business now have another easy way to access their account information. The recently launched goBank for Business app allows users to:



Manage Accounts:

- Check business account balances
- View recent transactions, including check images
- Transfer money between accounts

Deposit Checks:

- Deposit checks by snapping a picture of each check
- View deposit history in the app

Review and Approve:

- Approve scheduled transactions, including fund transfers, ACH transfers and wire transfers
- Review and approve Positive Pay exceptions
- Receive alerts when approvals are pending

The goBank for Business app can be downloaded in the iTunes app store or Google play by searching for "Bank First goBank Business".



**Fees apply for some features.*

MESSAGE FROM THE PRESIDENT AND CEO



Dear Shareholder,

There is much to celebrate in the results in the first fiscal quarter of 2015. We are pleased to announce that earnings per common share increased to \$0.55, a 10% increase from the \$0.50 Bank First reported in the first quarter of 2014. Our growth in earnings per share is the result of our overall net income increasing more than 8%, to nearly \$3.5 million, augmented by our share repurchase program. In addition, based on our continued exceptional financial performance your board of directors approved increasing our next quarterly dividend to \$0.13; this an increase of more than 8.3% from last quarter and nearly 18.2% from the same period last year.

The financial performance of Bank First is driven by our strengths. We feel that these strengths make Bank First an attractive investment:

- A driven staff of bankers led by a senior management team determined to provide exceptional returns to shareholders.
- A focus on efficiency that resulted in closing seven inefficient offices over the past six years, improving our efficiency ratio to under 50%.
- A desire to invest in the future, which resulted in us opening our Sheboygan office in 2008, Oshkosh office in 2011, Valders office in 2014 and the recent opening of our new Two Rivers office. We will also be opening our new Appleton office later this year.
- A strong credit culture built on growing relationships. As of March 31, 2015 Bank First's nonperforming assets, as a percentage of total assets, was just 0.46% compared to 0.61% at the same time last year.
- A relationship approach to banking that positions us well in a rising interest rate environment. Demand deposits comprise about 25% of total deposits and will dampen the increase in our interest expense as rates begin to rise.
- A knack for technology that has allowed us to be out front in delivering mobile banking solutions, remote deposit capture services, bill pay, and many other products.
- A 49.8% investment in UFS, LLC a provider of core data processing services to 55 Midwest banks with total assets of more than \$14 billion. UFS delivered revenue of \$747,000 to Bank First in the first quarter of 2015 compared to \$530,000 in the prior year quarter (on a tax equivalent basis).
- A 28.8% stake in Ansay & Associates, a provider of integrated personal and business insurance solutions since 1946. Ansay provided noninterest income of \$759,000 to the bank in the first quarter of 2015 (excluding a onetime special tax payment) compared to \$573,000 in the first quarter of 2014.

We hope you are able to join us at our Annual Shareholder meeting on Monday, May 18, 2015 at 4:00 p.m. at the Capitol Civic Centre in downtown Manitowoc.

Sincerely,

Michael B. Molepske, President and CEO

Bank First National Corporation Financial Results for three months ended March 31, 2015

FIRST QUARTER

KEVIN LEMAHIEU
Chief Financial Officer



Total assets for the Corporation increased by 10.5% to \$1.17 billion at March 31, 2015, compared to \$1.06 billion at March 31, 2014. Loans grew by nearly \$44 million on a year-over-year basis, ending the first quarter of 2015 at \$884 million. This growth in our loan portfolio has been funded through a nearly matching increase in core deposits of \$45 million during this same period.

We continue to add relationships that meet our high credit quality standards. Adherence to these standards has allowed us to maintain exceptional credit quality ratios, including a 0.46% ratio of non-performing assets to total assets as of March 31, 2015. Our provision for loan losses for the first quarter of 2015 was \$330,000, up from \$200,000 during the first quarter of 2014. Net charge-offs to total average loans was 0.12%, continuing a trend of very low historic charge-offs in our loan portfolio. This trend is anticipated to continue as indicated by the fact that only 0.17% of our loan portfolio was past due by more than 30 days and only 0.24% was on nonaccrual status at March 31, 2015.

Earnings per share for the quarter ended March 31, 2015, was \$0.55. This represents an increase of 10% compared to earnings per share of \$0.50 during the first quarter of 2014. Net income was \$3.5 million for the quarter ended March 31, 2015,

compared to \$3.2 million during the quarter ended March 31, 2014. Net interest margin was 3.5% for the first quarter of 2015, down from 3.7% during the first quarter of 2014, a result of the continued challenging interest rate environment. We have been able to cultivate earnings growth despite a declining interest rate margin through growth in both demand deposits and loans, as well as improvements in our non-interest income, which increased by \$632,000 year-over-year. This growth in non-interest income was primarily driven by higher volumes of mortgage loan servicing and sales, as well as strong first quarter results from our 49.8% owned subsidiary, UFS, LLC.

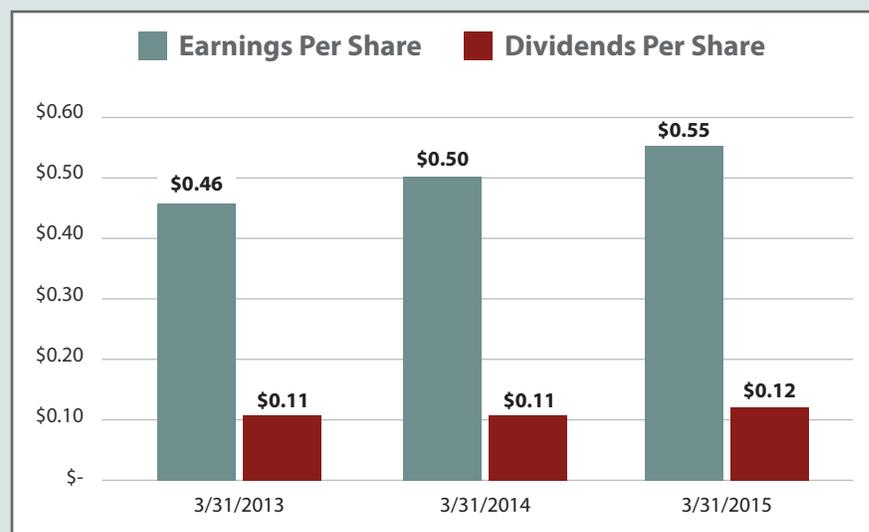
The Corporation continued its trend of efficient operations as its assets per full-time equivalent staff increased to \$7.2 million for the first quarter of 2015 from \$6.7 million for the first quarter of 2014. Also, our efficiency ratio ended the quarter at 49.0%, an improvement of 3.2% from 52.2% one year earlier. Total non-interest expense was \$5.6 million for the quarter ended March 31, 2015, equaling non-interest expense for the first quarter of 2014.

Total shareholders' equity increased by 8.3% to \$112.5 million at March 31, 2015, compared to \$103.9 million at March 31, 2014. This growth in shareholders' equity was accomplished while maintaining a forward-looking dividend yield of 2.05% as of March 31, 2015. Following our board of directors' approval of an 8.3% increase in your next quarterly dividend, this ratio increases to 2.21%. Return on average equity was 12.5% and return on average assets was 1.23% for the first quarter of 2015.

We are very pleased to report continued strong returns on our shareholders' investment. Our dedicated staff of financial experts remain focused on growing and servicing our customer base as part of an exceptional relationship-based community bank. Remember, for better banking, "Think First".

Quarterly Common Stock Cash Dividend

The Board has declared a quarterly common stock cash dividend of \$0.13 per common share, an 8.3% increase from the previous quarter and an increase of 18.2% from the dividend declared one year earlier. The dividend will be payable on July 3, 2015, to shareholders of record as of June 19, 2015.



FINANCIAL PERFORMANCE

Consolidated Statements of Financial Condition

	<u>3/31/2015</u>	<u>3/31/2014</u>
ASSETS		
		<i>(In Thousands)</i>
Cash, Cash Equivalents and Fed Funds Sold	\$ 111,611	\$ 49,185
Investment Securities at Fair Value	112,038	108,802
Other Investments at Cost	2,958	2,958
Loans, Net	874,226	831,696
Premises and Equipment	11,494	9,797
Other Assets	56,160	55,310
Total Assets	\$ 1,168,487	\$ 1,057,748
LIABILITIES		
Deposits	\$ 961,493	\$ 916,048
Securities Sold Under Repurchase Agreements	37,372	26,301
Borrowed Funds	49,000	-
Notes Payable	-	2,435
Other Liabilities	8,083	9,088
Total Liabilities	\$ 1,055,948	\$ 953,872
Total Shareholder Equity	112,539	103,876
Total Liabilities and Shareholder Equity	\$ 1,168,487	\$ 1,057,748

Consolidated Statements of Income

	<u>3/31/2015</u>	<u>3/31/2014</u>
		<i>(In Thousands, Except Per Share Data)</i>
Total Interest Income	\$ 9,845	\$ 9,724
Total Interest Expense	1,211	1,165
Net Interest Income	8,634	8,559
Provision for Loan Losses	330	200
Net Interest Income After Provision for Loan Losses	8,304	8,359
Total Other Income	2,519	1,887
Total Operating Expenses	5,616	5,639
Income Before Provision for Income Taxes	5,207	4,607
Provision for Income Taxes	1,744	1,405
Net Income	\$ 3,463	\$ 3,202
Earnings Per Share: Basic and Diluted	\$ 0.55	\$ 0.50

Key Financial Metrics

	<u>3/31/2015</u>	<u>3/31/2014</u>
Return on Average Assets	1.23%	1.23%
Return on Average Equity	12.50%	12.35%
Average Assets Per Average FTE	\$ 7,241	\$ 6,748
Net Interest Margin	3.50%	3.74%
Full-Time Equivalent	155	155
Dividend Payout Ratio	22%	22%
Dividends Per Share	\$ 0.12	\$ 0.11

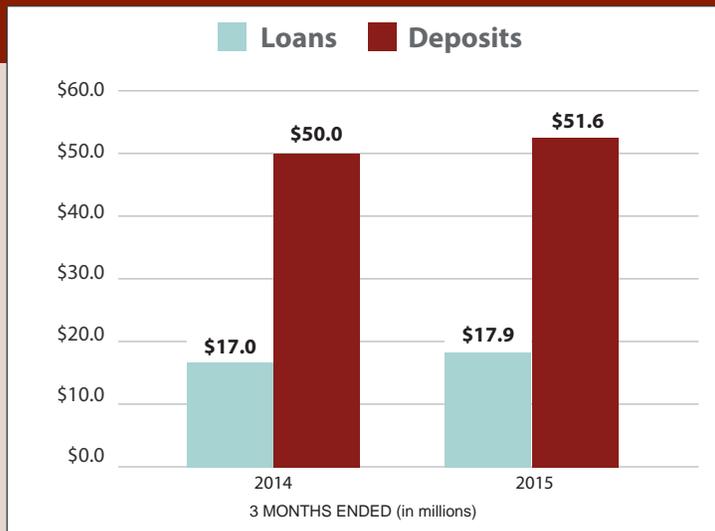


Office spotlight

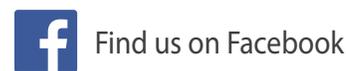
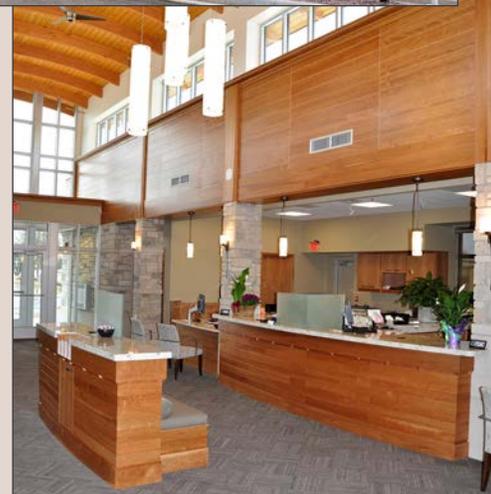
Two Rivers



Left to right: Mary Sisel, Pat Hunt, Tracy Taylor, Kris Lafond, Lynne Krizek, Mandi Schisel, Stacy Kozłowski, and Jeff Zimmerlee (VP Market Manager).



Employees at our Two Rivers office, now located at 1703 Lake Street in Two Rivers, are proud to showcase their beautiful, new office space. The office officially opened for business on Monday, April 6, 2015. In the past 12 months, loans grew by 5% from \$17.0 million to \$17.9 million, while deposits grew by 3% from \$50.0 million to \$51.6 million.



BANK FIRST LOCATIONS:

402 N. Eighth St., Manitowoc (920) 684-6611
2915 Custer St., Manitowoc (920) 683-5710
1703 Lake St., Two Rivers (920) 793-2274
167 Lincoln St., Valders (920) 775-4740

110 Baugniet St., Mishicot (920) 755-4200
110 Fremont St., Kiel (920) 894-2215
2747 Manitowoc Rd., Bellevue (920) 469-0500
2323 Eastern Ave., Plymouth (920) 893-1611

2865 S. Ridge Rd., Ashwaubenon (920) 499-0500
2600 Kohler Memorial Dr., Sheboygan (920) 694-1900
101 City Center, Oshkosh (920) 237-5126