

SHAREHOLDER NEWS



BankFirst
NATIONAL CORPORATION

NOVEMBER 2015

Bank First employees on the move

Rebecca Harrison has been promoted to BSA and Compliance Officer at Bank First. Harrison has been with the Bank since 2001. She earned her bachelor's degree in psychology/sociology from the UW-Madison.



REBECCA HARRISON

Paul Schermetzler has been promoted to Security Officer and BSA Specialist. Schermetzler joined Bank First in 2014 with extensive experience in crime prevention and law enforcement.



PAUL SCHERMETZLER

Rich Balge has been promoted to Sheboygan Market President at Bank First. He joined the bank in 2010 after spending nearly 29 years with M&I Bank. He received his bachelor's degree in finance from UW-Milwaukee, and his master's degree in management from Cardinal Stritch University.



RICH BALGE

MESSAGE FROM THE CEO



Dear Shareholder,

This past month, your senior management team met to update the Strategic Plan of Bank First. Our time together was very productive. We left our meetings with an outline of a new Vision Statement and a rough draft of a three-year Strategic Plan. In our next newsletter, I will share more information about our Strategic Plan and will provide you with our finalized Vision Statement.

Our new Vision Statement will outline for you where we are taking the bank in the next five years. It also complements our current Mission Statement:

"We are a relationship-based community bank focused on providing innovative products and services that are value driven."

Our Strategic Plan begins with our culture as its foundation. Our culture is built on ethics, transparency, communication, and accountability. We will strive to grow the bank and provide exceptional returns to our shareholders. Embracing technology will be essential for us to achieve our goals, both in offering new products and services and protecting our customers' confidential personal information. I strongly believe we have the best group of bankers in Wisconsin.

Those bankers are led by an exceptional senior management team at Bank First. Bridget Bonde is our Corporate Secretary and is responsible for the efficient administration of the company. Deb Weyker is our Vice President of Marketing and coordinates all of our marketing efforts and the consistency of our brand. Sherry Jonet is our Vice President of Human Resources and assists our managers with creating development plans for all of our bankers. Todd Neils is the Market President of our Plymouth Office and brings a frontline perspective to our senior management team. Kelly Fischer is our Chief Operating Officer and is responsible for maintaining our customer centric culture. Joan Woldt is our Executive Vice President and Regional President of our Fox Valley Region, and in addition mentors our new business bankers. Jason Krepline is our Executive Vice President and Regional President of our Southern Region, and is also our Senior Loan Officer who is responsible for maintaining our strong credit culture. Kevin LeMahieu is our Chief Financial Officer and is responsible for the accuracy and transparency of our financial reporting. Finally, Mike Dempsey is our President and maintains our sales culture and assists me in managing the bank overall.

In our next Shareholder Newsletter, we are looking forward to sharing our finalized Vision Statement and reviewing our three-year Strategic Plan with you. In the meantime, we wish you and your family a wonderful holiday season.

Sincerely,

Michael B. Molepske, CEO

Bank First National Corporation Financial Results for nine months ended September 30, 2015

THIRD QUARTER

KEVIN LEMAHIEU
Chief Financial Officer



Total assets for the Company increased by more than 10% to \$1.2 billion at September 30, 2015, compared to \$1.1 billion at September 30, 2014. Loans grew \$53 million on a year-over-year basis to \$931 million. This loan growth has been funded through core deposit growth of \$62 million over that same time frame. \$43 million of this growth in core deposits is comprised of demand deposits, which are a low-cost source of funding when compared to other funding alternatives.

Earnings per share for the nine months ended September 30, 2015, was \$1.63, an increase of nearly 9% compared to the same period in 2014. Net income was \$10.3 million for the nine months ended September 30, 2015, compared to \$9.5 million for the same period in 2014. Net interest income after provision for loan losses increased by \$1.0 million over the first nine months of 2015 to \$26.0 million.

Through three quarters of 2015 our provision for loan losses has totaled \$730,000, compared to \$1,160,000 over that same period during 2014. Despite the reduced provision for loan losses year-to-date, our ratio of allowance for loan losses to total loans increased to 1.05% at September 30, 2015, compared to 1.04% one year prior. An increase in this ratio, while experiencing a reduced provision for loan losses, is due to very minimal loan charge offs year-to-date. Non-performing assets were \$3.5 million at September 30, 2015, compared to \$5.6 million at September 30, 2014, and past due loans remain low indicating that asset quality remains strong.

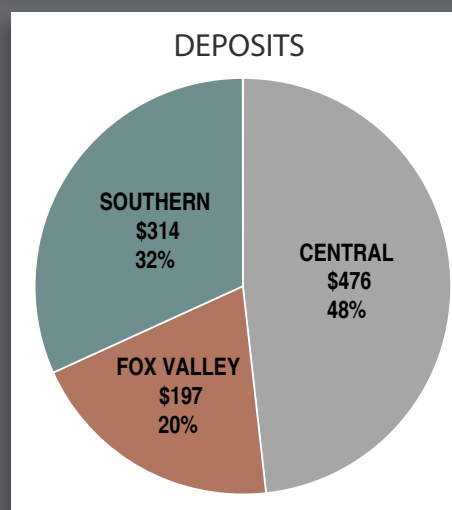
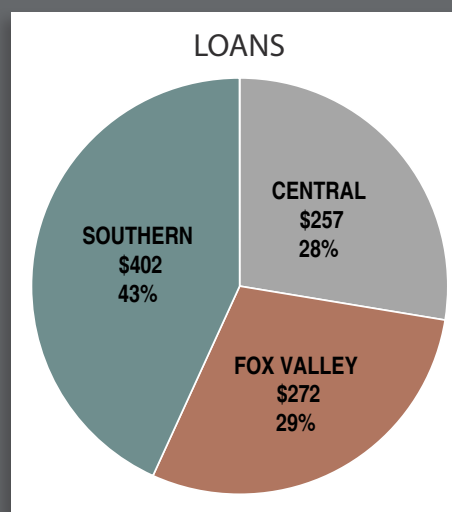
Total non-interest income was \$5.9 million for the first nine months of 2015, compared to \$5.5 million for the prior

year period, an increase of \$395,000. Non-interest expense increased by \$80,000, or 0.5%, to \$16.4 million for the nine months ended September 30, 2015. This negligible increase in non-interest expense during a period where the Company's total assets grew by 10% reflects management's continued focus on efficient banking operations. Our full-time equivalent (FTE) staff was 157.6 at September 30, 2015, up from 156.5 in the prior year. The Company's assets per FTE increased to \$7.3 million at September 30, 2015, an improvement of \$511,000 over the same period last year.

Total shareholders' equity increased by 9% to \$117.0 million at September 30, 2015, as compared with \$107.4 million at September 30, 2014. Return on average equity for the first nine months of 2015 was 12.1%, up from 12.0% in the same period last year. Return on average assets was 1.19% through nine months of 2015, matching the year prior.

Loan and Deposit totals by region

In thousands as of September 30, 2015



Quarterly Common Stock Cash Dividend

The Board has declared a quarterly common stock cash dividend of \$0.13 per common share. The dividend will be payable on January 6, 2016, to shareholders of record as of December 23, 2015.

FINANCIAL PERFORMANCE

Consolidated Statements of Financial Condition

	<u>9/30/2015</u>	<u>9/30/2014</u>
ASSETS		<i>(In Thousands)</i>
Cash, Cash Equivalents and Fed Funds Sold	\$ 80,394	\$ 33,930
Investment Securities at Fair Value	129,121	108,258
Other Investments at Cost	3,820	2,958
Loans, Net	919,695	868,308
Premises and Equipment	12,054	10,632
Other Assets	56,273	51,890
Total Assets	\$ 1,201,357	\$ 1,075,976
LIABILITIES		
Deposits	\$ 986,261	\$ 923,797
Securities Sold Under Repurchase Agreements	20,884	37,095
Borrowed Funds	70,000	-
Notes Payable	-	1,000
Other Liabilities	7,221	6,723
Total Liabilities	\$ 1,084,366	\$ 968,615
Total Shareholder Equity	116,991	107,361
Total Liabilities and Shareholder Equity	\$ 1,201,357	\$ 1,075,976

Consolidated Statements of Income

	<u>9/30/2015</u>	<u>9/30/2014</u>
		<i>(In Thousands, Except Per Share Data)</i>
Total Interest Income	\$ 30,478	\$ 29,679
Total Interest Expense	3,749	3,564
Net Interest Income	26,729	26,115
Provision for Loan Losses	730	1,160
Net Interest Income After Provision for Loan Losses	25,999	24,955
Total Other Income	5,873	5,478
Total Operating Expenses	16,370	16,290
Income Before Provision for Income Taxes	15,502	14,143
Provision for Income Taxes	5,217	4,623
Net Income	\$ 10,285	\$ 9,520
Earnings Per Share: Basic and Diluted	\$ 1.63	\$ 1.50

Key Financial Metrics

	<u>9/30/2015</u>	<u>9/30/2014</u>
YTD Return on Average Assets	1.19%	1.19%
YTD Return on Average Equity	12.05%	11.98%
Average Assets per Average FTE	\$ 7,304	\$ 6,793
Net Interest Margin (YTD)	3.38%	3.68%
Full Time Equivalent - period end	158	157
Dividend Payout Ratio	23%	23%
Dividends Per Share (YTD)	\$ 0.39	\$ 0.35

Spotlight on...

Senior Management



The bank's senior management team consists of leaders from areas of key importance at Bank First. Their primary objective is to carry out the bank's Strategic Plan and to ensure the safety and soundness of the Shareholders investment in the Company.

Front row, left to right:

Jason Krepline, Executive Vice President
Joan Woldt, Executive Vice President
Mike Molepske, Chief Executive Officer
Todd Neils, Plymouth Market President

Back row, left to right:

Bridget Bonde, Corporate Secretary
Mike Dempsey, President
Sherry Jonet, VP Human Resources
Debbie Weyker, VP Marketing
Kevin LeMahieu, Chief Financial Officer
Kelly Fischer, Chief Operating Officer

Several high-level promotions announced at Bank First

Michael Dempsey has been promoted to President at Bank First. He joined the bank in June 2010 as Executive Vice President and Chief Operating Officer. Mike has over 32 years of community and commercial banking experience. Dempsey holds both his MBA and bachelor's degree from the UW-Oshkosh.

Joan Woldt has been promoted to Executive Vice President. Woldt joined Bank First in July 2010 after spending 16 years with Associated Bank. She earned her bachelor's degree from UW-Green Bay with an emphasis in finance.

Jason Krepline has also been promoted to Executive Vice President. Krepline joined Bank First in 2005. He holds his undergraduate degree from the UW-Eau Claire, where he completed majors in both business finance and economics. He holds a master's degree from Concordia University.

Kelly Fischer has been promoted to Chief Operating Officer at Bank First. She has been employed with the bank since 1999, most recently serving as Senior Vice President / Director of Operations. Fischer holds a bachelor's degree in accounting from Silver Lake College, Manitowoc.

Bridget Bonde has accepted the position of Corporate Secretary and is a new member of the bank's senior management team. Bridget joined Bank First in 2005 and previously served as Assistant Executive Officer. She graduated with honors from UW-Oshkosh earning a bachelor's degree in finance.

Todd Neils has been added as a member to the bank's senior management team. Neils joined the bank in 2006 and currently serves as Plymouth Market President. He earned his bachelor's degree in business from UW-Whitewater with a major in finance.

Correction on plans for new Oshkosh office

In our August 2015 Shareholder Newsletter, we announced plans for a new Oshkosh office located at the corner of Jackson Street and Pearl Avenue. Due to site conflicts, we have made a decision to abandon plans at the location. However, we continue to look for an ideal site that will support our growth in the Oshkosh region and better serve our customers in the future.

The Bank First
Appleton office, located at
4201 W. Wisconsin Ave.,
will open January 19, 2016!



Find us on Facebook

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