

SHAREHOLDER NEWS



BankFirst
NATIONAL CORPORATION

AUGUST 2016

Promotions announced



JOHN MUELLER



DEREK KLAHN

John Mueller has been promoted to Vice President – Retail Banking at the Bank's Plymouth office. In this role, Mueller is responsible for developing new and enhancing current retail banking relationships. Mueller joined Bank First in 2007 with extensive experience in banking and financial services and has been a top retail producer in the Plymouth market. Active in the community, he currently serves as Chair of the St. John the Baptist Pastoral Council, participates in Big Brothers/Big Sisters of Sheboygan County, and is a member of the Plymouth Lions Club.

Derek Klahn has been promoted to Business Banking Representative at the Bank's Sheboygan office. In his new role, Klahn is responsible for underwriting of existing and new accounts, as well as growing and managing business banking relationships. Klahn began his career at Bank First in 2014 after graduating from the University of Wisconsin-Madison with a Bachelor of Business Administration Degree. With a focus on community involvement, he is an active member of the Sheboygan Downtown Rotary and volunteers at Junior Achievement events. In the fall of 2016, Klahn will be attending UW-Milwaukee to earn his Masters of Business Administration degree.

MESSAGE FROM THE CEO



Dear Shareholder,

Once again, we are pleased to announce that Bank First had record earnings. In the first seven months of 2016, earnings per share rose more than 11% to \$1.40 compared to \$1.26 for the same period last year.

Increased earnings at Bank First continues to be fueled by focusing on our key tenets of building one relationship at a time and delivering superior value to our customers.

These efforts continue to yield strong growth in both loans and deposits. Over the past twelve months, loans grew by nearly \$100 million to more than \$1 billion. Those loans were funded by a more than 10% growth in deposits. As of July 31, 2016, total deposits at Bank First were almost \$1.1 billion.

We are experiencing significant growth in all of our offices. Our newly opened Appleton office has enjoyed exceptional performance since opening on January 19 of this year, growing deposits and loans to \$27.7 million and \$32.2 million, respectively. Our Appleton team is appreciative of the warm welcome they have received from the community and is looking forward to growing our relationships with local families and businesses.

Our Sheboygan office continues to deliver exceptional performance. At July 31, 2016, our Sheboygan office had total loans of nearly \$350 million, which is nearly a \$31 million increase from the same period last year. Total deposits at that office grew by nearly 18% over the same period and total nearly \$168 million.

Our oldest office, located on N. 8th Street in Manitowoc, grew deposits by nearly \$18 million over the past twelve months to more than \$200 million at July 31, 2016. Nearby, in Valders, we continue to be embraced by the community. Total deposits at that office grew nearly 18% to \$38 million over the past year. Moreover, demand deposits in that office grew 60% to almost \$11 million over the same period.

At Bank First, we see a customer's primary checking account as the heart of every relationship. This focus on core deposits allows the bank to fund all of its local loans with local deposits. As of July 31, 2016, checking account balances comprised 28% of total deposit accounts. These very low-cost deposits position Bank First well when interest rates eventually rise.

Our CFO, Kevin LeMahieu, will discuss the bank's exceptional financial performance on the next page of this newsletter.

Sincerely,

Michael B. Molepske, CEO

Bank First National Corporation Financial Results for six months ended June 30, 2016

SECOND QUARTER

KEVIN LEMAHIEU
Chief Financial Officer



Total assets for the Corporation increased by 15.6% to \$1.30 billion at June 30, 2016, compared to \$1.13 billion at June 30, 2015. Loans grew by \$99 million on a year-over-year basis, ending the second quarter of 2016 at \$1.00 billion. Deposits grew by \$95 million during this same period, nearly keeping pace with the strong growth in loans. Much of the growth in deposits has occurred in products that carry a very low interest cost for the Corporation.

Earnings per share for the six-months ended June 30, 2016, was \$1.22, an increase of nearly 12 percent compared to the same period in 2015. Net income was \$7.6 million for the six-months ended June 30, 2016, compared to \$6.9 million for the same period in 2015. Net interest income after provision for loan losses increased by \$1.7 million to \$18.8 million over the first six months of 2016.

The Bank did not record a provision for loan losses during the second quarter of 2016, down from \$200,000 which was recorded during the second quarter of 2015. Through two quarters of 2016 our provision for loan losses has totaled \$220,000 compared to \$530,000 over that same period during 2015. The reduced requirement for provision expense during 2016 is the result of continued strong asset quality in our loan portfolio, along with \$463,000 in recoveries of loan balances that had been charged off in previous years. Through the first six months of 2016 the Bank's net charge-off percentage (charge-offs less recoveries / average loans) was a negative 0.06%.

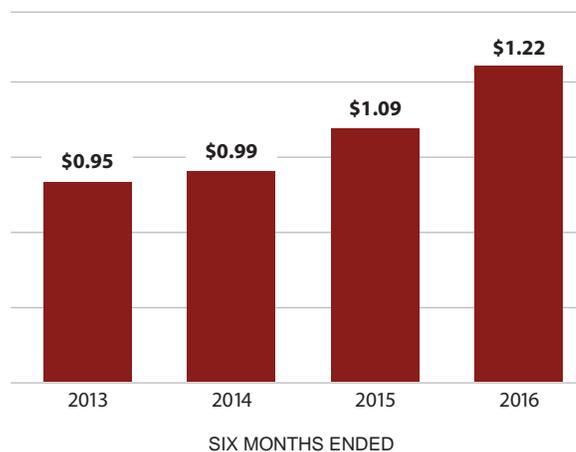
Total non-interest income was \$4.8 million for the first six months of 2016, compared to \$4.2 million for the prior year period, an increase of \$656,000. The largest driver to this increase was higher income from our investment in Ansay &

Associates which increased by \$1.2 million. This increase was offset by a reduction of \$450,000 in income from the Bank's investment in UFS LLC (UFS) during that same period. During the first half of 2015 UFS received several one-time income items that were not expected to repeat in 2016.

Total non-interest expense increased by \$1.2 million, or 10.5 percent, to \$12.1 million for the six-months ended June 30, 2016. Approximately 50% of this increase was due to the Bank's investment in relationship-serving professionals to serve our growing base of customers across all communities that the Bank serves. The Bank's average full-time equivalent staff was 166.2 through the first six months of 2016, compared to 156.2 through the same period of 2015. Another 30% of the increase in non-interest expense was due to technology costs from solutions the Bank has added to continue to provide our customers with a secure and innovative platform to manage their finances. Management continues to focus on efficient banking operations, while ensuring quality product and service offerings for our customers.

Total stockholders' equity increased by 8.6 percent to \$123.9 million at June 30, 2016, as compared with \$114.2 million at June 30, 2015. Return on average equity for the first six months of 2016 was 12.5 percent, up from 12.2 percent in the same period last year.

Consolidated YTD Earnings Per Share



Quarterly Common Stock Cash Dividend

The Board has declared a quarterly common stock cash dividend of \$0.15 per common share. The dividend will be payable on October 5, 2016, to shareholders of record as of September 28, 2016.

Stock Repurchase Program

Bank First has a stock repurchase program under which the Corporation may repurchase shares of outstanding BFNC stock. Please contact Mike Molepske at (920) 652-3202 or Bridget Bonde at (920) 652-3222 for further information regarding the program.

FINANCIAL PERFORMANCE

Consolidated Statements of Financial Condition

	6/30/2016	6/30/2015
	<i>(In Thousands)</i>	
ASSETS		
Cash, Cash Equivalents and Fed Funds Sold	\$ 104,542	\$ 35,993
Investment Securities	129,366	125,057
Other Investments at Cost	5,338	2,958
Loans, Net	992,873	894,397
Premises and Equipment	13,666	11,437
Other Assets	56,653	56,669
Total Assets	\$ 1,302,438	\$ 1,126,511
LIABILITIES		
Deposits	\$ 1,064,279	\$ 968,909
Securities Sold Under Repurchase Agreements	7,176	23,302
Borrowed Funds	100,000	13,000
Other Liabilities	7,065	7,149
Total Liabilities	\$ 1,178,520	\$ 1,012,360
Total Shareholder Equity	123,918	114,151
Total Liabilities and Shareholder Equity	\$ 1,302,438	\$ 1,126,511

Consolidated Statements of Income

	6/30/2016	6/30/2015
	<i>(In Thousands, Except Per Share Data)</i>	
Total Interest Income	\$ 21,991	\$ 20,112
Total Interest Expense	2,981	2,450
Net Interest Income	19,010	17,662
Provision for Loan Losses	220	530
Net Interest Income After Provision for Loan Losses	18,790	17,132
Total Other Income	4,810	4,154
Total Operating Expenses	12,110	10,957
Income Before Provision for Income Taxes	11,490	10,329
Provision for Income Taxes	3,882	3,476
Net Income	\$ 7,608	\$ 6,853
Earnings Per Share: Basic and Diluted	\$ 1.22	\$ 1.09

Key Financial Metrics

	6/30/2016	6/30/2015
YTD Return on Average Assets	1.17%	1.21%
YTD Return on Average Equity	12.49%	12.17%
Average Assets per Average FTE	\$ 7,845	\$ 7,260
Net Interest Margin (YTD)	3.34%	3.50%
Full Time Equivalent - period end	169	163
Dividend Payout Ratio	23%	23%
Dividends Per Share (YTD)	\$ 0.28	\$ 0.25
Shares Outstanding - period end	6,197,988	6,305,134

Office spotlight

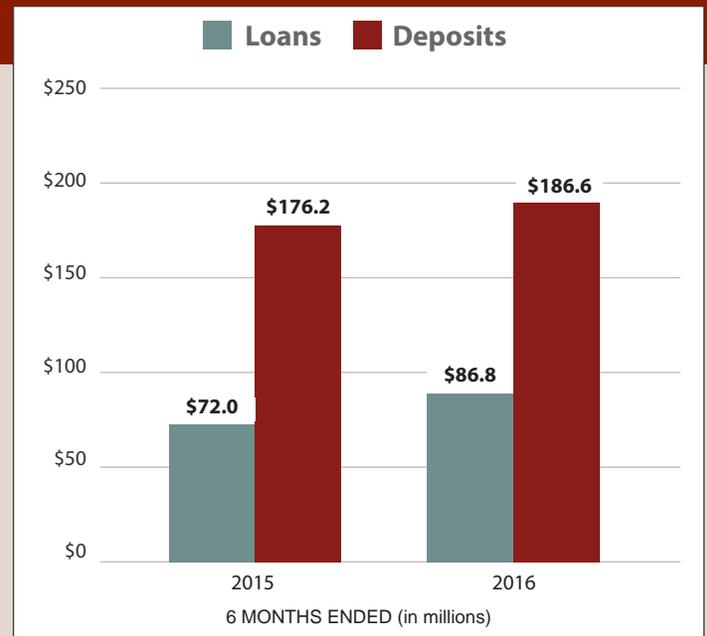
Plymouth

This quarter we focus our spotlight on our Plymouth office, which has been part of the Bank First network for the past 17 years.

Todd K. Neils, Market President, leads the team of 18 in Plymouth, plus additional staffing during the summer months.

As of June 30, 2016, the Plymouth office grew loans by 20%, from \$72.0 million to \$86.8 million, from the prior year quarter. Deposits increased by nearly 6%, from \$176.2 million to \$186.6 million, from the prior year period.

The next time you're in the Plymouth area, be sure to stop in and say hello! Office hours are Monday-Friday 8:30 a.m. to 5:00 p.m. and Saturday from 8:00 a.m. to 12:00 Noon.



Bank First announces plans for a new office in Plymouth

Bank First is proud to announce its plans to construct a new office in Plymouth. Currently located at 2323 Eastern Avenue, Bank First established itself in the Plymouth community when it acquired the former Dairy State Bank in 1999. "The support from the Plymouth community over the years has allowed Bank First to grow and develop meaningful relationships with local families and businesses. The construction of a new branch is our way of reinvesting into what Dairy State Bank started and continuing its legacy of providing high-quality community banking," stated Todd K. Neils, Plymouth Market President.



Pending municipal and regulatory approvals, Bank First will construct a new office on the combined parcels located at 2702 and 2708 Eastern Avenue between the Kettle Moraine Veterinary Clinic and former Aurora Clinic. The new 6,979 square foot office will emulate the contemporary design and efficient use of space similar to other recently-constructed Bank First offices in Sheboygan, Two Rivers, and Appleton.

Led by Market President, Todd K. Neils, the Plymouth office has experienced sizable growth in recent years. Total loans grew from \$70.2 million to \$80.3 million, or 14.3% from fiscal year 2014

to 2015. Total deposits increased from \$173.1 million to \$187.4 million, or 8.3% from fiscal year 2014 to 2015. "By focusing on our key tenets of building one relationship at a time and delivering great value to our customers, our talented team in Plymouth has contributed to the bank's growth since entering the market in 1999. The new office will allow our team to continue providing exceptional service in a more efficient, customer friendly environment," stated Michael B. Molepske, Chief Executive Officer at Bank First.

The Kubala Washatko Architects will be assisting in the design and planning process, and Miller Engineers & Scientists will be aiding in the geotechnical and site plan engineering. Construction of the new office is scheduled to begin in the spring of 2017 and is expected to be open by January 2018.



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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
4201 W. Wisconsin Ave., Appleton (920) 733-1927