

SHAREHOLDER NEWS



BankFirst

NATIONAL CORPORATION

FEBRUARY 2016

Bank First welcomes new bankers



**CHRISTOPHER
STREAM**



**KATHRYN
SCHMITZ**

Christopher Stream has joined Bank First as Vice President Business Banking. With over 13 years of business banking experience, he will be responsible for growing and managing business relationships in the bank's central and southern regions. Christopher earned his bachelor's degree in finance from Michigan State University and his master's degree from the University of Wisconsin – Oshkosh. Involved in his community, Christopher currently serves as Vice President on the Manitowoc-Two Rivers YMCA Board of Directors, and is a member of their finance, executive, and board development committees. In addition, he is a campaign cabinet member of United Way Manitowoc County.

Kathryn Schmitz, Assistant Vice President Retail Banking, has also joined the Bank First team. Kathryn has over 12 years of experience in mortgage lending. She is a graduate of the University of Wisconsin – Green Bay where she received her bachelor's degree in business administration. Kathryn is an active business partner with the Manitowoc County Board of Realtors and she serves as treasurer for the Manitowoc HBBA (Helping Businesses Build Assets) network.

MESSAGE FROM THE CEO



Dear Shareholder,

We are pleased to announce Bank First again achieved record earnings and earnings per share in 2015! This marks the sixth consecutive year Bank First attained this accomplishment. In 2015, net income and earnings per share grew to \$13.4 million and \$2.13, respectively. Over the past five years net income and earnings per share have grown at a compounded growth rate of 11.4% and 12.4%, respectively.

Our earnings have put Bank First in a strong capital position which will allow us to return capital to our Shareholders through the continuation of our share repurchase program and increasing our quarterly dividend. On January 19, the Board of Directors voted to increase our first quarter dividend by \$0.01 to \$0.14. (See the next page for more details on our upcoming dividend.)

Our growth in earnings is the result of our expansion into the Sheboygan, Oshkosh and Appleton markets, combined with additional investment in staff and facilities of all of our offices. We have grown the bank the old-fashioned way, by earning one new customer relationship at a time. We will continue our relationship approach to banking while seeking expansion opportunities through acquisitions in markets adjacent to ours. However, we will be selective in our approach to acquisitions and will not sacrifice shareholder value and return.

The bank's success is the direct result of the strategic planning our management team and board developed and the exceptional implementation of the plan by our entire team of bankers. With guidance from our board, our management team recently met over three days to work on the bank's strategic plan for the next five years.

Together, our management team and board developed what we call Vision 2020. This is just a part of our five-year strategic plan, but it summarizes where we see the bank at the end of 2020. Vision 2020 is as follows:

Bank First will remain an independent community bank. We will sustain our independence by remaining the top-performing provider of financial services in Wisconsin.

Bank First's culture will celebrate diversity, creativity, and responsiveness, with the highest ethical standards. Employees will be encouraged and empowered to develop their careers and always do the right thing. We will maintain a strong credit culture as a foundation of sound asset quality.

Bank First will create value for the communities and customers we serve, resulting in exceptional return for our shareholders. We will strive to consistently deliver a minimum return on assets of 1.25% with a long-term goal of achieving 1.50%. We aim to achieve annual growth in earnings per share of 10% for our shareholders.

Everyone at Bank First is excited to implement our new five-year strategic plan which will allow us to continue to add value for our shareholders.

Sincerely,

Michael B. Molepske, CEO

Bank First National Corporation Financial Results for twelve months ended December 31, 2015

FOURTH QUARTER

KEVIN LEMAHIEU
Chief Financial Officer



Total assets for the Corporation increased by 12% to \$1.24 billion at December 31, 2015, compared to \$1.11 billion at December 31, 2014. Loans grew by over \$84 million on a year-over-year basis, ending 2015 at \$957 million. Our continued high credit quality standards incorporated into this loan growth is evidenced by our 0.28% ratio of non-performing assets to total assets as of December 31, 2015. Total net charged-off loan balances were just 0.03% of our average loan balances for 2015. Non-performing assets were \$3.5 million at December 31, 2015, compared to \$5.5 million at December 31, 2014. Our loan growth was funded through core deposit growth of \$107 million during the year ended December 31, 2015. Demand deposits made up 28.3% of our overall core deposits, representing a low-cost source of funding for our outstanding loans.

Earnings per share for the year ended December 31, 2015, was \$2.13. This represents an increase of 7% compared to earnings per share of \$1.99 during 2014. Net income was \$13.4 million for the year ended December 31, 2015, compared to \$12.6 million during 2014. Net interest margin was 3.32%

for 2015, down from 3.64% during 2014. We have been able to maintain and increase profitability, despite the compressed interest margin, through continued loan and core deposit growth. The Corporation's assets per full-time equivalent staff (FTE) increased to \$7.4 million at December 31, 2015, an improvement of \$511,000 per FTE from the end of 2014.

Total non-interest income was \$7.5 million for 2015, compared to \$7.9 million for 2014, a decrease of \$430,000. This decrease in non-interest income was primarily a result of lower revenues provided through our investment in Ansay & Associates as they absorbed one-time expenses from a business acquisition in 2015.

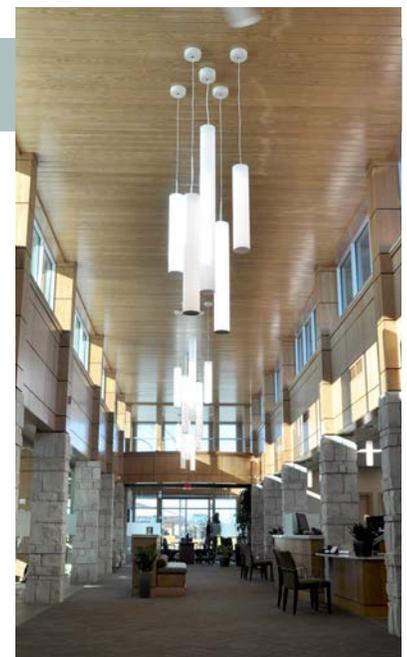
Total non-interest expense increased by a nominal 1.8%, evidence that we continue to focus on efficient banking operations. The Corporation's efficiency ratio for the year ended December 31, 2015, was 49.9%, consistent with the prior year ratio of 49.7%.

Total shareholders' equity increased by 9.0% to \$119.0 million at December 31, 2015, compared to \$109.1 million at December 31, 2014. This growth in shareholders' equity was accomplished while maintaining a dividend payout ratio of 24% for the year ended December 31, 2015. Return on average equity for 2015 was 11.7%, consistent with 11.8% for 2014.

Quarterly Common Stock Cash Dividend

The Board has declared a quarterly common stock cash dividend of \$0.14 per common share. The dividend will be payable on April 6, 2016, to shareholders of record as of March 23, 2016.

New Appleton office now open



FINANCIAL PERFORMANCE

Consolidated Statements of Financial Condition

	<u>12/31/2015</u>	<u>12/31/2014</u>
	<i>(In Thousands)</i>	
ASSETS		
Cash, Cash Equivalents and Fed Funds Sold	\$ 85,644	\$ 61,853
Investment Securities	131,674	111,162
Other Investments at Cost	5,338	2,958
Loans, Net	946,626	863,800
Premises and Equipment	12,960	11,152
Other Assets	55,433	54,083
Total Assets	\$ 1,237,675	\$ 1,105,008
LIABILITIES		
Deposits	\$ 1,062,575	\$ 954,742
Securities Sold Under Repurchase Agreements	45,617	30,513
Other Liabilities	10,555	10,691
Total Liabilities	\$ 1,118,747	\$ 995,946
Total Shareholder Equity	118,928	109,062
Total Liabilities and Shareholder Equity	\$ 1,237,675	\$ 1,105,008

Consolidated Statements of Income

	<u>12/31/2015</u>	<u>12/31/2014</u>
	<i>(In Thousands, Except Per Share Data)</i>	
Total Interest Income	\$ 41,062	\$ 39,709
Total Interest Expense	5,063	4,783
Net Interest Income	35,999	34,926
Provision for Loan Losses	1,008	2,030
Net Interest Income After Provision for Loan Losses	34,991	32,896
Total Other Income	7,463	7,893
Total Operating Expenses	22,305	21,910
Income Before Provision for Income Taxes	20,149	18,879
Provision for Income Taxes	6,754	6,259
Net Income	\$ 13,395	\$ 12,620
Earnings Per Share: Basic and Diluted	\$ 2.13	\$ 1.99

Key Financial Metrics

	<u>12/31/2015</u>	<u>12/31/2014</u>
YTD Return on Average Assets	1.14%	1.17%
YTD Return on Average Equity	11.65%	11.84%
Average Assets per Average FTE	\$ 7,418	\$ 6,907
Net Interest Margin (YTD)	3.32%	3.64%
Full Time Equivalent - period end	161	155
Dividend Payout Ratio	24%	23%
Dividends Per Share (YTD)	\$ 0.51	\$ 0.46
Shares Outstanding - period end	6,267,660	6,259,535

New office opens for business on W. Wisconsin Avenue, Appleton

Bank First has officially opened our new Appleton office, located at 4201 W. Wisconsin Avenue, which brings our office count to 12. Appleton bridges the gap nicely between the Oshkosh and Green Bay locations.

Leading the team at this new office is Joan Woldt, Executive Vice President and Regional President at Bank First, along with Bill Bradley, Vice President of Business Banking.

Mike Dempsey, President, stated "Our customers have come to expect a 'high-touch personalized banking experience' from us and we're committed to share this banking approach with others in the Appleton community."



Front row, left to right: Shelly Schry, Jamie Bouchette, Joan Woldt, Carol Franz, Sarah Forseth, Bill Bradley. Back row: Trevor Rabbach, Lucas Schultz, Julie Luker.

Bank First announces Officer promotions

Trevor Rabbach has been promoted to Business Banking Officer at Bank First. Trevor joined Bank First in 2012 as a credit analyst and was later promoted to business banking representative. He earned his bachelor's degree in finance and accounting from the University of Wisconsin – Oshkosh, and is currently pursuing his master's degree from the University of Oshkosh as well.

Brandon Suemnicht has been promoted to Assistant Vice President Business Banking. Brandon started with the bank as a credit analyst in 2011. He promoted to a business banking representative in 2013. Brandon earned his bachelor's degree in business administration from the University of Wisconsin – Oshkosh.

Julie Luker has been promoted to Assistant Vice President Retail Banking. Julie joined the bank in 2013 as a Business Banking Administrative Assistant. Julie came to us with twenty years of banking, including private banking, retail banking and mortgages. Julie earned her bachelor's degree in business from Marian College in Fond du Lac.

Eric Hoffman has been promoted to Internal Audit Officer. Eric worked at the bank through internships since 2011 and joined the bank full time, after graduating from college, in 2014. Eric earned his bachelor's degree in finance from Valparaiso University. Eric is also

currently pursuing his MBA at Lakeland College.

Greg Berken has been promoted to Senior Financial Analyst Officer. Greg joined the bank as an internal auditor in 2011 and moved into the finance department in 2014. Greg earned his bachelor's degree in accounting and finance from the University of Wisconsin – Milwaukee, and is currently pursuing his MBA at Lakeland College, with plans to earn his CPA designation.

Cheryl Schuh has been promoted to Vice President, Deposit Operations. Cheryl joined the bank in 2005 as an account manager; she later moved to the Manitowoc region to manage Loan Operations and eventually Deposit Operations. Cheryl has over 27 years of banking experience. She earned her associate's degree in accounting from Lakeshore Technical College.

Dennis Kozlovsky has been promoted to Vice President Underwriting. Dennis joined the bank in 2000 as a loan officer. Dennis came to the bank with seventeen years of banking and finance experience. He moved into the underwriting area in 2014 as manager. He earned his bachelor's degree in business administration from the University of Wisconsin – Milwaukee.



TREVOR RABBACH



BRANDON SUEMNICH



JULIE LUKER



ERIC HOFFMAN



GREG BERKEN



CHERYL SCHUH



DENNIS KOSLOVSKY



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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