2015 Annual Report

with Proxy and Financial Statements

BankFirst
NATIONAL CORPORATION

Stock Ticker: **BFNC**

BANK FIRST NATIONAL CORPORATION
402 North Eighth Street
Manitowoc, Wisconsin 54220
(920) 652-3100

March 18, 2016

Dear Shareholder:

You are invited to attend the Annual Meeting of Shareholders (the "Annual Meeting") of Bank First National Corporation (the "Corporation"), the holding company for Bank First National, which will be held on Monday, May 16, 2016, at 4:00 p.m., central time, at the Capitol Civic Centre, 913 South 8th Street, Manitowoc, Wisconsin 54220. Refreshments will be served following the meeting.

The attached Notice of Annual Meeting of Shareholders and Proxy Statement describes the formal business to be acted upon at the Annual Meeting. The Corporation's Financial Statements for the fiscal year ended December 31, 2015, are also included. We expect Directors and Officers of the Corporation, as well as representatives of the Corporation's auditors, to be present at the Annual Meeting to respond to any shareholder questions.

It is important that your shares be represented and voted at the Annual Meeting. Whether or not you plan to attend the Annual Meeting, we urge you to complete and vote your proxy via mail, telephone or internet prior to the meeting. If you attend the Annual Meeting, you may vote your shares in person even if you have already submitted your proxy.

We hope that you will plan to attend our Annual Meeting on Monday, May 16, 2016. If you have any questions regarding any of the information provided herein, please do not hesitate to contact me directly at (920) 652-3202 or mmolepske@bankfirstnational.com.

Sincerely,

Michael B. Molepske

Michael B. Molepske
Chief Executive Officer

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held on May 16, 2016

BANK FIRST NATIONAL CORPORATION
402 North Eighth Street
Manitowoc, Wisconsin 54220
(920) 652-3100

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders (the "Annual Meeting") of Bank First National Corporation (the "Corporation") will be held on Monday, May 16, 2016, at 4:00 p.m., central time, at the Capitol Civic Centre, 913 South 8th Street, Manitowoc, Wisconsin 54220, for the following purposes, all of which are set forth more completely in the accompanying Proxy Statement:

(1) To elect two directors of the Corporation, each for three-year terms and in each case until their successors are elected and qualified;

(2) To ratify the appointment of Porter Keadle Moore as the Corporation's independent auditors; and

(3) To transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof. The Board of Directors is not aware of any other such business.

The Corporation's Board of Directors has fixed the close of business on March 7, 2016, as the record date for the determination of shareholders entitled to notice of, and to vote at, the Annual Meeting or at any adjournments or postponements thereof. Only shareholders of record as of the close of business on such date will be entitled to notice of, and to vote at, the Annual Meeting or at any adjournments or postponements thereof. In the event there are insufficient votes for a quorum or to approve or ratify any of the foregoing proposals at the time of the Annual Meeting, the Annual Meeting may be adjourned in order to permit further solicitation of proxies by the Corporation.

By Order of the Board of Directors

Bridget L Bonde

Bridget L. Bonde
Secretary

Manitowoc, Wisconsin
March 18, 2016

YOU ARE CORDIALLY INVITED TO ATTEND THE ANNUAL MEETING. IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE ANNUAL MEETING REGARDLESS OF THE NUMBER YOU OWN. EVEN IF YOU PLAN TO BE PRESENT AT THE MEETING, YOU ARE URGED TO PROMPTLY VOTE THE ENCLOSED PROXY. IF YOU ATTEND THE ANNUAL MEETING, YOU MAY VOTE EITHER IN PERSON OR BY PROXY. ANY PROXY GIVEN MAY BE REVOKED BY YOU IN WRITING OR IN PERSON AT ANY TIME PRIOR TO THE EXERCISE THEREOF.

PROXY STATEMENT
FOR
ANNUAL MEETING OF SHAREHOLDERS

To Be Held on May 16, 2016

BANK FIRST NATIONAL CORPORATION
402 North Eighth Street
Manitowoc, Wisconsin 54220
(920) 652-3100

This Proxy Statement is provided by the Board of Directors of Bank First National Corporation (the "Corporation") in connection with our Annual Meeting of Shareholders (the "Annual Meeting"). It describes the proposals to be voted on at the Annual Meeting and the voting process and includes certain other information. The combined 2015 Annual Report and 2016 Proxy Statement, and the form of proxy ("proxy") are being mailed to our shareholders on or about March 18, 2016.

The Annual Meeting to which this Proxy Statement relates will be held at the Capitol Civic Centre, 913 South 8th Street, Manitowoc, Wisconsin 54220, on Monday, May 16, 2016, at 4:00 p.m., central time, and at any adjournments or postponements thereof for the purposes set forth in the Notice of Annual Meeting of Shareholders.

ABOUT THE ANNUAL MEETING

Purpose of Meeting

Shareholders will vote upon the nomination of two directors for election to the Corporation's Board of Directors and ratification of appointment of independent auditors at our Annual Meeting. In addition, management will report on the Corporation's performance and will respond to questions from shareholders.

Record Date

Each share of the Corporation's common stock issued and outstanding as of the close of business on March 7, 2016 (the "Record Date") is entitled to receive notice of, and is further entitled to one vote on all matters to be voted upon at the Annual Meeting. If you were a shareholder of record on the Record Date, you are entitled to vote all of the shares that you held on that date at the Annual Meeting or any postponements or adjournments thereof.

Outstanding Shares and Quorum

On the Record Date, there were 6,271,029 shares of common stock of the Corporation outstanding. The presence, in person or by proxy, of the holders of at least a majority of the total number of shares of outstanding common stock entitled to vote is necessary to constitute a quorum at the Annual Meeting. Thus, the holders of common stock representing at least 3,135,515 votes will be required to establish a quorum.

Voting

The proxy being provided by the Board of Directors enables a shareholder to vote for the election of the nominees for director and ratification of the Corporation's independent auditors or to withhold authority to vote. Under the Wisconsin Business Corporation Law ("WBCL"), directors are elected by a plurality of the votes cast by the holders of shares entitled to vote at a meeting at which a quorum is present. A "plurality" means that the nominees receiving the most votes will be elected as directors regardless of whether or not such nominee receives a majority of the votes cast.

Abstentions and Broker Non-Votes

Abstentions (i.e., shares for which authority is withheld to vote for a matter) are included in the determination of shares present and voting for purposes of whether a quorum exists. For the election of directors, abstentions will have no effect on the outcome of the vote because directors are elected by a plurality of the votes cast.

Proxies relating to "street name" shares (i.e., shares held of record by brokers or other third party nominees) that are voted by brokers or other third party nominees on certain matters will be treated as shares present and voting for purposes of determining the presence or absence of a quorum. "Broker non-votes" (i.e., proxies submitted by brokers or third party nominees indicating that such persons have not received instructions from the beneficial owners or other persons entitled to vote shares as to a matter with respect to which the brokers or third party nominees do not have discretionary power to vote) will be considered present for the purpose of establishing a quorum, but will not be treated as shares entitled to vote on such matters.

Solicitation and Revocation

Shareholders are requested to vote their proxy via mail, telephone or internet. The proxy solicited hereby, if properly voted and not revoked prior to its use, will be voted in accordance with the directions contained therein. Where no instructions are indicated, each proxy received will be voted:

• FOR the election of the nominees for director named in this proxy statement;
• FOR the ratification of the Corporation's independent auditors; and
• In accordance with the best judgment of the persons appointed as proxies upon the transaction of such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

Voting your proxy will not prevent you from voting in person at the Annual Meeting should you be present and wish to vote in person.

A proxy may be revoked at any time before it is exercised by (i) filing a written notice of revocation with the Secretary of the Corporation (Secretary, Bank First National Corporation, 402 North Eighth Street, Manitowoc, Wisconsin 54220); (ii) submitting a duly executed proxy bearing a later date; or (iii) appearing at the Annual Meeting and giving the Secretary notice of your intention to vote in person. If you are a shareholder whose shares are not registered in your own name, you will need additional documentation from your broker to vote personally at the Annual Meeting.

The cost of soliciting proxies will be borne by the Corporation, and solicitation will be made principally by distribution via mail. Proxies also may be solicited by email, telephone, facsimile, or other means of communication by certain directors, officers, and employees of the Corporation and Bank First National (the "Bank") without additional compensation for their proxy solicitation efforts. The Corporation also has made arrangements with brokerage firms, banks, nominees and other fiduciaries to forward proxy solicitation materials to the beneficial owners of the Corporation's common stock. Proxies solicited hereby will be returned to the Board of Directors.

In the event there are not sufficient votes for a quorum or to approve or ratify any proposal at the time of the Annual Meeting, the Annual Meeting may be adjourned or postponed in order to permit the further solicitation of proxies.

MATTERS TO BE VOTED ON AT THE ANNUAL MEETING

ELECTION OF DIRECTORS

The Articles of Incorporation and Bylaws of the Corporation provide that the Board of Directors of the Corporation shall be divided into three classes which are as equal in number as possible and that the members of each class are to be elected for a term of three years and until their successors are elected and qualified. One class of directors is to be elected annually. A resolution of the Board of Directors of the Corporation adopted pursuant to the Corporation's Bylaws has established the number of directors at seven.

There are two nominees for election to our Board of Directors at the Annual Meeting, each to serve a three-year term. Each of the director nominees is also a member of the Board of Directors of the Bank, a wholly-owned subsidiary of the Corporation. Information regarding the business experience of each nominee is included below. No nominee is being proposed for election pursuant to any agreement or understanding between any person and the Corporation. We are not aware of any family relationships among any of the directors and/or executive officers of the Corporation.

Each proxy executed and returned by a shareholder will be voted FOR the election of the nominees for director listed below unless otherwise directed. At this time, the Board of Directors expects that all nominees will be available to serve as directors. If any person named as nominee should be unable or unwilling to stand for election at the time of the Annual Meeting, the proxies will nominate and vote for any replacement nominee or nominees recommended by the Board of Directors.

NOMINEES FOR ELECTION AS DIRECTORS

The following is a summary of information with respect to the director nominees, including the name and age of each director nominee, his or her experience, each of the positions and offices he or she holds with the Corporation, his or her term of office as director, and all periods during which he or she has served as director of the Corporation. If elected, the director nominees will hold office for a three-year term expiring in 2019.

Name and Age	Experience
Michael G. Ansay, 61	Mr. Ansay is Chairman and Chief Executive Officer of Ansay & Associates, LLC, a full-service, independent insurance agency providing integrated insurance, risk management, and benefit solutions to businesses, families and individuals. Also, he is a managing member of Ansay Real Estate. Mr. Ansay became a director of the Corporation and Bank in February 2010, was appointed Vice-Chairman in February 2012, and assumed the role of Chairman in January of 2013. He serves as Chair of the Corporation and Bank's Compensation and Retirement, Executive and Nominating Committees.
Michael B. Molepske, 55	Mr. Molepske was appointed President and Chief Executive Officer of the Corporation and Bank in May 2010 and December 2008, respectively. He is presently President and Chief Executive Officer of the Corporation and Chief Executive Officer of the Bank. He has been with Bank First since 2005 in the capacities of Chief Executive Officer, President, Senior Loan Officer, Regional President and Executive Officer. He was appointed a director of both the Corporation and Bank in December 2008. He serves as a member of the Loan, Nominating, and Policy and Governance Committees. He is a director and Treasurer of the Bank's data processing subsidiary, United Financial Services, Inc. He is also director and President of TVG Holdings, Inc., the Bank's entity that holds its investment in Ansay & Associates, LLC, as well as a director of Ansay & Associates, LLC. Mr. Molepske also serves as President of Veritas Asset Holdings, LLC, the Corporation's troubled asset liquidation subsidiary.

The Board of Directors recommends you vote "FOR" each of the above nominees for election to the Board of Directors.

RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

The Audit Committee of the Board has appointed Porter Keadle Moore as the independent public accountant to audit the Corporation's financial statement for the fiscal year ending December 31, 2016. Although not required to do so, the Board is submitting the selection of Porter Keadle Moore as our independent auditors to our shareholders for ratification as a matter of good corporate governance. The Board recommends that our shareholders ratify such appointment. In the event that the appointment is not ratified by the required shareholder vote, the vote would be considered in connection with the engagement of independent auditors for 2017.

The affirmative vote of a majority of shares represented and entitled to vote on the matter to ratify the section of independent auditors will be required for approval. Abstentions will be counted as represented and entitled to vote and will count for purposes of determining whether or not a quorum is present, but will have the effect of a vote against the ratification of the appointment of the independent auditors.

DIRECTORS CONTINUING IN OFFICE

The following is a summary of information with respect to the continuing directors, including the name and age of each director, his or her experience, each of the positions and offices he or she holds with the Corporation, his or her term of office as director, and all periods during which he or she has served as director of the Corporation.

Directors Whose Terms Expire in 2017

Donald R. Brisch, 64	Mr. Brisch, retired, formerly served as the President and Vice President of Operations for Rockwell Lime Co. in Manitowoc, WI. He became a director of the Corporation and Bank in 2006. Mr. Brisch currently serves as a member of the Corporation and Bank's Audit Committee, Executive Committee, Nominating Committee, and Policy and Governance Committee.
Michael P. Dempsey, 63	Mr. Dempsey joined the Bank in June of 2010 as Executive Vice President and Chief Operating Officer. He is presently President of the Bank. He has direct responsibility for regional banking services and has more than 30 years of community and commercial banking experience. He became a director of the Corporation and Bank in 2014. He currently serves as a member of the Policy and Governance Committee. An active member of the Oshkosh area communities, Dempsey serves on the UW-Oshkosh Advisory Board of Directors, President of Waterfest Concert Series and as Chairman of the Business Recruitment Committee of Oshkosh Area Chamber, among many other community activities. He also volunteers at AirVenture and the EAA. He holds both his MBA and Bachelor's degree from the University of Wisconsin-Oshkosh.
David R. Sachse, 62	Mr. Sachse is President and Owner of Landmark Consultants, Inc., a consulting, research and entrepreneurship business. He is also owner of Landmark North, and Nutrients, Inc. David currently serves on two charitable boards and three private boards relating to machine/tool manufacturing. He became a director of the Corporation and Bank in June 2010, and serves on the Corporation and Bank's Audit Committee as Chair, Executive Committee, and Nominating Committee.

Directors Whose Terms Expire in 2018

Robert D. Gregorski, 54	Mr. Gregorski is the founder and Principal of Gregorski Development, LLC, a commercial real estate development company. The company's portfolio of properties include single tenant retail buildings, multi-tenant retail buildings, ground leased properties, and vacant commercial land. He has developed numerous retail properties throughout Wisconsin, including Harbor Town Center in Manitowoc. Mr. Gregorski became a director of the Corporation and Bank in October 2010, and serves on the Corporation and Bank's Audit, Compensation and Retirement, and Executive Committees.
Katherine M. Reynolds, 65	Ms. Reynolds is a Partner at Michael Best & Friedrich, LLP. Her practice includes wealth planning, business, real estate and municipal law. Ms. Reynolds has been a director of the Corporation and the Bank since 1992. She serves as a member of the Corporation and Bank's Compensation and Retirement, Executive and Chair of the Policy and Governance Committee.

OFFICERS OF THE BOARD OF DIRECTORS
Chairman: Michael G. Ansay
President and CEO: Michael B. Molepske
CFO: Kevin M. LeMahieu
Secretary: Bridget L. Bonde

COMMITTEES OF THE BOARD OF DIRECTORS
The Corporation has standing Audit, Compensation and Retirement, Executive, Nominating, and Policy and Governance Committees of the Board of Directors. Each committee operates under a written charter adopted by the Board of Directors. You may review each of these charters on the investor relations section of our website at www.bankfirstnational.com. The Committees are comprised of the following directors:

Audit Committee
David R. Sachse*, Chair
Donald R. Brisch*
Robert D. Gregorski*
Nonvoting Secretary: Bridget L. Bonde

Compensation and Retirement Committee
Michael G. Ansay*, Chair
Robert D. Gregorski*
Katherine M. Reynolds*
Nonvoting Secretary: Sherry L. Jonet

Executive Committee
Michael G. Ansay*, Chair
Donald R. Brisch*
Robert D. Gregorski*
Katherine M. Reynolds*
David R. Sachse*
Nonvoting Secretary: Bridget L. Bonde

Nominating Committee
Michael G. Ansay*, Chair
Robert D. Gregorski*
Katherine M. Reynolds*
Nonvoting Secretary: Bridget L. Bonde

Policy and Governance Committee
Katherine M. Reynolds*, Chair
Donald R. Brisch*
Michael B. Molepske
Michael P. Dempsey
Nonvoting Secretary: Bridget L. Bonde
* Independent

A Bank Officer serves as the nonvoting secretary for the Compensation and Retirement Committee. The Corporate Secretary serves as the nonvoting secretary for the Audit, Executive, Nominating, and Policy and Governance Committees of the Board.

Audit Committee
The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight of the quality and integrity of the Corporation's financial statements; the Corporation's compliance with legal and regulatory requirements; the independent auditor's qualifications and independence; the performance of the Corporation's internal audit function and independent auditors; and other financial matters. Among other things, the Audit Committee has the authority to:
- retain, evaluate and, as necessary, terminate the Corporation's independent auditors;*
- review and approve the scope of the annual internal and external audits;
- review and pre-approve the engagement of our independent auditors to perform non-audit services and the related fees;*
- meet independently with our internal auditing staff, independent auditors, and senior management;
- review the integrity of our financial reporting process;
- review our financial statements and disclosures; and
- review disclosures from our independent auditors regarding compliance with the independence standards of the American Institute of Certified Public Accountants ("AICPA"); Securities and Exchange Commission ("SEC"); and appropriate bank regulations.

The Audit Committee is authorized to obtain advice and assistance from, and receive appropriate funding from the Corporation for, independent outside legal, accounting, and other professional advisors as the Audit Committee deems appropriate to fulfill its responsibilities.

The Board of Directors believes that each member has sufficient knowledge in financial and auditing matters to serve on the Audit Committee.

* Matters with respect to which the Audit Committee has sole authority to act.

Compensation and Retirement Committee
The Compensation and Retirement Committee is primarily responsible for administering the Corporation's executive compensation program. As such, the Compensation and Retirement Committee approves all elements of the executive compensation program including cash compensation, equity compensation and other benefits. Other specific duties of the Compensation and Retirement Committee are to review the overall compensation and benefit policies of the Corporation and review the directors' annual compensation as well as other compensation for non-employee directors.

Executive Committee

The Executive Committee is a forum for discussion of matters of bank policy, practice, and long-term planning. The committee consists of only independent directors and can be called at the request of the Chairman or any two members.

Nominating Committee

The Nominating Committee's primary responsibility is to assist the Board of Directors in its corporate governance responsibilities including identifying and appointing individuals qualified to become Board members and recommending director nominees for election at each Annual Meeting. It also provides oversight and direction regarding the functioning and operation of the Board. In addition, the Nominating Committee annually evaluates the size and composition of the Board of Directors and its committees and makes recommendations to the full Board of Directors based on the results of its evaluation.

The Nominating Committee is composed of the Chairman of the Board and at least two directors who shall be appointed by the Board, none of whom are standing for re-election. The Nominating Committee meets at least once each year in connection with the Annual Meeting of shareholders and at such additional times as it deems necessary to perform its duties. In fiscal 2015, the Nominating Committee met in December regarding its recommendations for the 2016 Annual Meeting.

The Nominating Committee will consider nominees recommended by (i) any current director, (ii) the Corporation's executive officers, and (iii) any shareholder, provided that such shareholder's recommendations are made in accordance with the Bylaws. Shareholder nominees that comply with the Bylaws will receive the same consideration that nominees from other sources receive.

Nominee Selection. In evaluating potential nominees, the Nominating Committee takes into account all factors it considers appropriate which include a nominee's:

- professional and personal ethics and values;
- experience as a board member or senior officer of a company similar to the holding company and bank, or service as an officer of a publicly-traded company or a prominent company in one of our primary geographic markets;
- current occupation and technical skills;
- ability and commitment to represent the interests of the shareholders of the Corporation and to enhance shareholder value; and
- independence and absence of conflicts of interest.

In addition, the Nominating Committee evaluates whether the nominee's skills are complementary to the existing Board of Directors' skills and needs for operational, management, financial, or other expertise. Our President and Chief Executive Officer and one or more members of the Nominating Committee then interview selected nominees. After completing this evaluation and interview, the Nominating Committee determines the nominees who should be considered for directorship. Based in part on the Nominating Committee's recommendation, the full Board of Directors selects nominees that best suit its needs.

Policy and Governance Committee

The Policy and Governance Committee was formed in 2013. The committee is charged with oversight of the governance and policies of the Corporation and Bank. The Policy and Governance Committee shall periodically review the Corporation and Bank Bylaws. The committee will also review all policies requiring board approval annually and make recommendations and consider proposals concerning changes to such.

COMPENSATION OF DIRECTORS

Board of Director Fees (column a)
In fiscal 2015, each non-employee member of the Bank's Board of Directors received $32,000 annual compensation for their service in the board capacity.

In addition, the Chairman of the Board of Directors received $10,000 annual compensation for service in that capacity. The Chairs of the Audit Committee, Compensation Committee, and Policy and Governance Committee received an additional $5,000 in annual compensation for service in those capacities.

Equity Based Compensation (column b)
In March 2015, the Corporation granted restricted stock to its non-employee directors pursuant to the Corporation's 2011 Equity Plan ("Equity Plan"). Each director received 422 shares of restricted stock at a fair value price of $23.75 per share. As of 2015, these shares were immediately fully vested.

Director Compensation for Fiscal Year 2015

Director	Fees Earned (a)	Stock Awarded (b)	Total Compensation
Michael G. Ansay	$47,000	$10,000	$57,000
Donald R. Brisch	$32,000	$10,000	$42,000
Robert D. Gregorski	$32,000	$10,000	$42,000
Katherine M. Reynolds	$37,000	$10,000	$47,000
David R. Sachse	$37,000	$10,000	$47,000
Total	$185,000	$50,000	$235,000

Directors' Deferred Compensation Program
Under a non-qualified deferred compensation plan, the Corporation permits the directors to defer their compensation. The total deferred compensation to be paid to a director shall be an amount equal to the director's deferral account balance as of the close of the plan year during which he or she retires, terminates, or becomes disabled or upon death. During the fiscal year ended December 31, 2015, the Board of Directors deferred $138,000 under this plan and the Corporation contributed $375,159 of earnings on deferred compensation. The Bank may purchase life insurance policies on the director's lives, with the Bank as owner and beneficiary.

COMMON STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the beneficial ownership of shares of the Corporation's common stock as of March 7, 2016, by (i) each director and director nominee of the Corporation, (ii) each of the executive officers of the Bank, and (iii) all directors and executive officers as a group.

Beneficial Owner	Common Stock Number of Shares	Common Stock Percent of Class
Directors:		
Michael G. Ansay	78,685	1.25
Michael P. Dempsey (Executive Officer)	55,978	*
Donald R. Brisch	7,738	*
Robert D. Gregorski	19,238	*
Michael B. Molepske (Executive Officer)	84,829	1.35
Katherine M. Reynolds	8,576	*
David R. Sachse	73,656	1.17
Executive Officers who are not Directors:		
Kevin M. LeMahieu	4,314	*
All directors and executive officers of the Corporation	333,014	5.31

*Represents less than 1% of the total number of shares of common stock outstanding on the Record Date.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Loans to Related Persons

In accordance with the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, to the best of our knowledge, all loans to executive officers, directors, greater than five percent shareholders, and any affiliates thereof, are made on the same terms, including interest rates, loan fees, and collateral as those prevailing at the time for comparable transactions with the general public and do not involve more than the normal risk of repayment or present other unfavorable features. During 2015, no executive officer, director, greater than five percent shareholder (that we are aware of), and any affiliate of the Corporation or the Bank had loans outstanding at preferred interest rates from the Corporation or the Bank.

Transactions with Related Persons

All transactions between the Corporation or the Bank and executive officers, directors, greater than five percent shareholders (that we are aware of) and affiliates thereof, will, to the best of our efforts, contain terms no less favorable to the Corporation or the Bank than could have been obtained by them in arms' length negotiations with unaffiliated persons and are approved by the appropriate committee of the Board of Directors.

Relationship with Ansay & Associates

The Bank's wholly-owned subsidiary, TVG Holdings, Inc., owns 28.8% of Ansay & Associates, LLC. Michael G. Ansay, Chairman of the Board of Directors of the Corporation is Chairman and Chief Executive Officer of Ansay & Associates.

COMPENSATION OF CHIEF OFFICERS

Summary Compensation Table

The following table summarizes the actual compensation paid for the past three years by the Bank to its Chief Executive Officer, President, and Chief Financial Officer holding those positions as of December 31, 2015.

SUMMARY COMPENSATION TABLE

	Annual Compensation			Stock	Other	Total
Name and Principal Position	Year	Salary (a)	Bonus (b)	Awards (c)	Comp. (d)(e)	Comp.
Michael B. Molepske	2015	$391,400	$168,760	$130,543	$57,015	$747,718
Chief Executive Officer (Director)	2014	$373,900	$163,910	$125,910	$53,412	$717,132
	2013	$346,814	$140,000	$107,819	$48,215	$642,848
Michael P. Dempsey	2015	$273,000	$91,053	$91,053	$35,791	$490,897
President	2014	$242,209	$74,503	$74,503	$34,029	$425,244
	2013	$236,351	$59,354	$66,689	$31,893	$394,317
Kevin M. LeMahieu						
Chief Financial Officer	2015	$170,000	$48,000	$48,000	$17,529	$283,529
(Partial year 2014)	2014	$55,385	$36,004	$36,004	$4,135	$131,538

(a) Base salary as of the end of the year is reported in the year it was earned; actual increase occurs in March of the following year.

(b) Bonuses are earned for the year reported, but paid in March of the following year.

(c) On February 17, 2015, restricted stock awards were granted to Senior Management for the 2014 performance results pursuant to the Corporation's Equity Plan (earned for the year reported, but paid in March of the following year). These awards vest equally over five years. The Outstanding Equity Awards table further outlines the granted and vested shares for the chief officers. Stock award values are computed in accordance with the FASB ASC Topic 718.

(d) Other compensation includes, in part, amounts contributed by the Bank pursuant to the Bank's retirement plan, an insurance allowance for those who waive enrollment in the Bank's insurance benefits program, year-end holiday cash gift, business development dues, clothing allowance, fitness reimbursement and restricted unvested stock dividends. Annual director fees for employee directors of the Corporation and Bank were discontinued in 2013 and are now taken into consideration in base salary.

(e) In 2012, the Compensation and Retirement Committee of the Board of Directors adopted an excess benefit plan for Michael B. Molepske. The plan was designed solely for the purpose of providing benefits to Michael B. Molepske in excess of the limitations on contributions and benefits imposed by section 415 of the Internal Revenue Code of 1986. In 2015, $26,000 was contributed as other compensation through this plan.

Outstanding Equity Awards

Chief Officer	Shares Granted In 2015	Shares that have not vested as of December 31, 2015	Market Value of Shares that have not vested (a)
Michael B. Molepske	5,500	17,592	$496,974
Michael P. Dempsey	3,255	10,547	$297,953
Kevin M. LeMahieu	1,575	1,575	$44,494

(a) The market value of restricted stock is the number of shares unvested multiplied by the December 31, 2015 stock price of $28.25. These restricted stock shares will fully vest on March 1, 2020.

RELATIONSHIP WITH PRINCIPAL ACCOUNTANT

Audit Committee Appointment of Independent Auditor

The financial statements of the Corporation for the year ended December 31, 2015, have been audited by Porter Keadle Moore, LLC ("Porter Keadle Moore"), independent public accountants. A representative of Porter Keadle Moore is expected to attend the Annual Meeting and will be available to respond to appropriate questions.

As part of its activities, the Audit Committee has:

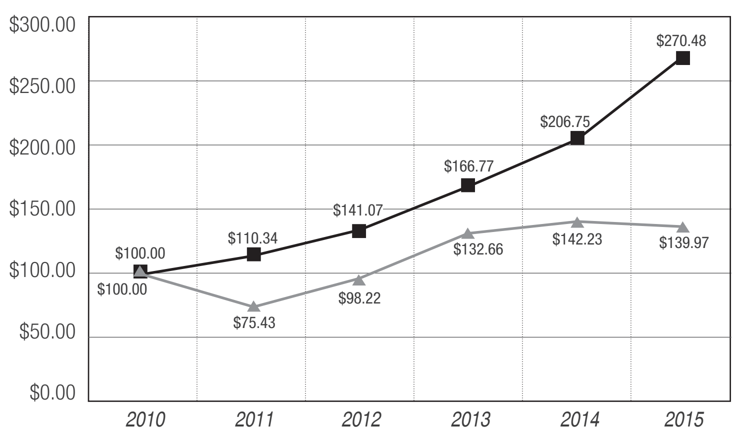
- Reviewed and discussed the audited financial statements with management and its independent auditors, Porter Keadle Moore.
- Discussed with the independent auditors, Porter Keadle Moore, matters required to be discussed by the Statement on Auditing Standards (SAS) No. 61, as amended by SAS No. 90 (Communication with Audit Committees), and SAS No. 99 (Consideration of Fraud in a Financial Statement Audit).
- The Committee received written disclosures from Porter Keadle Moore affirming the firm's independence with the Corporation. The Committee also discussed with Porter Keadle Moore matters relating to its independence.
- As the need arises, other specific permitted services are pre-approved on a case-by-case basis during the year.

At a meeting of the Audit Committee held on March 1, 2016, Porter Keadle Moore was appointed as the independent public accountant to audit the Corporation's financial statements for the fiscal year ending December 31, 2016.

STOCK PERFORMANCE GRAPH

The following graph compares the yearly cumulative total return on the Corporation's common stock measured at each of the last five year ends with the KBW Bank Index. The KBW Bank Sector (BKX) is a capitalization-weighted index composed of 24 geographically diverse stocks representing national money center banks and leading regional institutions. The cumulative returns set forth in the graph assume an initial investment of $100.00 was invested in the common stock of the Corporation and the KBW Bank Index on December 31, 2010, and that all dividends were reinvested into additional shares of the same class of equity securities at the frequency with which dividends were paid on such securities during the applicable comparison period.

Comparison of Five Year Cumulative Total Return
Bank First National Corporation and KBW Bank Index



	2010	2011	2012	2013	2014	2015
Bank First National Corporation	$100.00	$110.34	$141.07	$166.77	$206.75	$270.48
KBW Bank Index	$100.00	$75.43	$98.22	$132.66	$142.23	$139.97

OTHER MATTERS

We are not aware of any business that will be presented at the Annual Meeting other than the matters described above in this proxy statement. However, if any other matters should properly come before the Annual Meeting or any adjournments or postponements thereof, it is intended that the proxies solicited hereby will be voted with respect to those other matters in accordance with the judgment of the persons voting the proxies.

By Order of the Board of Directors

Bridget L. Bonde

Bridget L. Bonde
Secretary

Manitowoc, Wisconsin
March 18, 2016

BANK FIRST NATIONAL CORPORATION
AND SUBSIDIARIES
Manitowoc, Wisconsin

Consolidated Financial Statements

Years Ended December 31, 2015, 2014 and 2013

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INDEPENDENT AUDITOR'S REPORT
The Board of Directors
Bank First National Corporation
Manitowoc, Wisconsin

Porter Keadle Moore
CPAs | Advisors | www.pkm.com

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of Bank First National Corporation and its subsidiaries which comprise the consolidated balance sheets as of December 31, 2015 and 2014, and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for the years ended December 31, 2015, 2014 and 2013, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Bank First National Corporation and its subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for the years ended December 31, 2015, 2014 and 2013, in accordance with accounting principles generally accepted in the United States of America.

Other Matter
We also have examined in accordance with attestation standards established by the American Institute of Certified Public Accountants, Bank First National's internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013, and our report dated February 23, 2016 expressed an unqualified opinion.

Porter Keadle Moore, LLC

Atlanta, Georgia
February 23, 2016

INDEPENDENT AUDITOR'S REPORT
The Board of Directors
Bank First National Corporation
Manitowoc, Wisconsin

Porter Keadle Moore
CPAs | Advisors | www.pkm.com

We have examined the internal control over financial reporting of Bank First National (the "Bank") as of December 31, 2015, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") issued in 2013. The Bank's management is responsible for maintaining effective internal control over financial reporting, and for its assertion of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management. Our responsibility is to express an opinion on the Bank's internal control over financial reporting based on our examination.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our examination included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our examination also included performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

An entity's internal control over financial reporting is a process affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. Because management's assessment and our examination were conducted to meet the reporting requirements of Section 112 of the Federal Deposit Insurance Corporation Improvement Act ("FDICIA"), our examination of the Bank's internal control over financial reporting included controls over the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and with the instructions to the Consolidated Reports of Condition and Income (the "Call Report"). An entity's internal control over financial reporting includes those policies and procedures that (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (c) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Bank maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based upon the criteria established in Internal Control – Integrated Framework issued by COSO in 2013.

We were not engaged to, and we have not performed any procedures with respect to management's assertion regarding compliance with laws and regulations included in the accompanying Report of Management. Accordingly, we do not express any opinion, or any other form of assurance, on management's assertion regarding compliance with laws and regulations.

We also have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheets of Bank First National Corporation and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for the years ended December 31, 2015, 2014 and 2013, and our report dated February 23, 2016 expressed an unqualified opinion.

This report is intended solely for the information and use of the board of directors and management of the Bank and the Federal Deposit Insurance Corporation and is not intended to be and should not be used by anyone other than these specified parties.

Porter Keadle Moore, LLC

Atlanta, Georgia
February 23, 2016

Bank First National Corporation and Subsidiaries
Consolidated Balance Sheets

		December 31		
		2015		2014
		(In Thousands, except per share data)		
Assets				
Cash and due from banks	$	21,260	$	27,584
Interest-bearing deposits		6,810		13,471
Federal funds sold		57,574		20,798
Cash and cash equivalents		85,644		61,853
Securities held to maturity, at amortized cost		34,316		36,229
Securities available for sale, at fair value		97,358		74,933
Loans, net of allowance for loan losses of $10,011 and $9,258 at 2015 and 2014, respectively		946,626		863,800
Loans held for sale		368		-
Premises and equipment, net		12,960		11,152
Goodwill		7,984		7,984
Other investments, at cost		5,338		2,958
Cash value of life insurance		20,015		19,486
Identifiable intangible assets, net		2,325		2,427
Other real estate owned		1,855		2,943
Investment in minority-owned subsidiaries		17,373		16,052
Other assets		5,513		5,191
TOTAL ASSETS	$	1,237,675	$	1,105,008
Liabilities and Stockholders' Equity				
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
Stockholders' equity:				
Serial preferred stock - $0.01 par value Authorized - 5,000,000 shares		-		-
Common stock - $0.01 par value Authorized - 20,000,000 shares Issued - 6,714,560 shares Outstanding - 6,267,660 and 6,259,535 in 2015 and 2014, respectively		67		67
Additional paid-in capital		2,691		2,606
Retained earnings		123,526		113,339
Treasury stock, at cost - 446,900 and 455,025 shares in 2015 and 2014, respectively		(8,580)		(8,385)
Accumulated other comprehensive income		1,224		1,435
Total stockholders' equity		118,928		109,062
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	$	1,237,675	$	1,105,008

See accompanying notes to consolidated financial statements.

Bank First National Corporation and Subsidiaries
Consolidated Statements of Income

	Years Ended December 31		
	2015	2014	2013
	(In Thousands, except per share data)		
Interest income:			
Loans, including fees	$ 37,946	$ 36,964	$ 35,866
Federal funds sold	150	4	31
Securities:			
Taxable	1,686	1,164	1,277
Tax-exempt	1,280	1,577	1,812
Total interest income	41,062	39,709	38,986
Interest expense:			
Deposits	4,932	4,619	4,527
Securities sold under repurchase agreements	72	97	236
Borrowed funds	59	67	116
Total interest expense	5,063	4,783	4,879
Net interest income	35,999	34,926	34,107
Provision for loan loss	1,008	2,030	1,475
Net interest income after provision for loan loss	34,991	32,896	32,632
Other income:			
Service charges	2,231	2,044	2,488
Income from Ansay	538	1,163	965
Income from UFS	2,165	1,300	914
Loan servicing income	991	842	1,227
Net gain on sales of mortgage loans	674	523	1,066
Net gain (loss) on sales of securities	-	513	(906)
Noninterest income from strategic alliances	113	119	96
Other	751	1,389	818
Total other income	7,463	7,893	6,668
Other expenses:			
Salaries, commissions, and employee benefits	12,193	11,302	11,751
Occupancy	2,575	2,889	2,551
Data processing	1,777	1,775	1,514
Postage, stationery, and supplies	353	358	380
Net (gain) loss on sales and valuations of other real estate owned	(3)	137	935
Advertising	177	185	149
Outside service fees	2,225	2,282	1,714
Amortization of intangibles	18	18	18
Other	2,990	2,964	3,786
Total other expenses	22,305	21,910	22,798
Income before provision for income taxes	20,149	18,879	16,502
Provision for income taxes	6,754	6,259	4,939
Net Income	$ 13,395	$ 12,620	$ 11,563
Earnings per share - basic	$ 2.13	$ 1.99	$ 1.79
Earnings per share - diluted	$ 2.13	$ 1.99	$ 1.79

See accompanying notes to consolidated financial statements.

Bank First National Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income

	Years Ended December 31		
	2015	2014	2013
		(In Thousands)	
Net Income	$ 13,395	$ 12,620	$ 11,563
Other comprehensive (loss) income:			
Unrealized (losses) gains on available for sale securities:			
Unrealized holding (losses) gains arising during period	(95)	1,093	(3,299)
Amortization of unrealized holding gains on securities transferred from available for sale to held to maturity	(252)	-	-
Reclassification adjustment for losses (gains) included in net income	-	(513)	906
Income tax expense (benefit)	136	(195)	385
Total other comprehensive income (loss)	(211)	385	(2,008)
Comprehensive income	$ 13,184	$ 13,005	$ 9,555

See accompanying notes to consolidated financial statements.

Bank First National Corporation and Subsidiaries
Consolidated Statements of Stockholders' Equity

	Serial Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	(In Thousands, except per share amounts)						
Balance at January 1, 2013	$ -	$ 67	$ 2,536	$ 93,473	$ (3,041)	$ 3,058	$ 96,093
Net income	-	-	-	11,563	-	-	11,563
Other comprehensive loss	-	-	-	-	-	(2,008)	(2,008)
Purchase of treasury stock	-	-	-	-	(3,337)	-	(3,337)
Sale of treasury stock	-	-	-	-	492	-	492
Cash dividends ($0.22 per share)	-	-	-	(1,405)	-	-	(1,405)
Amortization of stock-based compensation	-	-	170	-	-	-	170
Vesting of restricted stock awards	-	-	(98)	-	98	-	-
Balance at December 31, 2013	-	67	2,608	103,631	(5,788)	1,050	101,568
Net income	-	-	-	12,620	-	-	12,620
Other comprehensive income	-	-	-	-	-	385	385
Purchase of treasury stock	-	-	-	-	(3,227)	-	(3,227)
Sale of treasury stock	-	-	-	-	396	-	396
Cash dividends ($0.46 per share)	-	-	-	(2,912)	-	-	(2,912)
Amortization of stock-based compensation	-	-	232	-	-	-	232
Vesting of restricted stock awards	-	-	(234)	-	234	-	-
Balance at December 31, 2014	-	67	2,606	113,339	(8,385)	1,435	109,062
Net income	-	-	-	13,395	-	-	13,395
Other comprehensive loss	-	-	-	-	-	(211)	(211)
Purchase of treasury stock	-	-	-	-	(1,442)	-	(1,442)
Sale of treasury stock	-	-	-	-	991	-	991
Cash dividends ($0.51 per share)	-	-	-	(3,208)	-	-	(3,208)
Amortization of stock-based compensation	-	-	341	-	-	-	341
Vesting of restricted stock awards	-	-	(256)	-	256	-	-
Balance at December 31, 2015	$ -	$ 67	$ 2,691	$123,526	$ (8,580)	$ 1,224	$ 118,928

See accompanying notes to consolidated financial statements.

Bank First National Corporation and Subsidiaries
Consolidated Statements of Cash Flows

	2015	2014	2013
	Years Ended December 31		
		(In Thousands)	
Cash flows from operating activities:			
Net income	$ 13,395	$ 12,620	$ 11,563
Adjustments to reconcile net income to net cash provided by operating activities			
Provision for loan losses	1,008	2,030	1,475
Depreciation and amortization of premises and equipment	894	948	981
Amortization of intangibles	18	18	18
Net amortization of securities	935	688	777
Amortization of stock-based compensation	341	232	170
Net change in deferred loan fees and costs	(199)	203	-
(Benefit) expense for deferred income taxes	218	(806)	(365)
Change in fair value of mortgage servicing rights (MSR) and other	512	376	25
(Gain) loss from sale and disposal of premises and equipment	64	114	(23)
(Gain) loss on sale of other real estate owned and valuation allowance	(3)	137	935
Proceeds from sales of mortgage loans	49,312	28,563	64,907
Originations of mortgage loans held for sale	(49,434)	(28,026)	(63,909)
Gain on sales of mortgage loans	(674)	(523)	(1,066)
Realized (gain) loss on sale of securities available for sale	-	(513)	906
Undistributed income of UFS joint venture	(2,165)	(1,300)	(914)
Undistributed income of Ansay joint venture	(538)	(1,163)	(965)
Net earnings on life insurance	(529)	(519)	(623)
Decrease (increase) in other assets	(404)	(161)	149
(Decrease) increase in other liabilities	(136)	3,518	(422)
Net cash provided by operating activities	12,615	16,436	13,619
Cash flows from investing activities:			
Activity in securities available for sale and held to maturity:			
Sales	-	19,909	16,682
Maturities, prepayments, and calls	19,862	18,856	16,254
Purchases	(41,656)	(39,820)	(29,613)
Net increase in loans	(84,400)	(52,678)	(93,201)
Dividends received from UFS	731	416	433
Dividends received from Ansay	651	741	870
Proceeds from life insurance	-	875	534
Proceeds from sale of other real estate owned	1,856	930	1,965
Capital expenditures on real estate held	-	-	(29)
Purchases of other investments	(2,380)	-	-
Proceeds from sale of premises and equipment	309	-	643
Purchases of premises and equipment	(3,075)	(2,942)	(822)
Net cash used in investing activities	(108,102)	(53,713)	(86,284)

Bank First National Corporation and Subsidiaries
Consolidated Statements of Cash Flows - (continued)

	Years Ended December 31		
	2015	2014	2013
		(In Thousands)	
Cash flows from financing activities:			
Net increase in deposits	$ 107,833	$ 35,256	$ 50,323
Net increase (decrease) in securities sold under repurchase agreements	15,104	(332)	(12,254)
Proceeds from advances of borrowed funds	221,500	233,100	120,900
Repayment of borrowed funds	(221,500)	(233,100)	(121,095)
Proceeds from revolving line of credit	400	4,900	3,125
Repayment of revolving line of credit	(400)	(6,715)	(3,935)
Dividends paid	(3,208)	(2,912)	(1,405)
Proceeds from sales of common stock	991	396	492
Repurchase of common stock	(1,442)	(3,227)	(3,337)
Net cash provided by financing activities	119,278	27,366	32,814
Net increase (decrease) in cash and cash equivalents	23,791	(9,911)	(39,851)
Cash and cash equivalents at beginning	61,853	71,764	111,615
Cash and cash equivalents at end	$ 85,644	$ 61,853	$ 71,764

Supplemental disclosures of cash flow information

Cash paid during the year for:			
Interest	$ 5,077	$ 4,618	$ 4,992
Income taxes	8,146	5,990	4,820
Supplemental schedule of noncash activities:			
Securities reclassified from available for sale to held to maturity	-	33,551	-
Loans transferred to other real estate owned	765	1,034	1,198
Mortgage servicing rights resulting from sale of loans	428	259	519
Financed sales of OREO	-	-	918
Unrealized gain on investments at date of transfer from available for sale to held to maturity	-	790	-
Amoritization of unrealized holding gains on securities transferred from available for sale to held to maturity recognized in other comprehensitve income, net of tax	(154)	-	-
Change in unrealized gain on investment securities available for sale, net of tax	(57)	(405)	(2,008)

See accompanying notes to consolidated financial statements.

Note 1 Summary of Significant Accounting Policies

The accounting and reporting policies of Bank First National Corporation and Subsidiaries (Corporation) conform to generally accepted accounting principles (GAAP) in the United States and general practices within the financial institution industry. Significant accounting and reporting policies are summarized below.

Principles of Consolidation

The consolidated financial statements include the accounts of the Corporation and its wholly owned subsidiaries, Veritas Asset Holdings, LLC (Veritas) and Bank First National (Bank). The Bank's wholly owned subsidiaries are Bank First Investments, Inc. and TVG Holdings, Inc. (TVG). All significant intercompany balances and transactions have been eliminated. The Bank has two investments in minority-owned subsidiaries that are accounted for using the equity method in the consolidated financial statements. The Bank owns 49.8% of UFS, LLC (UFS) which provides data processing solutions to over 50 banks in the Midwest. The Bank also owns 28.8% of Ansay & Associates, LLC (Ansay) providing clients with superior insurance and risk management solutions.

Organization

The Corporation provides a variety of financial services to individual and business customers in Northeastern Wisconsin through the Bank. The Bank is subject to competition from other traditional and nontraditional financial institutions and is also subject to the regulations of certain federal agencies and undergoes periodic examinations by those regulatory authorities including the Office of the Comptroller of the Currency and the Federal Reserve Bank.

Use of Estimates in Preparation of Financial Statements

The preparation of the accompanying consolidated financial statements in conformity with GAAP in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates. The allowance for loan losses, carrying value of real estate owned, carrying value of goodwill, fair value of mortgage servicing rights, and fair values of financial instruments are inherently subjective and are susceptible to significant change.

Cash and Cash Equivalents

For purposes of reporting cash flows in the consolidated financial statements, cash and cash equivalents include cash on hand, interest-bearing and noninterest-bearing accounts in other financial institutions, and federal funds sold, all of which have original maturities of three months or less. Generally, federal funds are purchased and sold for one day periods. The Bank is required to maintain noninterest-bearing deposits on hand or with the Federal Reserve Bank to meet specific reserve requirements. In the normal course of business, the Corporation maintains cash and due from bank balances with correspondent banks. Accounts at each institution that are insured by the Federal Deposit Insurance Corporation have up to $250,000 of insurance. Total uninsured balances held at December 31, 2015 and 2014 were approximately $2,998,000 and $4,179,000, respectively. The Bank is required to maintain noninterest-bearing deposits on hand or with the Federal Reserve Bank. For December 31, 2015 and 2014 those required reserves were approximately $5,372,000 and $12,418,000, respectively.

Securities

Securities are classified as held to maturity or available for sale at the time of purchase.

Investment securities classified as held to maturity, which management has the intent and ability to hold to maturity, are reported at amortized cost. Investment securities classified as available for sale, which management has the intent and ability to hold for an indefinite period of time, but not necessarily to maturity, are carried at fair value, with unrealized gains and losses, net of related deferred income taxes, included in stockholders' equity as a separate component of other comprehensive income.

The net carrying value of debt securities classified as held to maturity or available for sale is adjusted for amortization of premiums and accretion of discounts utilizing the effective interest method over the expected estimated maturity. Such amortization and accretion is included as an adjustment to interest income from securities. Interest and dividends are included in interest income from securities.

Transfers of debt securities into the held to maturity classification from the available for sale classification are made at fair value as of the date of transfer. The unrealized holding gain or loss as of the date of transfer is retained in other comprehensive income and in the carrying value of the held to maturity securities, establishing the amortized cost of the security. These unrealized holding gains and losses as of the date of transfer are amortized or accreted over the remaining life of the security.

Unrealized gains or losses considered temporary and the noncredit portion of unrealized losses deemed other-than-temporary are reported as an increase or decrease in accumulated other comprehensive income. The credit related portion of unrealized losses deemed other-than-temporary is recorded in current period earnings. Realized gains or losses, determined on the basis of the cost of specific securities sold, are included in earnings. The Bank evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. As part of such monitoring, the credit quality of individual securities and their issuers are assessed. In addition, management considers the length of time and extent that fair value has been less than cost, the financial condition and near-term prospects of the issuer, and that the Corporation does not have the intent to sell the security and it is more likely than not that it will not have to sell the security before recovery of its cost basis. Adjustments to market value that are considered temporary are recorded as a separate component of equity, net of tax. If an impairment of security is identified as other-than-temporary based on information available such as the decline in the credit worthiness of the issuer, external market ratings or the anticipated or realized elimination of associated dividends, such impairments are further analyzed to determine if a credit loss exists. If there is a credit loss, it will be recorded in the consolidated statement of income in the period of identification.

Other Investments
Other investments are carried at cost, which approximates fair value, and consist of Federal Home Loan Bank of Chicago (FHLB) stock, Federal Reserve Bank stock, Bankers' Bancorporation stock, and preferred stock in a community development project. Other investments are evaluated for impairment on an annual basis.

Loans Held for Sale
Loans originated and intended for sale in the secondary market, consisting of the current origination of certain fixed-rate mortgage loans, are carried at the lower of cost or estimated fair value in the aggregate. A gain or loss is recognized at the time of the sale reflecting the present value of the difference between the contractual interest rate of the loans sold and the yield to the investor, adjusted for the initial value of mortgage servicing rights associated with loans sold with servicing retained. Net unrealized losses, if any, are recorded as a valuation allowance and charged to earnings.

Loans and Related Interest Income
Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoffs are generally reported at their outstanding unpaid principal balances adjusted for charge-offs and the allowance for loan losses. The accrual of interest on loans is calculated using the simple interest method on daily balances of the principal amount outstanding and is recognized in the period earned utilizing the loan convention applicable by loan type. Beginning in 2014, loan origination fees, net of certain direct loan origination costs, are deferred and recognized in interest income using the effective interest method over the estimated life of the loan. Prior to 2014, loan origination fees were credited to income when received and the related loan-origination costs were expensed as incurred. Capitalization of these fees net of the related costs prior to 2014 were not deemed to have a material effect on the consolidated financial statements.

The accrual of interest is discontinued when a loan becomes 90 days past due and is not both well collateralized and in the process of collection, or when management believes, after considering economic and business conditions and collection efforts, that the principal or interest will not be collectible in the normal course of business. When loans are placed on nonaccrual or charged off, all unpaid accrued interest is reversed and additional income is recorded only to the extent that payments are received and the collection of principal is reasonably assured. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current, when the obligation has performed in accordance with the contractual terms for a reasonable period of time, and future payments of principal and interest are reasonably assured. Loans are considered impaired if it is probable that payment of interest and principal will not be made in accordance with the contractual terms of the loan agreement. Total impaired loans are evaluated based on the fair value of the collateral rather than on discounted cash flow basis.

Allowance for Loan Losses
The allowance for loan losses (ALL) is established through a provision for loan losses charged to expense as losses are estimated to have occurred. Loan losses are charged against the allowance when management believes that the collectability of the principal is unlikely. Subsequent recoveries, if any, are credited to the allowance.

Management regularly evaluates the allowance for loan losses using general economic conditions, the Corporation's past loan loss experience, composition of the portfolio, and other relevant factors. This evaluation is inherently subjective since it requires material estimates that may be susceptible to significant change.

The ALL consists of specific reserves for certain impaired loans and general reserves for non-impaired loans. Specific reserves reflect estimated losses on impaired loans from management's analyses developed through specific credit allocations. The specific credit reserves are based on regular analyses of impaired non-homogenous loans greater than $250,000. These analyses involve a high degree of judgment in estimating the amount of loss associated with specific loans, including estimating the amount and timing of future cash flows and collateral values. The general reserve is based on the Bank's historical loss experience which is updated quarterly. The general reserve portion of the ALL also includes consideration of certain qualitative factors such as 1) changes in lending policies and/or underwriting practices, 2) national and local economic conditions 3) changes in portfolio volume and nature, 4) experience, ability and depth of lending management and other relevant staff, 5) levels of and trends in past-due and nonaccrual loans and quality, 6) changes in loan review and oversight, 7) impact and effects of concentrations and 8) other issues deemed relevant.

Management believes that the allowance for loan losses is adequate. While management uses available information to recognize losses on loans, future additions to the allowance may be necessary based on changes in economic conditions. In addition, various regulatory agencies, as an integral part of their examination process, periodically review the allowance for loan losses. Such agencies may require the Bank to recognize additions to the allowance based on their judgments of information available to them at the time of their examination.

Premises and Equipment

Premises and equipment are stated at cost less accumulated depreciation computed on the straight-line method over the estimated useful lives of the assets. Maintenance and repair costs are charged to expense as incurred. Gains or losses on disposition of premises and equipment are reflected in income. Premises and equipment, and other long-term assets, are reviewed for impairment when events indicate their carrying amount may not be recoverable from future undiscounted cash flows. If impaired, the assets are recorded at fair value.

Depreciation expense is computed using the straight-line method over the following estimated useful lives.

Buildings and improvements	40 years
Land improvements	20 years
Furniture, fixtures and equipment	2-7 years

Other Real Estate Owned

Assets acquired through, or in lieu of, loan foreclosure are held for sale and are initially recorded at the lesser of carrying value or fair value at the date of foreclosure less estimated costs to sell the asset, establishing a new cost basis. Any write downs at the time of foreclosure are charged to the allowance for loan loss. Subsequent to foreclosure, valuations are periodically performed by management, and a valuation allowance is established if fair value declines below carrying value. Costs relating to the development and improvement of the property are capitalized. Revenue and expenses from operations and changes in the valuation allowance are included in other expenses.

Intangible Assets and Goodwill

Intangible assets consist of the value of core deposits and mortgage servicing assets and the excess of purchase price over fair value of net assets (goodwill). Core deposits are stated at cost less accumulated amortization and are amortized on a straight-line basis over a period of one to ten years. Mortgage servicing rights are stated at fair value. Goodwill is not amortized but is subject to impairment evaluation annually.

Mortgage servicing rights are recognized as separate assets when rights are acquired through purchase or through sale of mortgage loans with servicing retained. Servicing rights acquired through sale of financial assets are recorded based on the fair value of the servicing right. The determination of fair value is based on a valuation model and includes stratifying the mortgage servicing rights by predominant characteristics, such as interest rates and terms, and estimating the fair value of each stratum based on the present value of estimated future net servicing income. The valuation model incorporates assumptions that market participants would use in estimating future net servicing income, such as costs to service, a discount rate, and prepayment speeds. Changes in fair value are recorded as an adjustment to earnings.

The Corporation performs a "qualitative" assessment of goodwill to determine whether further impairment testing of indefinite-lived intangible assets is necessary on at least an annual basis. If it is determined, as a result of performing a qualitative assessment over goodwill, that it is more likely than not that goodwill is impaired, management will perform an impairment test to determine if the carrying value of goodwill is realizable.

The Corporation evaluated goodwill and core deposit intangibles for impairment during 2015, 2014 and 2013, determining that there was no goodwill and core deposit intangible impairment.

Income Taxes
The Corporation files one consolidated federal income tax return and one Wisconsin combined return. Federal income tax expense is allocated to each subsidiary based on an intercompany tax sharing agreement.

Deferred tax assets and liabilities have been determined using the liability method. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities and the current enacted tax rates which will be in effect when these differences are expected to reverse. Provision (benefit) for deferred taxes is the result of changes in the deferred tax assets and liabilities.

Treasury Stock
Common stock shares repurchased by the Corporation are recorded as treasury stock at cost.

Securities Sold Under Repurchase Agreements
The Corporation sells securities under repurchase agreements. These transactions are accounted for as collateralized financing transactions and are recorded at the amounts at which the securities were sold. The Corporation may have to provide additional collateral to the counterparty, as necessary.

Off-Balance-Sheet Financial Instruments
In the ordinary course of business, the Corporation has entered into off-balance-sheet financial instruments including commitments to extend credit, unfunded commitments under lines of credit, and letters of credit. Such financial instruments are recorded in the consolidated financial statements when they are funded.

Advertising
Advertising costs are generally expensed as incurred.

Per Share Computations
Weighted average shares outstanding were 6,291,319, 6,338,077, and 6,463,823 for the years ended December 31, 2015, 2014 and 2013, respectively. All outstanding unvested share-based payment awards that contain rights to non-forfeitable dividends are considered participating securities for basic and diluted earnings per share calculations. There were no potentially dilutive instruments outstanding during the periods presented.

Loss Contingencies
Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. Management does not believe that there are any such matters that will have a material effect on the consolidated financial statements at December 31, 2015 and 2014.

Transfers of Financial Assets
Transfers of financial assets are accounted for as sales when control over the assets has been relinquished. Control over transferred assets is deemed to be surrendered when the assets have been isolated from the Bank, the transferee obtains the right, free of conditions that constrain it from taking advantage of that right, to pledge or exchange the transferred assets and the Bank does not maintain effective control over the transferred assets through an agreement to repurchase them before maturity.

Comprehensive Income
GAAP normally requires that recognized revenues, expenses, gains and losses be included in net income. In addition to net income, another component of comprehensive income includes the after-tax effect of changes in unrealized gains and losses on available for sale securities. This

item is reported as a separate component of stockholders' equity. The Corporation presents comprehensive income in the statement of comprehensive income.

Stock-based Compensation
The Corporation uses the fair value method of recognizing expense for stock-based compensation based on the fair value of restricted stock awards at the date of grant as prescribed by accounting standards codification Topic 781-10 *Compensation/Stock Compensation*.

Mortgage Banking Derivatives
Commitments to fund mortgage loans (interest rate locks) to be sold into the secondary market and forward commitments for the future delivery of these mortgage loans are accounted for as free standing derivatives. Fair values of these mortgage derivatives are estimated based on changes in mortgage interest rates from the date the interest rate on the loan is locked. The Bank enters into forward commitments for the future delivery of mortgage loans when interest rate locks are entered into in order to hedge the change in interest rates resulting from its commitments to fund loans. The forward commitments for the future delivery of mortgage loans are based on the Bank's "best efforts" and therefore the Bank is not penalized if a loan is not delivered to the investor if the loan did not get originated. Changes in the fair values of these derivatives generally offset each other and are included in "other income" in the consolidated statements of income.

Subsequent Events
Management has evaluated subsequent events through February 23, 2016, the issuance date of these consolidated financial statements.

Reclassifications
Certain reclassifications have been made to the 2014 and 2013 consolidated financial statements to conform to the 2015 classifications.

New Accounting Pronouncements
In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers.* The amendments in this ASU provide guidance that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU is effective prospectively, for annual and interim periods, beginning after December 15, 2017 and 2018, respectively, and is not anticipated to have a material impact on the Corporation's consolidated financial statements.

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements – Going Concern (Subtopic 205-40)* Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. The amendments in this ASU provide guidance about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide certain related footnote disclosures. The ASU is intended to reduce diversity in the timing and content of footnote disclosures and is effective for all entities for the annual period ending after December 15, 2016 and for annual and interim periods thereafter. The adoption of this ASU in the fourth quarter of 2016 is not anticipated to have a material impact on the Corporation's consolidated financial statements.

In February 2015, the FASB issued ASU 2015-02, *Amendments to Consolidation Analysis*, which eliminates the deferral of certain investments in variable interest entities. ASU 2015-02 will allow companies with interests in certain investment funds to follow preceding consolidation guidance and make change to the variable interest model and the voting model. The ASU is effective for annual and interim periods beginning after December 31, 2015. The adoption of this ASU is not expected to have a material impact on the Corporation's consolidated financial statements.

Note 2 Securities

The following is a summary of available for sale securities (dollar amounts in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
December 31, 2015				
Obligations of U.S Government sponsored agencies	$ 2,584	$ 9	$ -	$ 2,593
Obligations of states and political subdivisions	50,770	1,344	(9)	52,105
Mortgage-backed securities	30,526	463	(144)	30,845
Corporate notes	12,004	-	(189)	11,815
Total available for sale securities	$ 95,884	$ 1,816	$ (342)	$ 97,358
December 31, 2014				
Obligations of U.S Government sponsored agencies	$ 4,740	$ 43	$ -	$ 4,783
Obligations of states and political subdivisions	37,919	884	(3)	38,800
Mortgage-backed securities	30,604	734	(89)	31,249
Corporate notes	101	-	-	101
Total available for sale securities	$ 73,364	$ 1,661	$ (92)	$ 74,933

The following is a summary of held to maturity securities (dollar amounts in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
December 31, 2015				
U.S. Treasury securities	$ 25,065	$ 143	$ (3)	$ 25,205
Obligations of states and political subdivisions	9,251	56	(23)	9,284
Total held to maturity securities	$ 34,316	$ 199	$ (26)	$ 34,489
December 31, 2014				
U.S. Treasury securities	$ 22,597	$ 47	$ (22)	$ 22,622
Obligations of states and political subdivisions	13,632	12	(38)	13,606
Total held to maturity securities	$ 36,229	$ 59	$ (60)	$ 36,228

At December 31, 2015, unrealized losses in the investment securities portfolio related to debt securities. The unrealized losses on these debt securities arose primarily due to changing interest rates and are considered to be temporary. From the December 31, 2015 tables above, 20 out of 125 obligations of states and political subdivisions, 12 out of 46 mortgage-backed securities, 1 out of 13 U.S. Treasury securities, and 4 out of 5 corporate notes contained unrealized losses. At December 31, 2015 and 2014, management has both the intent and ability to hold securities containing unrealized losses.

The following table shows the fair value and gross unrealized losses of securities with unrealized losses, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position (dollar amounts in thousands):

	Less Than 12 Months		Greater Than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
December 31, 2015 - Available for Sale						
Obligations of states and political subdivisions	$ 5,578	$ (9)	$ -	$ -	$ 5,578	$ (9)
Mortgage-backed securities	15,069	(129)	897	(15)	15,966	(144)
Corporate notes	11,715	(189)	-	-	11,715	(189)
Totals	$ 32,362	$ (327)	$ 897	$ (15)	$ 33,259	$ (342)
December 31, 2015 - Held to Maturity						
U.S. Treasury securities	$ -	$ -	$ 2,503	$ (3)	$ 2,503	$ (3)
Obligations of states and political subdivisions	306	(1)	2,465	(22)	2,771	(23)
Totals	$ 306	$ (1)	$ 4,968	$ (25)	$ 5,274	$ (26)
December 31, 2014 - Available for Sale						
Obligations of states and political subdivisions	$ -	$ -	$ 280	$ (3)	$ 280	(3)
Mortgage-backed securities	8,120	(42)	3,437	(47)	11,557	(89)
Totals	$ 8,120	$ (42)	$ 3,717	$ (50)	$ 11,837	$ (92)
December 31, 2014 - Held to Maturity						
U.S. Treasury securities	$ 12,597	$ (22)	$ -	$ -	$ 12,597	$ (22)
Obligations of states and political subdivisions	8,131	(38)	-	-	8,131	(38)
Totals	$ 20,728	$ (60)	$ -	$ -	$ 20,728	$ (60)

Contractual maturities will differ from expected maturities for mortgage-backed securities because borrowers may have the right to call or prepay obligations without penalties. The following is a summary of amortized cost and estimated fair value of securities, by contractual maturity, as of December 31, 2015 (dollar amounts in thousands):

	Available For Sale		Held to Maturity	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Due in one year or less	$ 6,977	$ 6,987	$ 2,505	$ 2,503
Due after one year through 5 years	13,879	14,091	13,494	13,527
Due after 5 years through ten years	24,484	24,826	17,968	18,106
Due after 10 years	20,018	20,609	349	353
Subtotal	65,358	66,513	34,316	34,489
Mortgage-backed securities	30,526	30,845	-	-
Total	$ 95,884	$ 97,358	$ 34,316	$ 34,489

Following is a summary of the proceeds from sales of securities available for sale, as well as gross gains and losses, from the years ended December 31 (dollar amounts in thousands):

	2015	2014	2013
Proceeds from sales of securities	$ -	$ 19,909	$ 16,682
Gross gains on sales	-	571	-
Gross losses on sales	-	58	906

As of December 31, 2015 and 2014, the carrying values of securities pledged to secure public deposits, securities sold under repurchase agreements, and for other purposes required or permitted by law were approximately $98,641,000 and $76,982,000, respectively.

Note 3 Loans

The composition of loans at December 31 is as follows (dollar amounts in thousands):

	2015	2014
Commercial/industrial	$ 219,416	$ 215,458
Commercial real estate - owner occupied	263,763	228,699
Commercial real estate - non-owner occupied	135,173	132,021
Construction and development	46,133	30,730
Residential 1-4 family	259,211	230,024
Consumer	24,604	23,842
Other	8,341	12,487
Subtotals	956,641	873,261
Less allowance for loan losses	10,011	9,258
Loans, net of allowance	946,630	864,003
Deferred loan fees and costs	(4)	(203)
Loans held for sale	368	-
Loans, net and loans held for sale	$ 946,994	$ 863,800

A summary of the activity in the allowance for loan losses by loan type as of December 31, 2015 and December 31, 2014 is as follows (dollar amounts in thousands):

	Commercial/ Industrial	Commercial Real Estate - Owner Occupied	Commercial Real Estate - Non-Owner Occupied	Construction and Development	Residential 1-4 Family	Consumer	Other	Unallocated	Total
Allowance for loan losses - January 1, 2015	$ 2,047	$ 2,120	$ 1,231	$ 203	$ 2,525	$ 159	$ 132	$ 841	$ 9,258
Charge-offs	(2)	(113)	-	(19)	(162)	(7)	(36)	-	(339)
Recoveries	17	5	17	20	15	7	3	-	84
Provision	2	342	151	110	535	16	(32)	(116)	1,008
Allowance for loan losses - December 31, 2015	2,064	2,354	1,399	314	2,913	175	67	725	10,011
ALL ending balance individually evaluated for impairment	-	-	-	-	360	-	-	-	360
ALL ending balance collectively evaluated for impairment	$ 2,064	$ 2,354	$ 1,399	$ 314	$ 2,553	$ 175	$ 67	$ 725	$ 9,651
Loans outstanding - December 31, 2015	$ 219,416	$ 263,763	$ 135,173	$ 46,133	$ 259,211	$ 24,604	$ 8,341	$ -	$ 956,641
Allowance for loan losses	2,064	2,354	1,399	314	2,913	175	67	725	10,011
Loans, net of ALL	217,352	261,409	133,774	45,819	256,298	24,429	8,274	(725)	946,630
Loans ending balance individually evaluated for impairment	-	279	-	-	1,050	-	-	-	1,329
Loans ending balance collectively evaluated for impairment	$ 217,352	$ 261,130	$ 133,774	$ 45,819	$ 255,248	$ 24,429	$ 8,274	$ (725)	$ 945,301

	Commercial/ Industrial	Commercial Real Estate - Owner Occupied	Commercial Real Estate - Non-Owner Occupied	Construction and Development	Residential 1-4 Family	Consumer	Other	Unallocated	Total
Allowance for loan losses - January 1, 2014	$ 1,451	$ 1,604	$ 988	$ 792	$ 2,225	$ 151	$ 97	$ 1,447	$ 8,755
Charge-offs	(235)	(371)	-	(369)	(763)	(40)	(17)	-	(1,795)
Recoveries	21	95	-	45	88	7	12	-	268
Provision	810	792	243	(265)	975	41	40	(606)	2,030
Allowance for loan losses - December 31, 2014	2,047	2,120	1,231	203	2,525	159	132	841	9,258
ALL ending balance individually evaluated for impairment	-	-	-	-	400	-	-	-	400
ALL ending balance collectively evaluated for impairment	$ 2,047	$ 2,120	$ 1,231	$ 203	$ 2,125	$ 159	$ 132	$ 841	$ 8,858
Loans outstanding - December 31, 2014	$ 215,458	$ 228,699	$ 132,021	$ 30,730	$ 230,024	$ 23,842	$ 12,487	$ -	$ 873,261
Allowance for loan losses	2,047	2,120	1,231	203	2,525	159	132	841	9,258
Loans, net of ALL	213,411	226,579	130,790	30,527	227,499	23,683	12,355	(841)	864,003
Loans ending balance individually evaluated for impairment	-	803	150	-	1,296	-	-	-	2,249
Loans ending balance collectively evaluated for impairment	$ 213,411	$ 225,776	$ 130,640	$ 30,527	$ 226,203	$ 23,683	$ 12,355	$ (841)	$ 861,754

A summary of past due loans as of December 31, 2015 are as follows (dollar amounts in thousands):

	30-89 Days Past Due Accruing	90 Days or more Past Due or on Non-Accrual	2015 Total
Commercial/industrial	$ 166	$ 90	$ 256
Commercial real estate - owner occupied	-	565	565
Commercial real estate - non-owner occupied	-	-	-
Construction and development	-	-	-
Residential 1-4 family	368	961	1,329
Consumer	43	9	52
Other	-	-	-
	$ 577	$ 1,625	$ 2,202

A summary below of past due loans as of December 31, 2014 are as follows (dollar amounts in thousands):

	30-89 Days Past Due Accruing	90 Days or more Past Due or on Non-Accrual	2014 Total
Commercial/industrial	$ 14	$ 277	$ 291
Commercial real estate - owner occupied	-	427	427
Commercial real estate - non-owner occupied	-	150	150
Construction and development	-	-	-
Residential 1-4 family	805	1,902	2,707
Consumer	20	-	20
Other	-	-	-
	$ 839	$ 2,756	$ 3,595

Credit Quality:

We utilize a numerical risk rating system for commercial relationships whose total indebtedness equals $250,000 or more. All other types of relationships (ex: residential, consumer, commercial under $250,000 of indebtedness) are assigned a “Pass” rating, unless they have fallen 90 days past due or more, at which time they receive a rating of 7. The Corporation uses split ratings for government guaranties on loans. The portion of a loan that is supported by a government guaranty is included with other Pass credits.

The determination of a commercial loan risk rating begins with completion of a matrix, which assigns scores based on the strength of the borrower’s debt service coverage, collateral coverage, balance sheet leverage, industry outlook, and customer concentration. A weighted average is taken of these individual scores to arrive at the overall rating. This rating is subject to adjustment by the loan officer based on facts and circumstances pertaining to the borrower. Risk ratings are subject to independent review.

Commercial borrowers with ratings between 1 and 5 are considered Pass credits, with 1 being most acceptable and 5 being just above the minimum level of acceptance.

Commercial borrowers rated 6 have potential weaknesses which may jeopardize repayment ability.

Borrowers rated 7 have a well-defined weakness or weaknesses such as the inability to demonstrate significant cash flow for debt service based on analysis of the company's financial information. These loans remain on accrual status provided full collection of principal and interest is reasonably expected. Otherwise they are deemed impaired and placed on nonaccrual status. Borrowers rated 8 are the same as 7 rated credits with one exception: collection or liquidation in full is not probable.

The breakdown of loans by risk rating as of December 31, 2015 is as follows (dollar amounts in thousands):

	Pass (1-5)	6	7	8	Total
Commercial/industrial	$ 208,668	$ 3,093	$ 7,655	$ -	$ 219,416
Commercial real estate - owner occupied	254,674	165	8,924	-	263,763
Commercial real estate - non-owner occupied	134,632	-	541	-	135,173
Construction and development	44,754	1,365	14	-	46,133
Residential 1-4 family	257,128	-	2,083	-	259,211
Consumer	24,593	-	11	-	24,604
Other	8,341	-	-	-	8,341
	$ 932,790	$ 4,623	$ 19,228	$ -	$ 956,641

The breakdown of loans by risk rating as of December 31, 2014 is as follows (dollar amounts in thousands):

	Pass (1-5)	6	7	8	Total
Commercial/industrial	$ 202,997	$ 4,887	$ 7,574	$ -	$ 215,458
Commercial real estate - owner occupied	220,566	172	7,961	-	228,699
Commercial real estate - non-owner occupied	131,523	-	498	-	132,021
Construction and development	30,567	-	163	-	30,730
Residential 1-4 family	227,626	13	2,385	-	230,024
Consumer	23,842	-	-	-	23,842
Other	12,487	-	-	-	12,487
	$ 849,608	$ 5,072	$ 18,581	$ -	$ 873,261

The ALL represents management's estimate of probable and inherent credit losses in the loan portfolio. Estimating the amount of the ALL requires the exercise of significant judgment and the use of estimates related to the amount and timing of expected future cash flows on impaired loans, estimated losses on pools of homogenous loans based on historical loss experience, and consideration of other qualitative factors such as current economic trends and conditions, all of which may be susceptible to significant change. The loan portfolio also represents the largest asset on the consolidated balance sheets. Loan losses are charged off against the ALL, while recoveries of amounts previously charged off are credited to the ALL. A provision for loan losses (PFLL) is charged to operations based on management's periodic evaluation of the factors previously mentioned, as well as other pertinent factors.

The ALL consists of specific reserves for certain individually evaluated impaired loans and general reserves for collectively evaluated non-impaired loans. Specific reserves reflect estimated losses on impaired loans from management's analyses developed through specific credit allocations. The specific reserves are based on regular analyses of impaired, non-homogenous loans greater than $250,000. These analyses involve a high degree of judgment in estimating the amount of loss associated with specific loans, including estimating the amount and timing of future cash flows and collateral values. The general reserve is based in part on the Bank's historical loss experience which is updated quarterly. The general reserve portion of the ALL also includes consideration of certain qualitative factors such as 1) changes in lending policies and/or underwriting practices, 2) national and local economic conditions, 3) changes in portfolio volume and nature, 4) experience, ability and depth of lending management and other relevant staff, 5) levels of and trends in past-due and nonaccrual loans and quality, 6) changes in loan review and oversight, 7) impact and effects of concentrations and 8) other issues deemed relevant.

There are many factors affecting ALL; some are quantitative while others require qualitative judgment. The process for determining the ALL (which management believes adequately considers potential factors which might possibly result in credit losses) includes subjective elements and, therefore, may be susceptible to significant change. To the extent actual outcomes differ from management estimates, additional PFLL could be required that could adversely affect the Corporation's earnings or financial position in future periods. Allocations of the ALL may be made for specific loans but the entire ALL is available for any loan that, in management's judgment, should be charged off or for which an actual loss is realized. As an integral part of their examination process, various regulatory agencies review the ALL as well. Such agencies may require that changes in the ALL be recognized when such regulators' credit evaluations differ from those of management based on information available to the regulators at the time of their examinations.

A summary of impaired loans individually evaluated as of December 31, 2015 is as follows (dollar amounts in thousands):

	Commercial/ Industrial	Commercial Real Estate - Owner Occupied	Commercial Real Estate - Non-Owner Occupied	Construction and Development	Residential 1-4 Family	Consumer	Other	Unallocated	Total
With an allowance recorded:									
Recorded investment	$ -	$ -	$ -	$ -	$ 580	$ -	$ -	$ -	$ 580
Unpaid principal balance	-	-	-	-	580	-	-	-	580
Related allowance	-	-	-	-	360	-	-	-	360
With no related allowance recorded:									
Recorded investment	$ -	$ 279	$ -	$ -	$ 470	$ -	$ -	$ -	$ 749
Unpaid principal balance	-	279	-	-	470	-	-	-	749
Related allowance	-	-	-	-	-	-	-	-	$ -
Total:									
Recorded investment	$ -	$ 279	$ -	$ -	$ 1,050	$ -	$ -	$ -	$ 1,329
Unpaid principal balance	-	279	-	-	1,050	-	-	-	1,329
Related allowance	-	-	-	-	360	-	-	-	360
Average recorded investment during 2015 through December	$ -	$ 541	$ 75	$ -	$ 1,173	$ -	$ -	$ -	$ 1,789

A summary of impaired loans individually evaluated as of December 31, 2014 is as follows (dollar amounts in thousands):

	Commercial/ Industrial	Commercial Real Estate - Owner Occupied	Commercial Real Estate - Non-Owner Occupied	Construction and Development	Residential 1-4 Family	Consumer	Other	Unallocated	Total
With an allowance recorded:									
Recorded investment	$ -	$ -	$ -	$ -	$ 619	$ -	$ -	$ -	$ 619
Unpaid principal balance	-	-	-	-	619	-	-	-	619
Related allowance	-	-	-	-	400	-	-	-	400
With no related allowance recorded:									
Recorded investment	$ -	$ 803	$ 150	$ -	$ 677	$ -	$ -	$ -	$ 1,630
Unpaid principal balance	-	803	150	-	677	-	-	-	1,630
Related allowance	-	-	-	-	-	-	-	-	$ -
Total:									
Recorded investment	$ -	$ 803	$ 150	$ -	$ 1,296	$ -	$ -	$ -	$ 2,249
Unpaid principal balance	-	803	150	-	1,296	-	-	-	2,249
Related allowance	-	-	-	-	400	-	-	-	400
Average recorded investment during 2014 through December	$ -	$ 836	$ 75	$ 565	$ 1,405	$ -	$ -	$ -	$ 2,880

Interest recognized while these loans were impaired is considered immaterial to the consolidated financial statements for the years ended December 31, 2015 and 2014.

Management regularly monitors impaired loan relationships. In the event facts and circumstances change, additional provision for loan losses may be necessary.

An analysis of impaired loans for the three years ended December 31 follows (dollar amounts in thousands):

	2015	2014	2013
Average investment in impaired loans	$ 1,789	$ 2,881	$ 3,246
Interest income that would have been recognized on an accrual basis	$ 94	$ 155	$ 134

A summary of nonperforming loans as of December 31 is as follows (dollar amounts in thousands):

	2015	2014
Nonaccrual loans	$ 1,349	$ 2,670
Loans past due 90 days	276	86
Total nonperforming loans ("NPLs")	$ 1,625	$ 2,756

A troubled debt restructuring ("TDR") includes a loan modification where a borrower is experiencing financial difficulty and we grant a concession to that borrower that we would not otherwise consider except for the borrower's financial difficulties. A TDR may be either on accrual or nonaccrual status based upon the performance of the borrower and management's assessment of collectability. If a TDR is placed on nonaccrual status, it remains there until a sufficient period of performance under the restructured terms has occurred at which time it is returned to accrual status, generally six months. As of December 31, 2015 and 2014 the Corporation did not have any specific reserves for TDR's, and none of them have subsequently defaulted.

Modifications by Class of Loans

Trouble Debt restructurings during the year ended December 31, 2015 (dollar amounts in thousands)	Number Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
Commercial/Industrial	1	$ 17	$ 17

Trouble Debt restructurings during the year ended December 31, 2014 (dollar amounts in thousands)	Number Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
Residential 1-4 family	3	$ 646	$ 478

Note 4 Related Party Matters

Directors, executive officers, and principal shareholders of the Corporation, including their families and firms in which they are principal owners, are considered to be related parties. Substantially all loans to officers, directors, and shareholders owning 5% or more of the Corporation, that we are aware of, were made on the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with others and did not involve more than the normal risk of collectability or present other unfavorable features. Changes of those serving as directors are reflected in the new loans and repayments.

A summary of loans to directors, executive officers, principal shareholders, and their affiliates for the years ended December 31 is as follows (dollar amounts in thousands):

	2015	2014
Balances at beginning	$ 27,046	$ 22,333
New loans and advances	17,852	17,519
Repayments	(10,464)	(12,806)
Balance at end	$ 34,434	$ 27,046

Deposits from directors, executive officers, principal shareholders, and their affiliates totaled approximately $13,150,000 and $10,248,000 as of December 31, 2015 and 2014, respectively.

Note 5 Mortgage Servicing Rights

Loans serviced for others are not included in the accompanying consolidated balance sheets. Mortgage servicing rights (MSRs) are recognized as separate assets when loans sold in the secondary market are sold with servicing retained. The Corporation utilizes a third party consulting firm to determine an accurate assessment of the mortgage servicing rights fair value. The third party firm collects relevant data points from numerous sources. Some of these data points relate directly to the pricing level or relative value of the mortgage servicing while other data points relate to the assumptions used to derive fair value. In addition, the valuation evaluates specific collateral types, and current and historical performance of the collateral in question. The valuation process focuses on the non-distressed secondary servicing market, common industry practices and current regulatory standards. The primary determinants of the fair value of mortgage servicing rights are servicing fee percentage, ancillary income, expected loan life or prepayment speeds, discount rates, costs to service, delinquency rates, foreclosure losses and recourse obligations. The valuation data also contains interest rate shock analyses for monitoring fair value changes in differing interest rate environments.

Following is an analysis of activity for the years ended December 31 in servicing assets that are measured at fair value (dollar amounts in thousands):

	2015	2014
Fair value beginning of year	$ 2,388	$ 2,505
Servicing asset additions	428	259
Loan payments and payoffs	(485)	(367)
Changes in valuation inputs and assumptions used in the valuation model	(27)	(9)
Amount recognized through earnings	(84)	(117)
Fair value at end of year	$ 2,304	$ 2,388
Unpaid principal balance of loans serviced for others (in thousands)	$ 280,241	$ 279,168
Mortgage servicing rights as a percent of loans serviced for others	0.82	0.86

During the years ended December 31, 2015 and 2014, the Corporation utilized economic assumptions in measuring the initial value of MSRs for loans sold whereby servicing is retained by the Corporation. The economic assumptions used at December 31, 2015 and 2014 included constant prepayment speed of 10.6 and 9.9 months, respectively, and a discount rate of 10.01% and 10.03%, respectively. The constant prepayment rates are obtained from publicly available sources for each of the Federal National Mortgage Association (FNMA) loan programs that the Corporation originates under. The assumptions used by the Corporation are hypothetical and supported by a third party valuation. The Corporation's methodology for estimating the fair value of MSRs is highly sensitive to changes in assumptions.

The carrying value of the mortgage servicing rights is included with intangible assets and approximates fair market value at December 31, 2015 and 2014. Changes in fair value are recognized through the income statement as loan servicing income.

Note 6 Premises and Equipment

An analysis of premises and equipment at December 31 follows (dollar amounts in thousands):

	2015	2014
Land and land improvements	$ 1,511	$ 1,511
Buildings and building improvements	13,545	11,926
Furniture and equipment	5,613	5,710
Totals	20,669	19,147
Less accumulated depreciation	7,709	7,995
Premises and equipment, net	$ 12,960	$ 11,152

Included in buildings and improvements at December 31, 2015 and 2014, is $2,248,000 and $1,214,000, respectively, in construction in progress. These amounts relate to branch locations which were under construction. These balances begin accumulating depreciation upon being placed in service.

Depreciation and amortization of premises and equipment charged to operating expense totaled approximately $894,000, $948,000, and $981,000 for the years ended December 31, 2015, 2014, and 2013, respectively.

Note 7 Other Real Estate Owned

Changes in other real estate owned (OREO) for the years ended December 31 were as follows (dollar amounts in thousands):

	2015	2014
Beginning of year	$ 2,943	$ 2,976
Transfers in	765	1,034
Capitalized improvements	-	-
Valuation allowances	(28)	-
Gain (loss) on other real estate owned	31	(137)
Sales	(1,856)	(930)
End of year	$ 1,855	$ 2,943

Activity in the valuation allowance for the years ended December 31 was as follows (dollar amounts in thousands):

	2015	2014	2013
Beginning of year	$ 2,114	$ 2,416	$ 1,932
Additions charged to expense	28	-	732
Valuation relieved due to sale of OREO	-	(302)	(248)
End of year	$ 2,142	$ 2,114	$ 2,416

Note 8 Investment in Minority-owned Subsidiaries

The Corporation has a 49.8% membership interest in UFS. The business operations of UFS consist of providing data processing services to the Corporation and other financial institutions. As of December 31, 2015 and 2014, UFS had total assets of $15,234,000 and $16,968,000 and liabilities of $2,735,000 and $6,989,000, respectively. The Corporation's investment in UFS was $6,153,000 and $4,720,000 at December 31, 2015 and 2014, respectively. The investment is accounted for on the equity method. The Corporation's undistributed earnings from its investment in UFS were approximately $2,165,000, $1,300,000, and $914,000 for the years ended December 31, 2015, 2014 and 2013, respectively. Data processing service fees paid by the Corporation to UFS were approximately $1,176,000, $1,077,000, and $1,000,000 for the years ended December 31, 2015, 2014 and 2013, respectively.

The Corporation had an annual contract with UFS that matured December 31, 2014. The Corporation is currently operating under the terms of the expired contract while it negotiates a new contract with UFS.

All earnings of UFS flow through to the tax return of the Corporation. Deferred income taxes of approximately $476,000 and $15,000 were provided to account for the difference in the tax and book basis of assets and liabilities held at UFS at December 31, 2015 and 2014, respectively. During 2015, 2014 and 2013, the Corporation received $731,000, $416,000 and $433,000 in dividends from UFS, respectively.

TVG, the insurance subsidiary of the Bank, has a 28.8% investment in Ansay. Ansay is a family-owned independent insurance agency that has operated in southeastern Wisconsin since 1946, managing the insurance and risk needs of commercial and personal insurance clients in Wisconsin and the Midwest. As of December 31, 2015 and 2014, Ansay had total assets of $35,342,000 and $31,895,000 and liabilities of $21,467,000 and $17,892,000, respectively. The Corporation's investment in Ansay, which is accounted for using the equity method, was $11,220,000 and $11,332,000 at December 31, 2015 and 2014, respectively. The Corporation recognized undistributed earnings of approximately $538,000, $1,163,000 and $965,000 and received dividends of $651,000, $741,000 and $870,000 from its investment in Ansay during the years ended December 31, 2015, 2014 and 2013, respectively.

Effective January 1, 2013, the CEO of Ansay, Michael G. Ansay, was named Chairman of the Board of the Corporation and also serves as the Compensation Committee Chairman. As a related party, during 2015, 2014 and 2013 the Corporation purchased director and officer fidelity bond and commercial insurance coverage through Ansay spending approximately $198,000, $164,000 and $168,000, respectively. Ansay has an available revolving line of credit of $2.0 million with the Corporation with no amounts outstanding as of December 31, 2015 and 2014.

As of December 31, 2015 and 2014, Ansay had term loans with the Bank totaling approximately $15,815,000 and $9,600,000, respectively.

Ansay maintained deposits at the Bank totaling $2,566,000 and $650,000 as of December 31, 2015 and 2014, respectively.

All earnings of Ansay flow through to the tax return of the Corporation. Deferred income taxes of approximately $1,233,000 and $866,000 were provided to account for the difference in the tax and book basis of assets and liabilities held at Ansay as of December 31, 2015 and 2014, respectively.

Note 9 Identifiable Intangible Assets

The gross carrying amount and accumulated amortization of intangible assets (excluding goodwill) for the years ended December 31 are as follows (dollar amounts in thousands):

	2015		2014	
	Gross Carrying Amount	Intangible Accumulated Amortization	Gross Carrying Amount	Intangible Accumulated Amortization
Core deposit intangible	$ 232	$ 211	$ 232	$ 193
Mortgage servicing rights	2,304	-	2,388	-
Totals	$ 2,536	$ 211	$ 2,620	$ 193

Amortization expense was $18,000 for each of the years ended December 31, 2015, 2014 and 2013.

Mortgage servicing rights are carried at fair value; therefore, there is no amortization expense. The following table shows the estimated future amortization expense for amortizing intangible assets. The projections of amortization expense are based on existing asset balances as of December 31, 2015 (dollar amounts in thousands):

	Core Deposit Intangible
2016	18
2017	3
Total	$ 21

Note 10 Goodwill

Goodwill for the years ended December 31, 2015 and 2014, approximated $7,984,000, with no changes in the carrying amount.

Note 11 Deposits
The composition of deposits at December 31 is as follows (dollar amounts in thousands):

	2015	2014
Noninterest-bearing demand deposits	$ 298,239	$ 241,506
Interest-bearing demand deposits	79,234	75,906
Savings deposits	490,300	457,393
Time deposits	194,802	179,937
Total deposits	$ 1,062,575	$ 954,742

Time deposits of $250,000 or more were approximately $30,072,000 and $30,411,000 at December 31, 2015 and 2014, respectively.

The scheduled maturities of time deposits at December 31, 2015, are summarized as follows (dollar amounts in thousands):

2016	$ 83,994
2017	34,225
2018	25,024
2019	32,044
2020	19,215
Thereafter	300
Total	$ 194,802

Note 12 Securities Sold Under Repurchase Agreements
Securities sold under repurchase agreements have contractual maturities up to one year from the transaction date with variable and fixed rate terms. The agreements to repurchase securities require that the Corporation (seller) repurchase identical securities as those that are sold. The securities underlying the agreements were under the Corporation's control. During 2013 the Corporation terminated one of its repurchase agreements and recognized $470,000 of early termination costs in other expenses.

Information concerning securities sold under repurchase agreements at December 31 consists of the following (dollar amounts in thousands):

	2015	2014	2013
Outstanding balance at the end of the year	$ 45,617	$ 30,513	$ 30,845
Weighted average interest rate at the end of the year	0.20%	0.29%	0.32%
Average balance during the year	$ 31,695	$ 29,956	$ 31,785
Average interest rate during the year	0.22%	0.31%	0.72%
Maximum month end balance during the year	$ 59,560	$ 49,391	$ 51,174

Note 13 Borrowed Funds
The Bank had no advances outstanding from FHLB at December 31, 2015 or 2014. From time to time the Bank utilized short-term FHLB advances to fund liquidity during 2015 and 2014.

At December 31, 2015 and 2014, respectively, total loans available to be pledged as collateral on FHLB borrowings were approximately $452.2 and $111.3 million and of that total $285.7 and $54.6 million qualified as eligible collateral. The Bank owned $5.0 and $2.6 million of FHLB stock at December 31, 2015 and 2014, respectively. As of December 31, 2015 and 2014, the Bank had $22.3 and $23.0 million of credit outstanding from the FHLB, respectively, which consisted entirely of letters of credit. At December 31, 2015 and 2014, the Bank had available liquidity of $263.4 and $31.6 million for future draws, respectively. FHLB stock is included in other investments at December 31, 2015 and 2014. This stock is recorded at cost, which approximates fair value.

Note 14 Notes Payable
The Corporation maintains a $10,000,000 line of credit with a commercial bank. There were no outstanding balances on this line of credit as of December 31, 2015 or 2014. The interest rate is a variable rate with a floor of 3.25% due May 19, 2016. At December 31, 2015 and 2014, the interest rate was 3.25%.

The Corporation's real estate subsidiary, Veritas, maintains a $2,000,000 line of credit with a commercial bank. There were no outstanding balances on this line of credit as of December 31, 2015 or 2014. The interest rate is a variable rate with a floor of 3.25% due March 15, 2016. At December 31, 2015 and 2014, the interest rate was 3.25%.

Note 15 Income Taxes
The components of the provision for income taxes for the years ended December 31 are as follows (dollar amounts in thousands):

	2015	2014	2013
Current tax expense:			
Federal	$ 4,992	$ 5,274	$ 3,968
State	1,544	1,791	1,336
Total current	6,536	7,065	5,304
Deferred tax expenses (benefit):			
Federal	174	(641)	(291)
State	44	(165)	(74)
Total deferred	218	(806)	(365)
Total provision for income taxes	$ 6,754	$ 6,259	$ 4,939

A summary of the sources of differences between income taxes at the federal statutory rate and the provision for income taxes for the years ended December 31 follows (dollar amounts in thousands):

	2015	2014	2013
Tax expense at statutory rate	$ 7,052	$ 6,419	$ 5,611
Increase (decrease) in taxes resulting from:			
Tax-exempt interest	(941)	(991)	(1,064)
State taxes (net of Federal benefit)	999	1,008	833
Cash surrender value of life insurance	(182)	(193)	(227)
ESOP dividend	(94)	(85)	(21)
Tax credits	(122)	(122)	(122)
Other	42	223	(71)
Total provision for income taxes	$ 6,754	$ 6,259	$ 4,939

Deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of the Corporation's assets and liabilities. Deferred taxes are included in other liabilities of the balance sheet. The major components of the net deferred tax asset (liability) as of December 31 are presented below (dollar amounts in thousands):

	2015	2014
Deferred tax assets:		
Deferred compensation	$ 1,051	$ 909
Allowance for loan losses	3,926	3,630
Accrued vacation and severance	89	54
Other real estate owned	839	834
Other	157	50
Total deferred tax assets	6,602	5,477
Deferred tax liabilities:		
Investment in acquisition and discount accretion	(98)	(98)
Mortgage servicing rights	(904)	(936)
Depreciation	(739)	(764)
Unrealized gain on securities available for sale	(789)	(925)
Other investments	(301)	(301)
Prepaid expenses	(47)	(15)
Investment in minority owned subsidiaries	(1,709)	(881)
Total deferred tax liabilities	(4,587)	(3,920)
Net deferred tax asset	$ 1,475	$ 1,557

Tax effects from an uncertain tax position can be recognized in the financial statements only if the position is more likely than not to be sustained on audit, based on the technical merits of the position. The Corporation recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. When applicable, interest and penalties on uncertain tax positions are calculated based on the guidance from the relevant tax authority and included in income tax expense. At December 31, 2015 and 2014, there was no liability for uncertain tax positions. Federal income tax returns for 4 years ended December 31, 2012 through 2015 remain open and subject to review by applicable tax authorities. State income tax return for 5 years ended December 31, 2011 through 2015 remain open and subject to review by applicable tax authorities.

Note 16 Employee Benefit Plans

Employee Stock Ownership Plan

The Corporation has a defined contribution profit sharing 401(k) plan which includes the provisions for an employee stock ownership plan (ESOP). The plan is available to all employees over 18 years of age after completion of three months of service. Employees participating in the plan may elect to defer a minimum of 2% of compensation up to the limits specified by law. All participants of the 401(k) plan are eligible for the ESOP and may allocate their contributions to purchase shares of the Corporation's stock. As of December 31, 2015 and 2014, the plan held 529,014 and 525,256 shares, respectively. These shares are included in the calculation of the Corporation's earnings per share. The Corporation may make discretionary contributions up to the limits established by IRS regulations. The discretionary match was 35% of participant tax deferred contributions up to 10% of the employee's salary in 2015, 2014, and 2013. The Corporation made additional discretionary contributions to the plan of $378,000, $381,000, and $467,000 in 2015, 2014, and 2013, respectively. Total expense associated with the plans was approximately $624,000, $599,000, and $696,000 in 2015, 2014, and 2013, respectively.

Share-based Compensation
The Corporation has made restricted share grants during 2015, 2014 and 2013 pursuant to the Bank First National Corporation 2011 Equity Plan. The purpose of the Plan is to provide financial incentives for selected employees and for the non-employee Directors of the Corporation, thereby promoting the long-term growth and financial success of the Corporation. The Corporation stock to be offered under the Plan pursuant to Stock Appreciation Rights (SAR), performance unit awards, and restricted stock and unrestricted Corporation stock awards must be Corporation stock previously issued and outstanding and reacquired by the Corporation. The number of shares of Corporation stock that may be issued pursuant to awards under the Plan shall not exceed, in the aggregate, 659,250. Compensation expense for restricted stock is based on the fair value of the awards of Bank First National Corporation common stock at the time of grant. The value of restricted stock grants that are expected to vest is amortized into expense over the vesting periods. For the year ended December 31, 2015, 2014 and 2013, compensation expense of $341,000, $232,000 and $170,000, respectively, was recognized related to restricted stock awards.

As of December 31, 2015, there was $775,000 of unrecognized compensation cost related to non-vested restricted stock awards granted under the plan. That cost is expected to be recognized over a weighted average period of 2.9 years. The aggregate grant date fair value of restricted stock awards that vested during 2015 was approximately $256,000. The aggregate grant date fair value of restricted stock awards that were forfeited during 2015 was approximately $55,000.

	For the year ended December 31, 2015		For the year ended December 31, 2014	
	Shares	Weighted-Average Grant-Date Fair Value	Shares	Weighted-Average Grant-Date Fair Value
Restricted Stock				
Outstanding at beginning of year	49,433	$ 16.60	49,423	$ 14.76
Granted	21,995	22.98	24,128	18.97
Vested	(14,774)	17.33	(14,739)	15.85
Forfeited or cancelled	(2,977)	18.63	(9,379)	15.98
Outstanding at end of year	53,677	$ 18.90	49,433	$ 16.60

Deferred Compensation Plan
The Corporation has a deferred compensation agreement with one of its former executive officers. The benefits were payable beginning June 30, 2009, the date of termination of employment with the Corporation via retirement. The estimated annual cash benefit payment upon retirement at the age of 70 under the salary continuation plan is $108,011. The payoff is for the participant's lifetime and is guaranteed to the participant or their surviving beneficiary for a minimum of 15 years. Related expense for this agreement was approximately $39,000, $3,000, and $57,000 for the years ended December 31, 2015, 2014, and 2013, respectively. The vested present value of future payments of approximately $751,000 and $821,000 at December 31, 2015 and 2014, respectively, is included in other liabilities. During 2015 and 2014 the discount rate used to present value the future payments of this obligation was 4.95%.

The Corporation has a nonqualified deferred compensation plan which permits eligible participants to defer a portion of their compensation. The benefits are generally payable beginning with the earlier of attaining age 70 or resignation from the Corporation. The estimated present value of future payments of approximately $1,930,000 and $1,498,000 at December 31, 2015 and 2014, respectively, is included in other liabilities. Expense associated with this plan was approximately $264,000, $178,000, and $110,000 in 2015, 2014, and 2013, respectively.

Note 17 Stockholders' Equity and Regulatory Matters
The Bank, as a national bank, is subject to the dividend restrictions set forth by the Office of the Comptroller of the Currency. Under such restrictions, the Bank may not, without the prior approval of the Office of the Comptroller of the Currency, declare dividends in excess of the sum of the current year's earnings (as defined) plus the retained earnings (as defined) from the prior two years. The dividends that the Bank could declare without the prior approval of the Office of the Comptroller of the Currency as of December 31, 2015 totaled approximately $27,613,000. The payment of dividends may be further limited because of the need for the Bank to maintain capital ratios satisfactory to applicable regulatory agencies.

The Corporation and the Bank are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory — and possibly additional discretionary — actions by regulators that, if undertaken, could have a direct material effect on the Corporation's consolidated financial statements and the Bank's financial statements. These capital requirements were modified in 2013 with the Basel III capital rules, which establish a new comprehensive capital framework for U.S. banking organizations. The Corporation and Bank became subject to the new rules on January 1, 2015, with a phase-in period for many of the new provisions. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Corporation and the Bank must meet specific capital guidelines that involve quantitative measure of their assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. The capital amounts and the classifications are also subject to qualitative judgment by the regulator in regards to components, risk weighting and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Corporation and the Bank to maintain minimum amounts and ratios (set forth in the table below) of Common Equity Tier 1, Tier 1 and total capital (as defined in the regulations) to risk-weighted assets (as defined) and of Tier I capital to average assets (as defined). It is management's opinion, as of December 31, 2015, that the Corporation and the Bank meet all applicable capital adequacy requirements.

As of December 31, 2015, the most recent notification from the Federal Deposit Insurance Corporation categorized the Bank as well-capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since that notification which management believes have changed the Bank's category.

The minimum amounts required for capital adequacy purposes and to be well capitalized under prompt corrective action provisions as well as the Corporation's and the Bank's actual capital amounts and ratios as of December 31 are presented in the following table (dollar amounts in thousands):

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
2015						
Total capital (to risk-weighted assets):						
Corporation	$ 119,663	10.86%	$ 88,121	8.00%	N/A	N/A
Bank	$ 117,037	11.16%	$ 83,880	8.00%	$ 104,850	10.00%
Tier 1 capital (to risk-weighted assets):						
Corporation	$ 109,652	9.95%	$ 66,091	6.00%	N/A	N/A
Bank	$ 107,026	10.21%	$ 62,910	6.00%	$ 83,880	8.00%
Common Equity Tier 1 capital (to risk-weighted assets):						
Corporation	$ 109,652	9.95%	$ 49,568	4.50%	N/A	N/A
Bank	$ 107,026	10.21%	$ 47,183	4.50%	$ 68,153	6.50%

Tier 1 capital (to average assets):						
Corporation	$ 109,652	8.85%	$ 49,577	4.00%	N/A	N/A
Bank	$ 107,026	8.72%	$ 49,117	4.00%	$ 61,396	5.00%
2014						
Total capital (to risk-weighted assets):						
Corporation	$ 108,624	12.64%	$ 68,756	8.00%	N/A	N/A
Bank	$ 105,257	12.30%	$ 68,468	8.00%	$ 85,585	10.00%
Tier 1 capital (to risk-weighted assets):						
Corporation	$ 99,366	11.56%	$ 34,378	4.00%	N/A	N/A
Bank	$ 95,999	11.22%	$ 34,234	4.00%	$ 51,351	6.00%
Tier 1 capital (to average assets):						
Corporation	$ 99,366	9.09%	$ 43,725	4.00%	N/A	N/A
Bank	$ 95,999	8.80%	$ 43,612	4.00%	$ 54,515	5.00%

Note 18 Segment Information

Bank First National Corporation, through a branch network of its subsidiary, Bank First National, provides a full range of consumer and commercial financial institution services to individuals and businesses in Northeastern Wisconsin. These services include credit cards; secured and unsecured consumer, commercial, and real estate loans; demand, time, and savings deposits; and ATM processing. The Corporation also offers a full-line of insurance services through its equity investment in Ansay and offers data processing services through its equity investment in UFS.

While the Corporation's chief decision makers monitor the revenue streams of various Corporation products and services, operations are managed and financial performance is evaluated on a Corporation-wide basis. Accordingly, all of the Corporation's financial institution operations are considered by management to be aggregated in one reportable operating segment.

Note 19 Commitments and Contingencies

The Corporation enters into commitments to originate loans whereby the interest rate on the loan is determined prior to funding (rate lock commitments). Rate lock commitments on mortgage loans that are intended to be sold are considered to be derivatives. Accordingly, such commitments, along with any related fees received from potential borrowers, are recorded at fair value in derivative assets or liabilities, with changes in fair value recorded in the net gain or loss on sale of mortgage loans. Fair value is based on fees currently charged to enter into similar agreements and for fixed rate commitments also considers the difference between current levels of interest rates and committed rates. The notional amount of rate lock commitments at December 31, 2015 and 2014, respectively, was $3,584,000 and $1,608,000.

The Bank is party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the consolidated balance sheets.

The Bank's exposure to credit loss is represented by the contractual or notional amount of these commitments. The Bank follows the same credit policies in making commitments as it does for on-balance-sheet instruments. Since some of the commitments are expected to expire without being drawn upon and some of the commitments may not be drawn upon to the total extent of the commitment, the notional amount of these commitments does not necessarily represent future cash requirements.

The following commitments were outstanding at December 31 (dollar amounts in thousands):

	Notional Amount	
	2015	2014
Commitments to extend credit:		
Fixed	$ 36,080	$ 24,285
Variable	202,274	195,194
Credit card arrangements	8,361	10,875
Letters of credit	29,976	28,101

Commitments to extend credit are agreements to lend to a customer at fixed or variable rates as long as there is no violation of any condition established in the contract. Commitments have fixed expiration dates or other termination clauses and may require payment of a fee. The amount of collateral obtained upon extension of credit is based on management's credit evaluation of the customer. Collateral held varies but may include accounts receivable; inventory; property, plant, and equipment; real estate; and stocks and bonds.

Letters of credit include $21,332,000 of direct pay letters of credit and $8,644,000 of standby letters of credit. Direct pay letters of credit generally are issued to support the marketing of industrial development revenue and housing bonds and provide that all debt service payments will be paid by drawing on the letter of credit. The letter of credit draws are then repaid by draws from the customer's bank account. Standby letters of credit are conditional lending commitments issued by the Corporation to guaranty the performance of a customer to a third party. Generally, all standby letters of credit issued have expiration dates within one year. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The Corporation generally holds collateral supporting these commitments. The majority of the Corporation's loans, commitments, and letters of credit have been granted to customers in the Corporation's market area. The concentrations of credit by type are set forth in Note 3. Standby letters of credit were granted primarily to commercial borrowers. Management believes the diversity of the local economy will prevent significant losses in the event of an economic downturn.

Note 20 Fair Value of Financial Instruments

Accounting guidance establishes a fair value hierarchy to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

Level 1: Quoted prices (unadjusted) or identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Information regarding the fair value of assets measured at fair value on a recurring basis is as follows (dollar amounts in thousands):

	Instruments Measured At Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2015				
Assets				
Securities available for sale				
Obligations of U.S. Government sponsored agencies	$ 2,593	-	$ 2,593	-
Obligations of states and political subdivisions	52,105	-	51,095	1,010
Mortgage-backed securities	30,845	-	30,845	-
Corporate notes	11,815	-	11,815	-
Mortgage servicing rights	2,304	-	2,304	-
Liabilities				
Salary continuation plan	751	-	751	-
December 31, 2014				
Assets				
Securities available for sale				
Obligations of U.S. Government sponsored agencies	$ 4,783	-	$ 4,783	-
Obligations of states and political subdivisions	38,800	-	37,774	1,026
Mortgage-backed securities	31,249	-	31,249	-
Corporate notes	101	-	101	-
Mortgage servicing rights	2,388	-	2,388	-
Liabilities				
Salary continuation plan	821	-	821	-

Fair value of assets measured on a recurring basis using significant unobservable inputs (Level 3) are as follows (dollar amounts in thousands):

	2015	2014
Total securities at beginning of year	$ 1,026	$ 1,415
Included in earnings	-	-
Included in other comprehensive income	-	-
Purchases, issuance, and settlements	(16)	(389)
Transfer in and/or out of level 3	-	-
Total securities at end of year	$ 1,010	$ 1,026

The following methods and assumptions were used by the Corporation to estimate fair value of financial instruments on a non-recurring basis.

Loans -- The Corporation does not record loans at fair value on a recurring basis. However, from time to time a loan is considered impaired and an allowance for loan losses is established. Loans are considered impaired if it is probable that payment of interest and principal will not be made in accordance with the contractual terms of the loan agreement. Once a loan is identified as impaired, the fair value of the impaired loan is estimated using one of several methods, including collateral value, market value of similar debt, enterprise value, and liquidation value or discounted cash flows. Impaired loans do not require an allowance if the fair value of the expected repayments or collateral exceed the recorded investments in such loans. At December 31, 2015 and 2014, substantially all of the total impaired loans were evaluated based on the fair value of the collateral rather than on discounted cash flows. Impaired loans where an allowance is established based on the fair value of collateral require classification in the fair value hierarchy. When the fair value of the collateral is based on an observable market price or a current appraised value, the Corporation records the impaired loan as a nonrecurring Level 2 valuation. When an appraised value is not available or management determines the fair value of the collateral is further impaired below the appraised value and there is no observable market price, the Corporation records the impaired loan as nonrecurring Level 3.

Loans with a carrying amount of $1,329,000 and $2,249,000 at December 31, 2015 and 2014, respectively, were considered impaired. As a result, the Corporation recognized an impairment reserve of approximately $360,000 and $400,000 as of December 31, 2015 and 2014, respectively. Impaired loans with balances less than $250,000 are not specifically evaluated for impairment. At December 31, 2015 and 2014, $449,000 and $1,294,000 of impaired loans are not specifically evaluated and are carried at historical cost on the balance sheet.

Other real estate owned – Real estate acquired through, or in lieu of, loan foreclosure is not measured at net realizable value on a recurring basis. However, other real estate is initially measured at net realizable value (less estimated costs to sell) when it is acquired and is also measured at net realizable value (less estimated costs to sell) if it becomes subsequently impaired. The net realizable value measurement for each property may be obtained from an independent appraiser or prepared internally. Net realizable value measurements obtained from independent appraisers are generally based on sales of comparable assets and other observable market data and are considered Level 3 measurements. Measurements prepared internally are based on observable market data but include significant unobservable data and are therefore considered Level 3 measurements.

Information regarding the fair value of assets measured at fair value on a non-recurring basis is as follows (dollar amounts in thousands):

	Assets Measured At Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2015				
Other real estate owned	$ 1,855	$ -	-	$ 1,855
Impaired Loans, net of impairment reserve	222	-	-	222
	$ 2,077	$ -	-	$ 2,077
December 31, 2014				
Other real estate owned	$ 2,943	$ -	-	$ 2,943
Impaired Loans, net of impairment reserve	219	-	-	219
	$ 3,162	$ -	-	$ 3,162

The following methods and assumptions were used by the Corporation to estimate fair value of financial instruments.

Cash and cash equivalents — Fair value approximates the carrying amount.

Securities — The fair value measurement is obtained from an independent pricing service and is based on recent sales of similar securities and other observable market data.

Loans held for sale — Fair value is based on commitments on hand from investors or prevailing market prices.

Loans — Fair value of variable rate loans that reprice frequently are based on carrying value. Fair value of other loans is estimated by discounting future cash flows using current rates at which similar loans would be made to borrowers with similar credit ratings. Fair value of impaired and other nonperforming loans are estimated using discounted expected future cash flows or the fair value of the underlying collateral, if applicable.

Other investments — The carrying amount reported in the consolidated balance sheets for other investments approximates the fair value of these assets.

Mortgage servicing rights — Fair values were determined using the present value of future cash flows.

Cash value of life insurance — The carrying amount approximates its fair value.

Deposits — Fair value of deposits with no stated maturity, such as demand deposits, savings, and money market accounts, by definition, is the amount payable on demand on the reporting date. Fair value of fixed-rate time deposits is estimated using discounted cash flows applying interest rates currently offered on similar time deposits.

Securities sold under repurchase agreements — The fair value of securities sold under repurchase agreements with variable rates or due on demand is the amount payable at the reporting date. The fair value of securities sold under repurchase agreements with fixed terms is estimated using discounted cash flows with discount rates at interest rates currently offered for securities sold under repurchase agreements of similar remaining values.

Borrowed funds and notes payable — Rates currently available to the Corporation for debt with similar terms and remaining maturities are used to estimate fair value of existing debt. Fair value of borrowings is estimated by discounting future cash flows using the current rates at which similar borrowings would be made. Fair value of borrowed funds due on demand is the amount payable at the reporting date.

Off-balance-sheet instruments — Fair value is based on quoted market prices of similar financial instruments where available. If a quoted market price is not available, fair value is based on fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreement and the company's credit standing. Since this amount is immaterial, no amounts for fair value are presented.

The carrying value and estimated fair value of financial instruments at December 31 follows (dollar amounts in thousands):

	2015		2014	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Financial assets:				
Cash and cash equivalents	$ 85,644	$ 85,644	$ 61,853	$ 61,853
Securities held to maturity	34,316	34,489	36,229	36,228
Securities available for sale	97,358	97,358	74,933	74,933
Loans, net	946,626	953,526	863,800	868,322
Loans held for sale	368	368	-	-
Other investments, at cost	5,338	5,338	2,958	2,958
Mortgage servicing rights	2,304	2,304	2,388	2,388
Cash surrender value of life insurance	20,015	20,015	19,486	19,486
Financial liabilities:				
Deposits	$1,062,575	$1,036,953	$ 954,742	$ 938,912
Securities sold under repurchase agreements	45,617	45,617	30,513	30,513

The fair value of a financial instrument is the current amount that would be exchanged between willing parties, other than in a forced liquidation. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Corporation's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument. Consequently, the aggregate fair value amounts presented may not necessarily represent the underlying fair value of the Corporation.

Fair value estimates are made at a specific point in time based on relevant market information and information about the financial instrument. These estimates do not reflect any premium or discount that could result from offering for sale at one time the Corporation's entire holdings of a particular instrument. Because no market exists for a significant portion of the Corporation's financial instruments, fair value estimates are based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates are subjective in nature and involve uncertainties and matters that could affect the estimates. Fair value estimates are based on existing on- and off-balance-sheet financial instruments without attempting to estimate the value of anticipated future business and the value of assets and liabilities that are not considered financial instruments.

Deposits with no stated maturities are defined as having a fair value equivalent to the amount payable on demand. This prohibits adjusting fair value derived from retaining those deposits for an expected future period of time. This component, commonly referred to as a deposit base intangible, is neither considered in the above amounts nor is it recorded as an intangible asset on the consolidated balance sheet. Significant assets and liabilities that are not considered financial assets and liabilities include premises and equipment. In addition, the tax ramifications related to the realization of the unrealized gains and losses can have a significant effect on fair value estimates and have not been considered in the estimates.

Note 21 Parent Company Only Financial Statements

Balance Sheets

	December 31 2015	December 31 2014
	(In Thousands)	
Assets		
Cash and cash equivalents	$ 542	$ 130
Investment in Bank	116,247	105,696
Investment in Veritas	2,834	3,180
Premises and equipment, net	-	833
Other assets	27	28
TOTAL ASSETS	$ 119,650	$ 109,867
Liabilities and Stockholders' Equity		
Other liabilities	$ 722	$ 805
Stockholders' equity:		
Common stock	67	67
Additional paid-in capital	2,691	2,606
Retained earnings	123,526	113,339
Treasury stock, at cost	(8,580)	(8,385)
Accumulated other comprehensive income	1,224	1,435
Total stockholders' equity	118,928	109,062
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 119,650	$ 109,867

Statements of Income

	Years Ended December 31 2015	2014	2013
		(In Thousands)	
Income:			
Dividends received from Bank	$ 3,500	$ 6,700	$ 4,106
Rental income received from Bank	49	292	344
Equity in undistributed earnings of subsidiaries	10,132	5,968	7,467
Other income	29	-	10
Total income	13,710	12,960	11,927
Other expenses	469	370	370
Benefit for income taxes	(154)	(30)	(6)
Net income	$ 13,395	$ 12,620	$ 11,563

Statements of Cash Flows

	Years Ended December 31		
	2015	2014	2013
		(In Thousands)	
Cash flow from operating activities:			
Net income	$ 13,395	$ 12,620	$ 11,563
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization of premises and equipment	21	77	57
(Gain) loss from sale and disposal of premises and equipment	(29)	-	16
Stock compensation	341	232	170
Equity in (includes dividends) earnings of subsidiaries	(13,632)	(12,668)	(11,573)
Changes in other assets and liabilities:			
Other assets	1	13	(25)
Other liabilities	(83)	280	514
Net cash provided by operating activities	14	554	722
Cash flows from investing activities:			
Sales of premises and equipment	240	-	628
Purchases of premises and equipment	-	-	(87)
Dividends received from Bank	3,500	6,700	4,106
Dividends received from Veritas	317	-	809
Contribution to subsidiaries	-	(645)	(75)
Net cash provided by investing activities	4,057	6,055	5,381
Cash flows from financing activities:			
Net repayments proceeds of borrowings	-	(1,265)	(1,555)
Cash dividends paid	(3,208)	(2,912)	(1,405)
Issuance of common stock	991	396	492
Repurchase of common stock	(1,442)	(3,227)	(3,337)
Net cash used in financing activities	(3,659)	(7,008)	(5,805)
Net increase (decrease) in cash and cash equivalents	412	(399)	298
Cash and cash equivalents at beginning	130	529	231
Cash and cash equivalents at end	$ 542	$ 130	$ 529
Supplemental schedule of noncash activities:			
Unrealized gain on investments at date of transfer from available for sale to held to maturity	$ -	$ 790	$ -
Amortization of unrealized holding gains on securities transferred from available for sale to held to maturity recognized in other comprehensive income, net of tax	(154)	-	-
Change in unrealized gain on investment securities available for sale, net of tax	(57)	(405)	(2,008)
Property contributed at net book value to Bank	598	-	-