

# BANKFIRST

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OTCQX | BFCC

INVESTOR PRESENTATION

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**FORWARD-LOOKING STATEMENTS.** This presentation and oral statements made relating to this presentation contains, among other things, certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, statements regarding certain of the Company’s goals and expectations with respect to future events that are subject to various risks and uncertainties, and statements preceded by, followed by, or that include the words “may,” “will,” “could,” “should,” “expect,” “plan,” “project,” “intend,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “pursuant,” “target,” “continue,” and similar expressions. These statements are based upon the current belief and expectations of the Company’s management team and are subject to significant risks and uncertainties that are subject to change based on various factors (many of which are beyond the Company’s control). Factors that could cause actual results to differ materially from management’s projections, forecasts, estimates and expectations include, but are not limited to: adverse changes in the overall national economy as well as adverse economic conditions in our specific market areas, potential recession in the United States and our market areas, the impacts related to or resulting from recent bank failures and any continuation of the recent uncertainty in the banking industry, including the associated impact to the Company and other financial institutions of any regulatory changes or other mitigation efforts taken by government agencies in response thereto, increased competition for deposits and related changes in deposit customer behavior, fluctuations in market rates of interest and loan and deposit pricing, the persistence of the inflationary environment in the United States and our market areas, the uncertain impacts of ongoing quantitative tightening and current and future monetary policies of the Board of Governors of the Federal Reserve System, effects of declines in housing prices in the United States and our market areas, increases in unemployment rates in the United States and our market areas, declines in commercial real estate prices, uncertainty regarding United States fiscal debt and budget matters, severe weather, natural disasters, acts of war or terrorism or other external events, regulatory considerations, our ability to recognize the expected benefits and synergies of our completed acquisitions, our ability to successfully complete the upcoming conversion of the Bank’s core data processing systems, the maintenance and development of well-established and valued client relationships and referral source relationships, acquisition or loss of key production personnel, changes in tax laws, and current or future litigation, regulatory examinations or other legal and/or regulatory actions. These forward-looking statements are based on current information and/or management’s good faith belief as to future events. Although the Company believes that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove to be inaccurate. Therefore, the Company can give no assurance that the results contemplated in the forward-looking statements will be realized. Due to these and other possible uncertainties and risks, readers are cautioned not to place undue reliance on the forward-looking statements contained in this presentation. The inclusion of this forward-looking information should not be construed as a representation by the Company or any person that the future events, plans or expectations contemplated by the Company will be achieved. All subsequent written and oral forward-looking statements attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements are made as of the date of this presentation. The Company does not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date the forward-looking statements are made, except as required by law. All forward-looking statements, express or implied, included in the presentation are qualified in their entirety by this cautionary statement.

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**NON-GAAP FINANCIAL MEASURES.** In addition to disclosing financial measures determined in accordance with U.S. generally accepted accounting principles (GAAP), we disclose non-GAAP financial measures, including tangible book value per share..

We consider the use of select non-GAAP financial measures and ratios to be useful for financial and operational decision making and useful in evaluating period-to-period comparisons. We believe that these non-GAAP financial measures provide meaningful supplemental information regarding our performance by excluding certain expenditures or gains that we believe are not indicative of our primary business operating results. We believe that management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting, analyzing and comparing past, present and future periods.

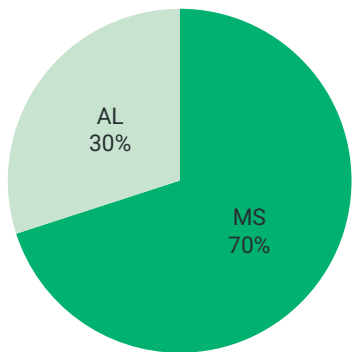
These non-GAAP financial measures should not be considered a substitute for financial information presented in accordance with GAAP and should not be relied on alone as measures of our performance. The non-GAAP financial measures we present may differ from non-GAAP financial measures used by our peers or other companies. We compensate for these limitations by providing the equivalent GAAP measures whenever we present the non-GAAP financial measures and by including a reconciliation of the impact of the components adjusted for in the non-GAAP financial measure so that both measures and the individual components may be considered when analyzing our performance. A reconciliation of non-GAAP financial measures to the comparable GAAP financial measures is provided at the end of this presentation. Numbers in this presentation may not sum due to rounding.

# Overview

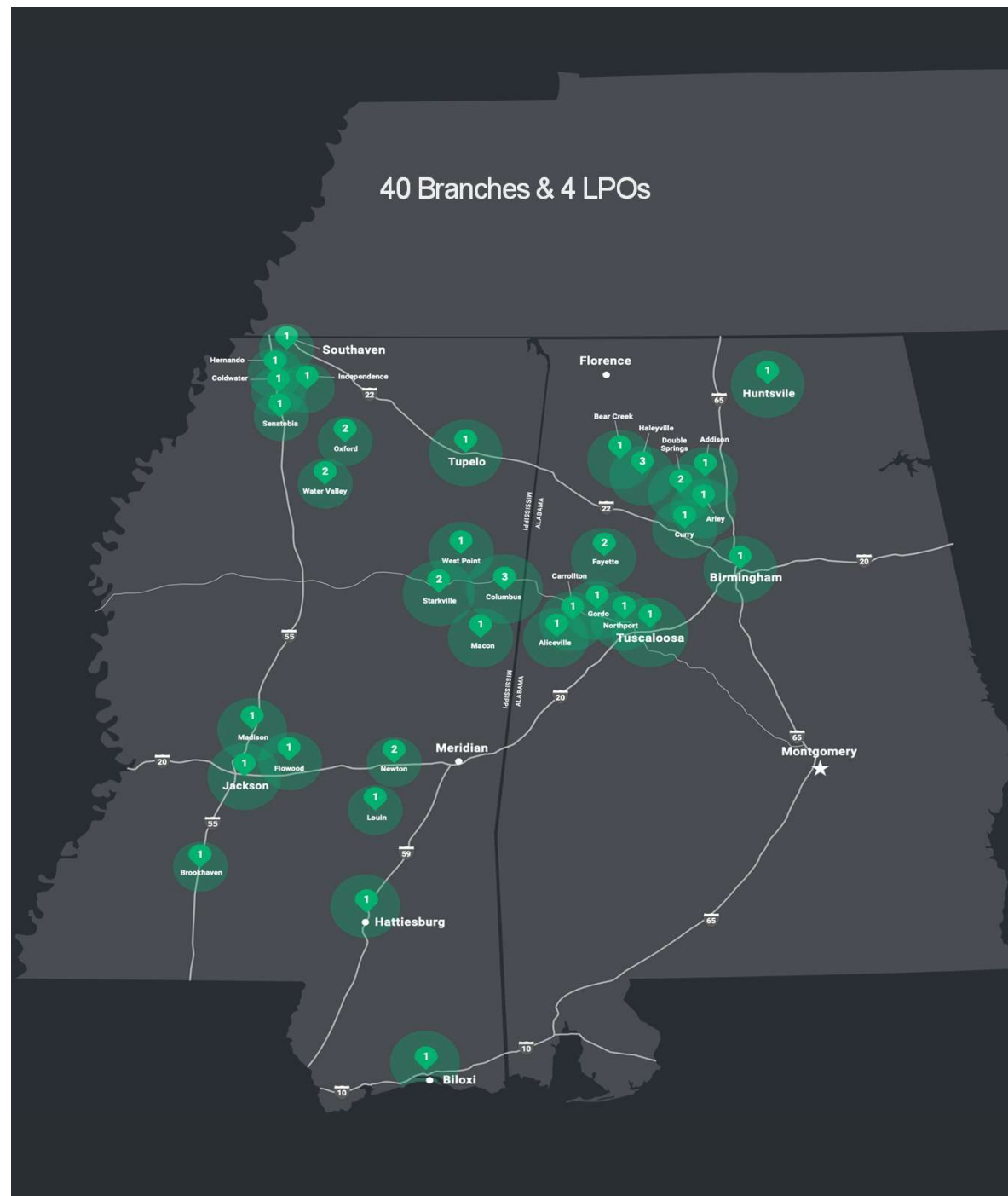
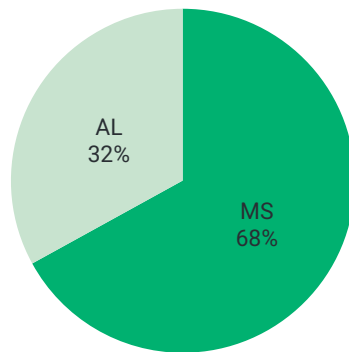
Name: BankFirst Capital Corporation  
 Headquarter: Columbus, Mississippi  
 Ticker: OTCQX: BFCC  
 Assets: \$2.8 Billion  
 Loans: \$1.8 Billion  
 Deposits: \$2.3 Billion  
 Tangible Equity: \$119.5 Million  
 Inside Ownership: 32.06%

8<sup>th</sup> largest bank in the state of Mississippi

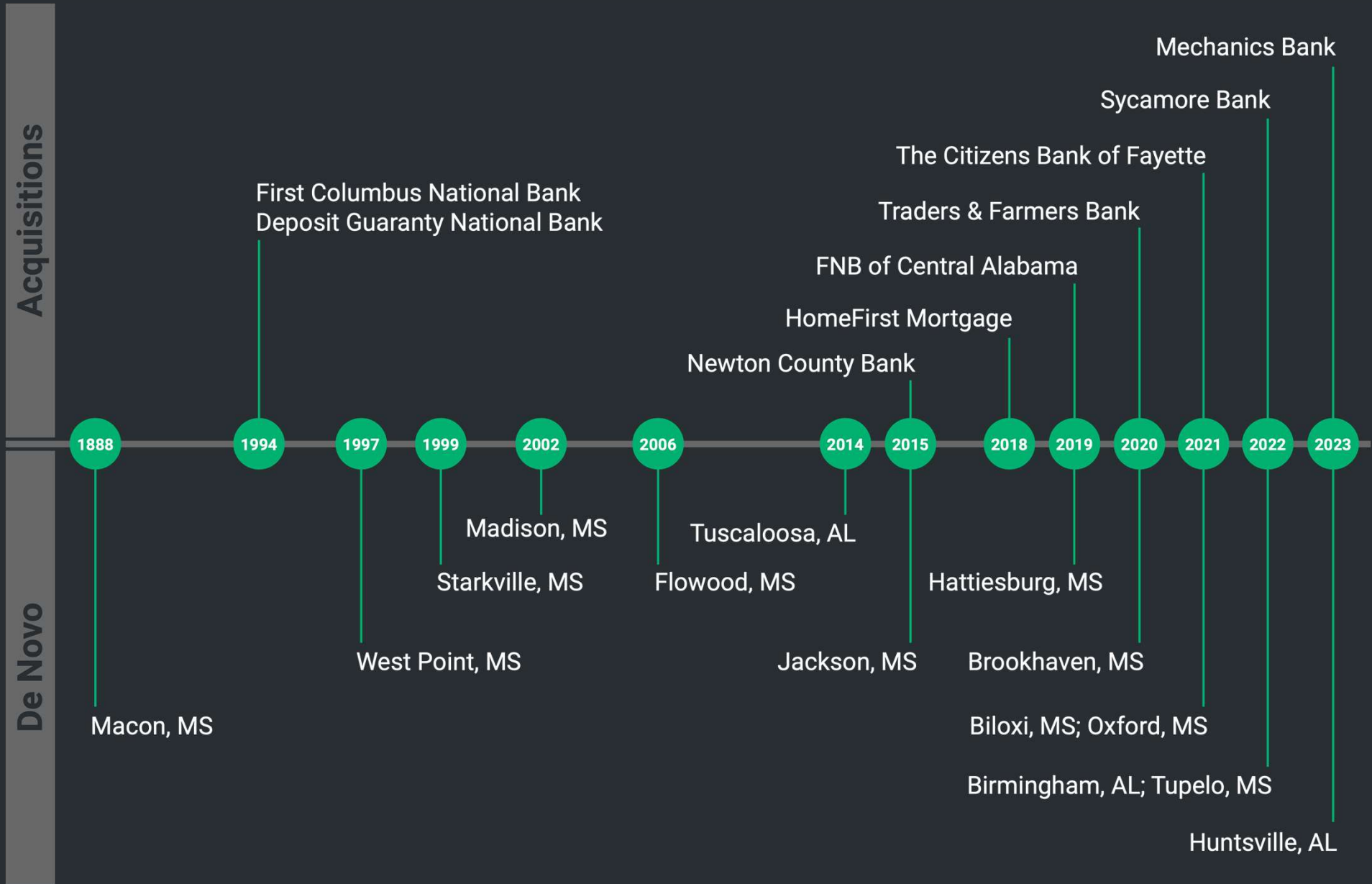
Loans



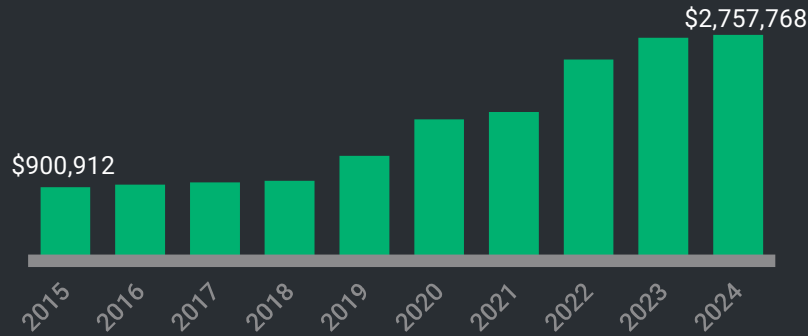
Deposits



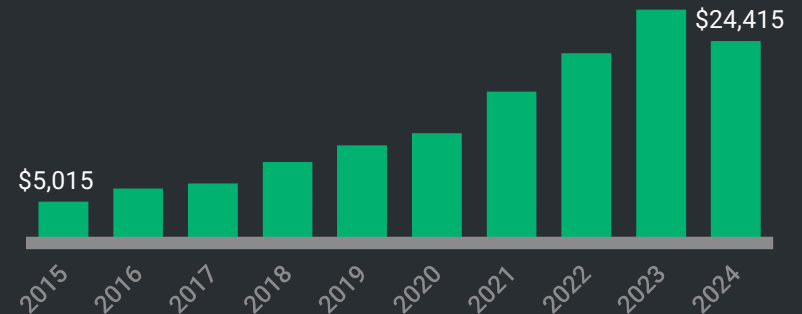
# Market Expansion



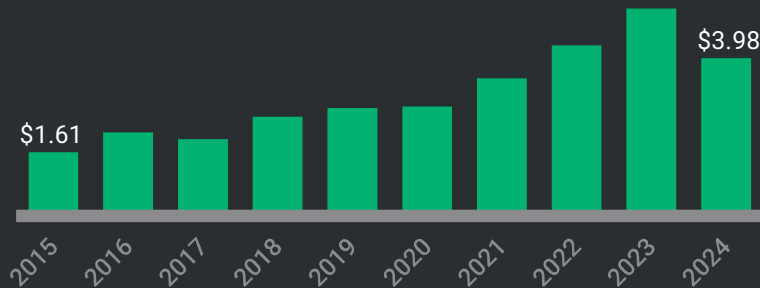
### Total Assets



### Net Income<sup>1</sup>



### Earnings Per Share<sup>2</sup>



Source: BankFirst Internal data.

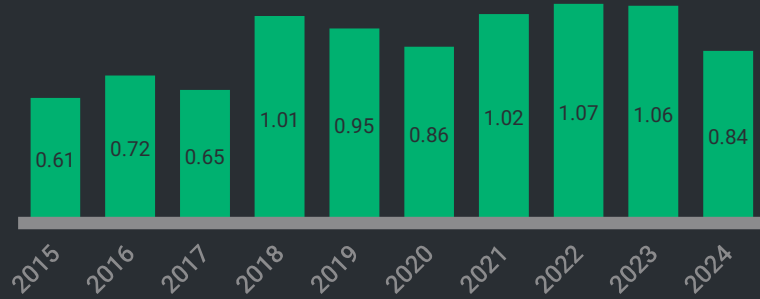
Note: \$ in millions, except EPS

1 - Annualized Net Income as of 6/30/2024 without effects of preferred dividend

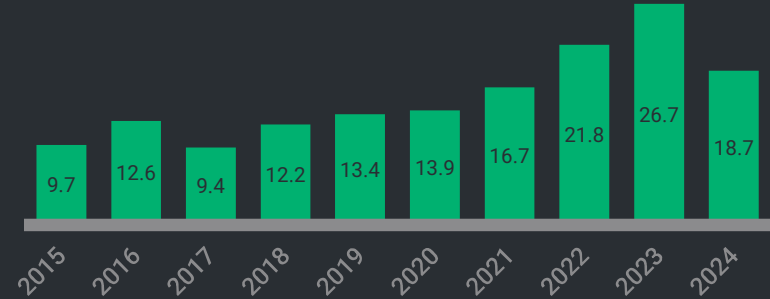
2 - Earnings per share annualized as of 6/30/2024 with effects of preferred dividend

- 8/31/2015 – Acquired Newton County Bancorporation \$164 million in assets.<sup>1</sup>
- 3/5/2018 – Acquired HomeFirst, Inc.
- 3/31/2029 – Acquired FNB Bancshares of Central AL, Inc. \$293 million in assets
- 7/1/2019 – Acquired Traders and Farmers Bancshares, Inc. \$ 366 million in assets
- 1/1/2022 – Acquired Citizens Bank of Fayette \$206.8 million in assets
- 10/1/2022 – Acquired Tate Financial Corporation \$321 million in assets
- 1/1/2023 – Acquired Mechanics Holding Company \$323 million in assets

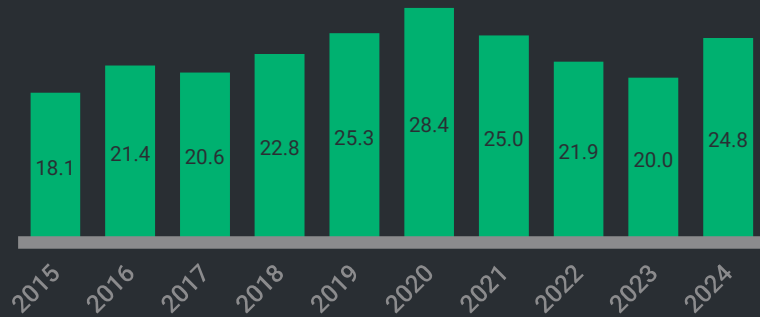
**Reported ROAA (%)<sup>1</sup>**



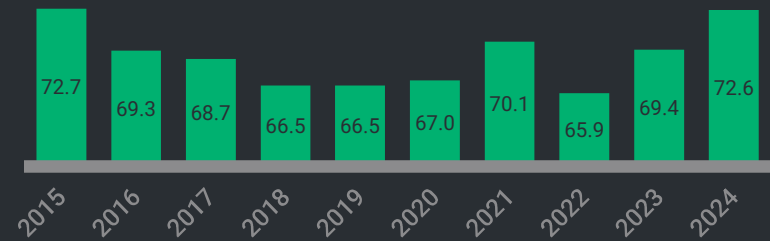
**Reported ROATCE (%)<sup>1</sup>**



**Non-interest Income, Operating Revenue (%)<sup>1</sup>**



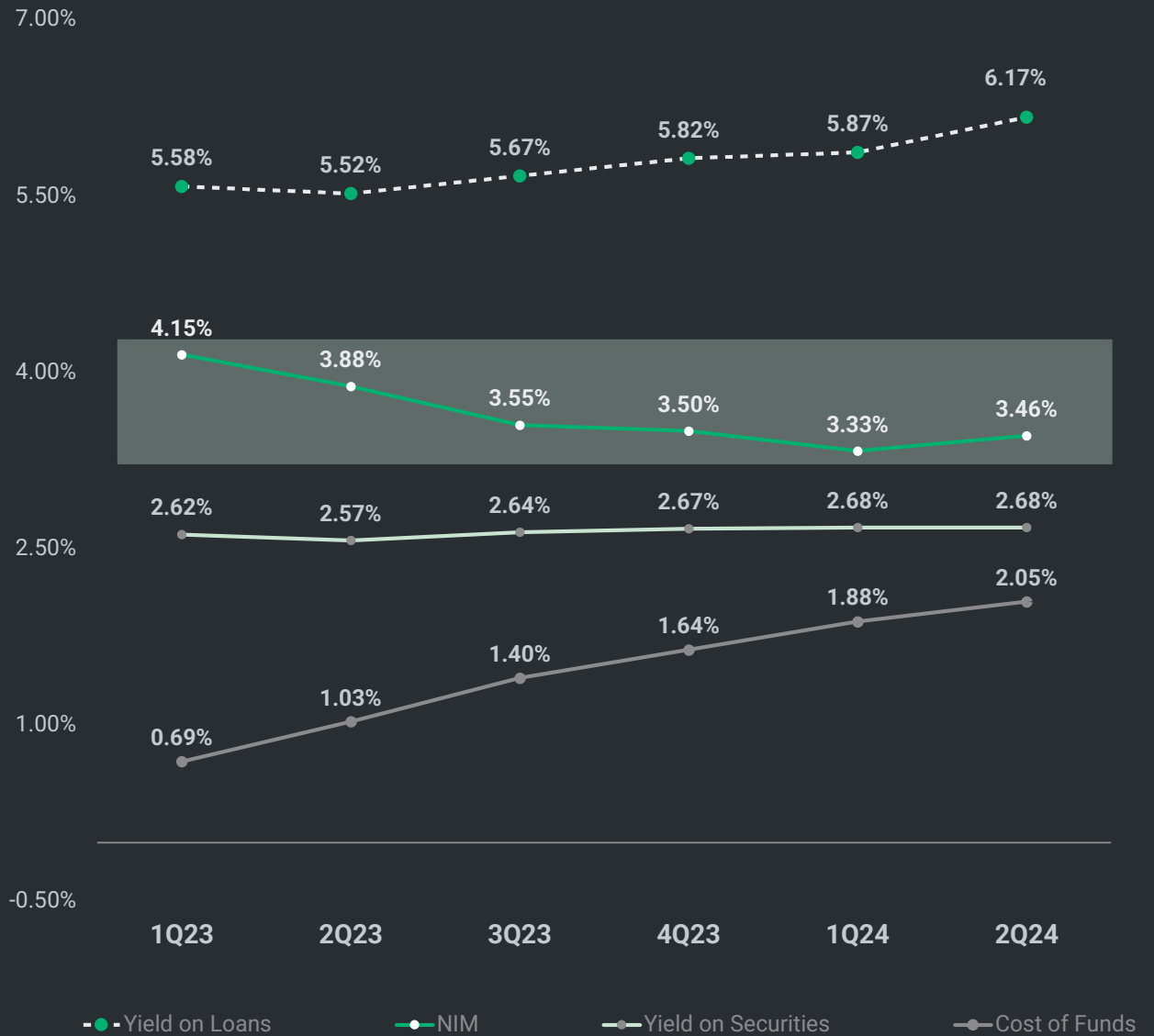
**Efficiency Ratio (%)<sup>1</sup>**



Source: BankFirst Internal data.  
1 - 2024 ratios YTD as of June 30, 2024

# Net Interest Margin

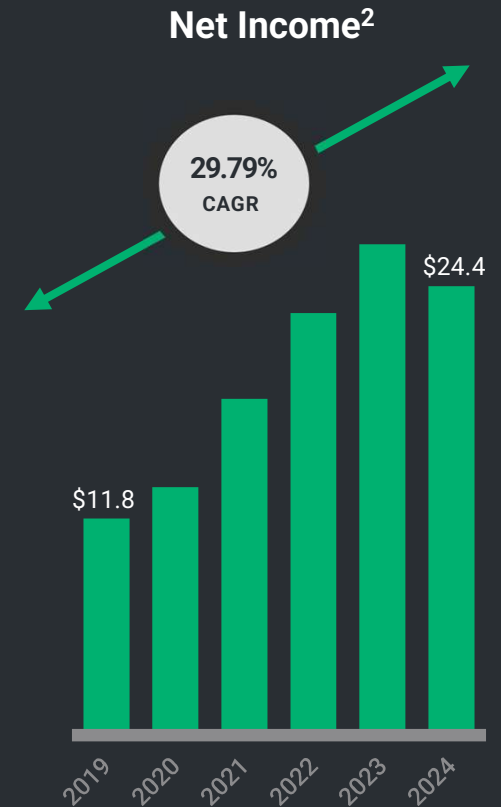
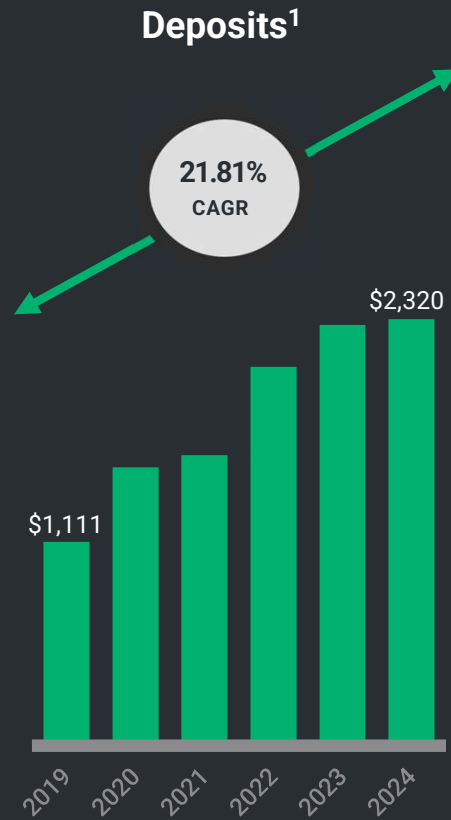
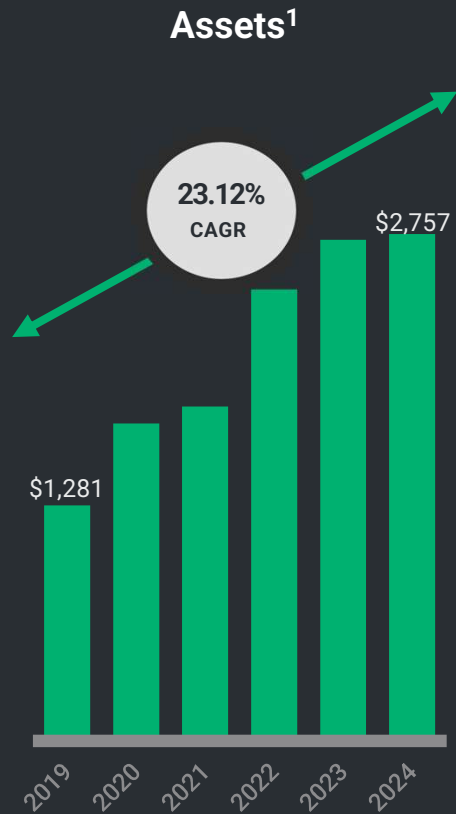
## OVERVIEW



Note: Effects of PPP Loans have been removed.  
 Note: Consolidated Yield on Loans, NIM, and Cost of Funds  
 Note: Bank only Yield on Securities

# **Financial Information**

# Financial Summary

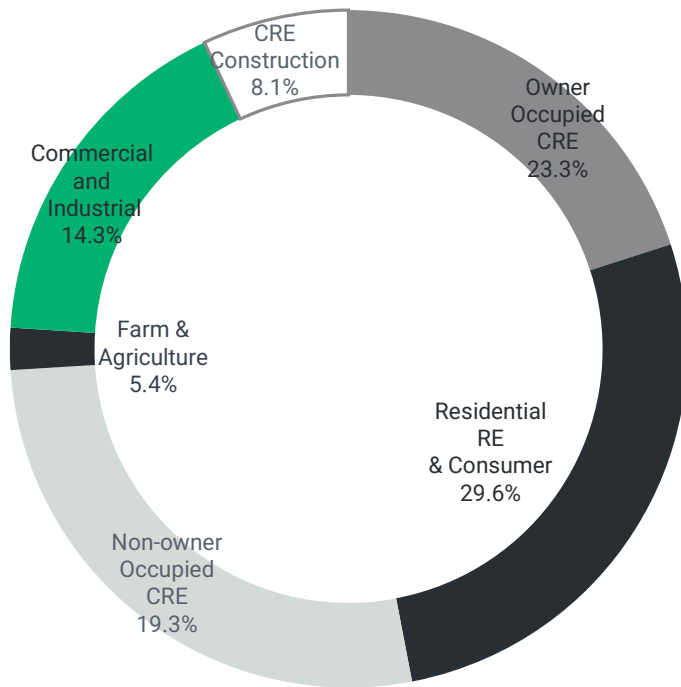


Source: BankFirst Internal data.  
Note: \$ in millions  
1 - Assets and Deposits as of 06/30/2024  
2 - 2024 Annualized Net Income

# Loan Portfolio

## Loan Composition

As of 06/30/2024



## Loan Composition Highlights

### Classified Assets

Loan quality has improved as classified assets represent 7.53% of total capital as of June 30, 2024, compared to 15.82% of total capital in 2019.

### Loan Growth

Loans have increased 103.4% from 2019 to June 30, 2024. The increase is due to our acquisitions and to organic loan growth within our markets.

### Office and Retail Buildings

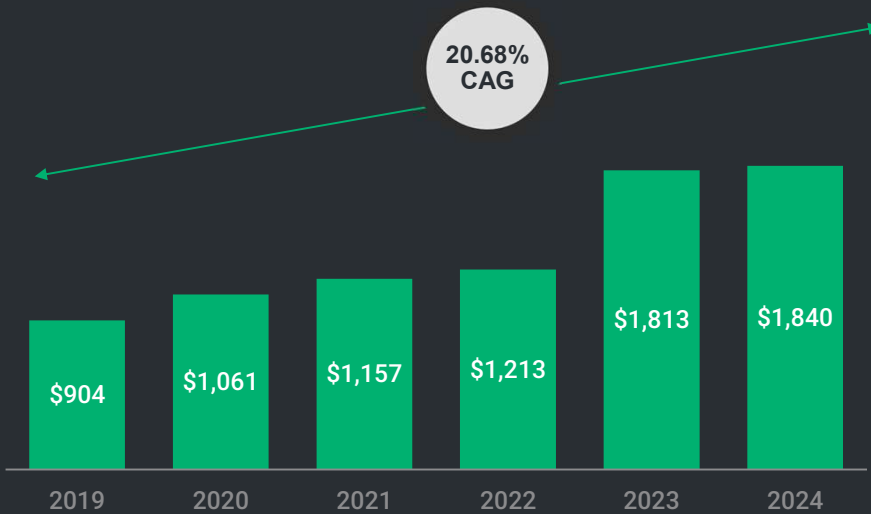
Loans represent 8.84% of total loans within the BankFirst footprint and 25.65% of commercial real estate, with 0% past due 30 days as of 06/30/2024. The bank has no loans on buildings greater than 3 stories and 6 loans on buildings that are 3 stories. Total funded on 3 story buildings was \$6.045 million as of 6/30/2024.

### Hotel Stats

Loans represent a total of 4.43% of total loans within the BankFirst footprint and 12.83% of commercial real estate with 0% past due 30 days as of 06/30/2024. Occupancy levels ranged between 25%-85%.

# Total Loan Growth & Real Estate Concentration

## Loan Growth<sup>1</sup>



## Commercial real estate (CRE) concentration

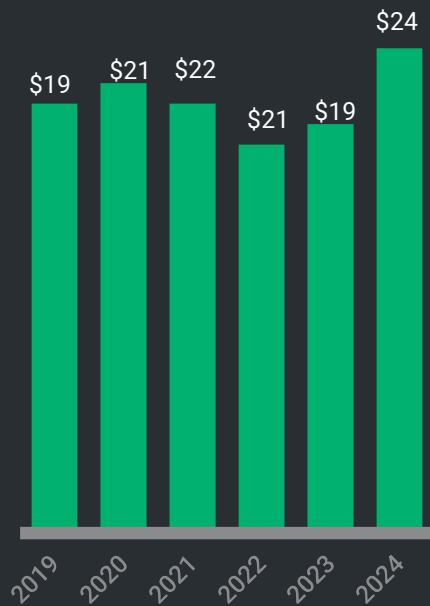
	12/31/2022	12/31/2023	06/31/2024
C&D loans subject to 100% risk-based capital limit	53%	45%	47%
Total CRE loans subject to 300% risk-based capital limit	226%	221%	202%

C&D Loan Breakdown – 37% 1-4 Family, 63% CRE

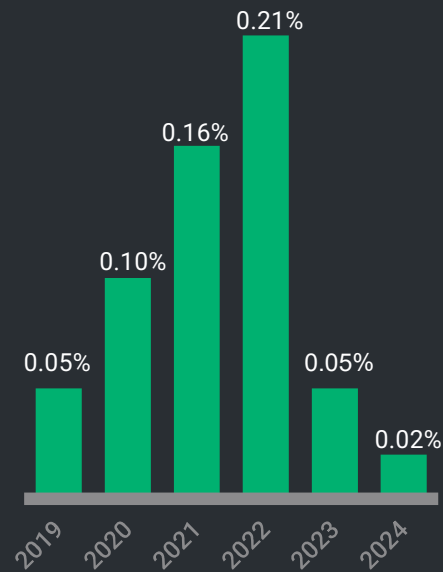
Source: BankFirst Internal data, 2020, 2021, 2022, and 2023 are net of PPP Loans  
 1 - Gross Loans, net of PPP loans as of 06/30/2024

# Asset Quality

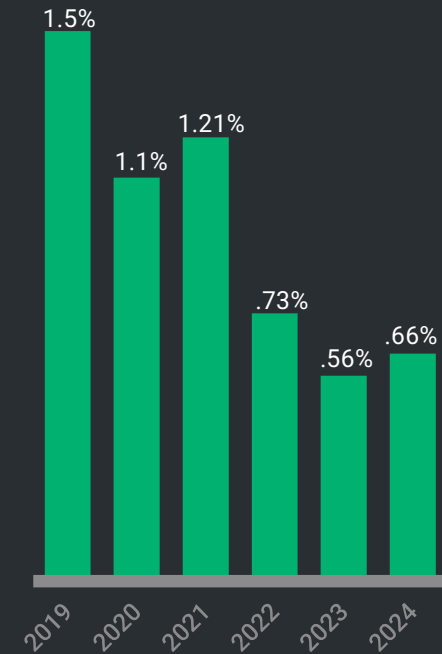
## Classified Assets<sup>1</sup>



## NCOs / Avg. Loans<sup>1</sup>



## NPAs / Loans & ORE<sup>1</sup>

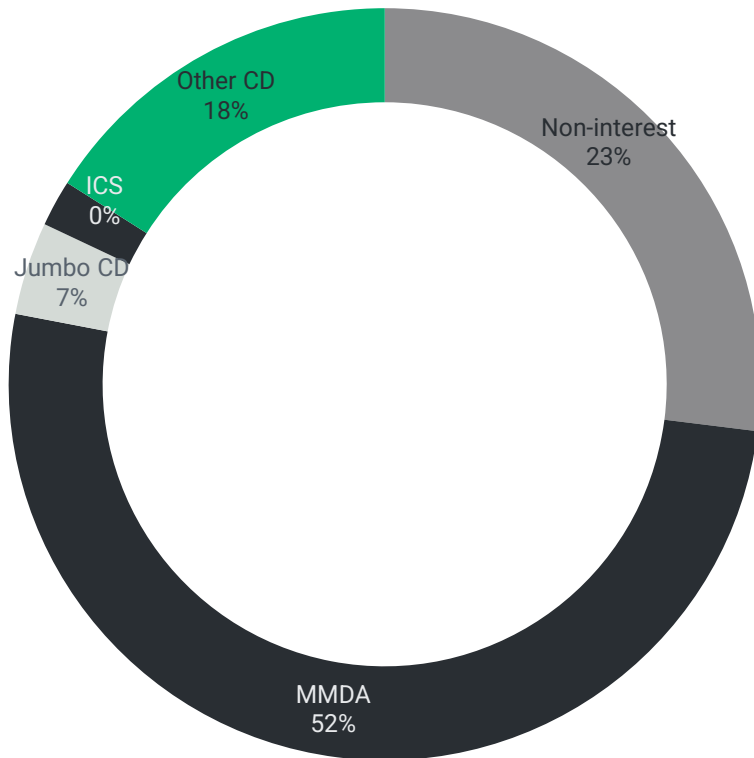


Source: BankFirst Internal data

Note: \$ in millions

1 - Classified assets and ratios as of 06/30/2024

# Deposit Franchise



## Evolution of Deposit Base

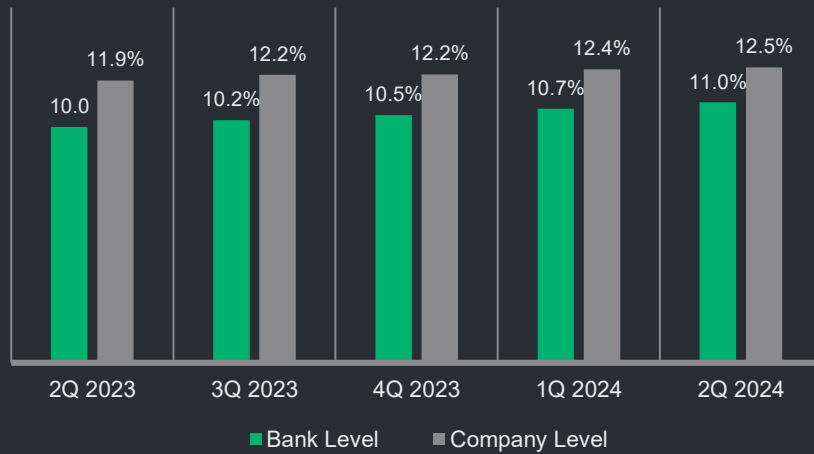
BankFirst has been able to increase its % of total Non-interest bearing deposits through recent acquisitions

	2020	2021	2022	2023	2024 <sup>1</sup>
Noninterest-bearing demand	\$432,252	\$473,617	\$524,951	\$545,024	\$537,515
Money market, NOW, and savings	\$759,099	\$811,990	\$1,157,943	\$1,158,859	\$1,202,559
Jumbo certificates of deposit	\$79,633	\$73,306	\$64,165	\$149,611	\$162,652
Other certificates of deposit	\$244,188	\$222,188	\$261,648	\$402,547	\$407,721
Insured cash sweep deposits	-	-	\$52,523	\$33,094	\$14,972
<b>Total</b>	<b>\$ 1,515,172</b>	<b>\$ 1,581,067</b>	<b>\$ 2,061,230</b>	<b>\$ 2,289,135</b>	<b>\$ 2,230,225</b>
Issued Cash Sweep Deposits Off Balance Sheet	\$50,007	\$56,248	\$11,917	\$65,600	\$129,946

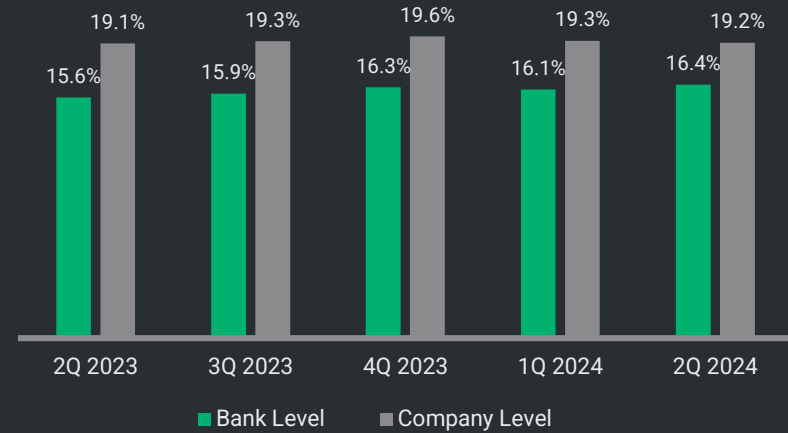
<sup>1</sup> - 2024 Deposit information is as of 06/30/2024

# Capital Overview

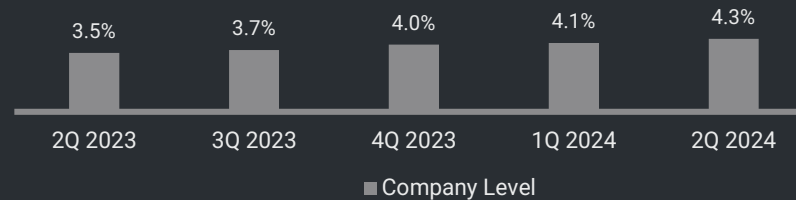
## Tier 1 Capital to Average Assets (Leverage Ratio)



## Total Capital to Risk-Weighted Assets

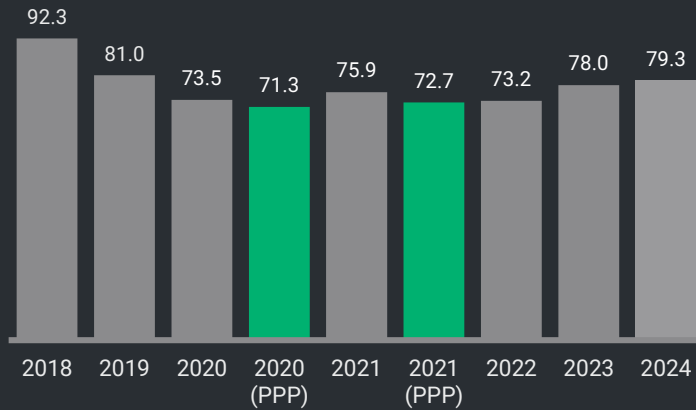


## Tangible Common Equity



# Liquidity Position

Gross Loans / Deposits (%)<sup>1</sup>



## Liquidity Highlights

06/30/2024

Loans to Deposits	79.30%
Net Non-core Funding Dependency Ratio	4.19%
Fed Funds Purchases / Total Assets	0.00%
FHLB Advances / Total Assets	0.00%
FRB Advances / Total Assets	0.00%
Pledged Securities to Total Securities	59.00%

## Funding Sources

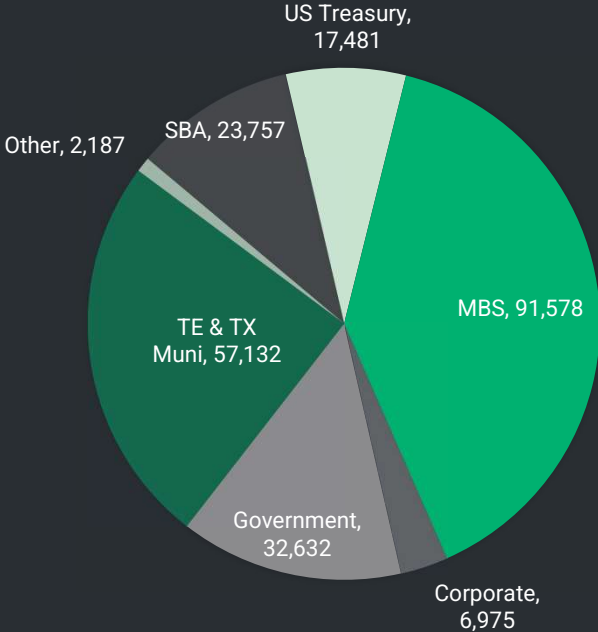
	Available	Outstanding	Remaining Availability	Usage %
<b>Internal Sources</b>				
Free securities and other	\$271,548	\$0	\$271,548	0%
Insured cash sweep deposits	\$144,918	\$14,972	\$129,946	100%
<b>External Sources</b>				
Federal Home Loan Bank	\$889,017	\$0	\$889,017	0%
Correspondent banks	\$60,000	\$0	\$60,000	0%
Federal Reserve Bank	\$14,500	\$0	\$14,500	0%

1 - 2024 Loan to Deposit ratio as of 06/30/2024

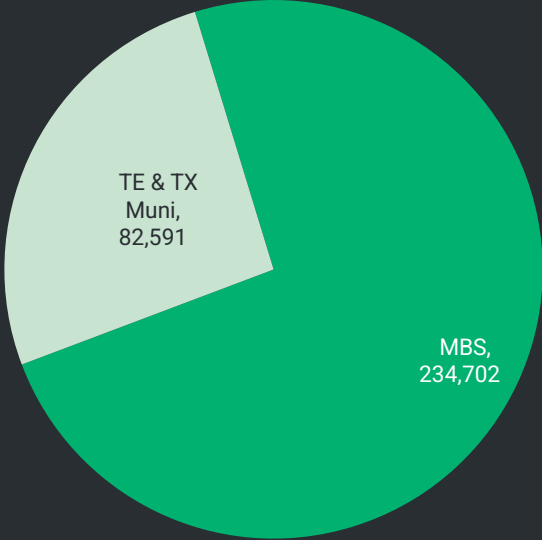
# Securities Portfolio Composition

- \$564,724 Book Value
- \$496,309 Market Value
- 7.37 Year Average Life
- 2.82% Book Yield
- 6.27 Years Effective Duration
- \$11,775 Unrealized Loss on AFS
- 42% AFS and 58% HFS

Available-for-Sale



Held-to-Maturity



# Noninterest Income

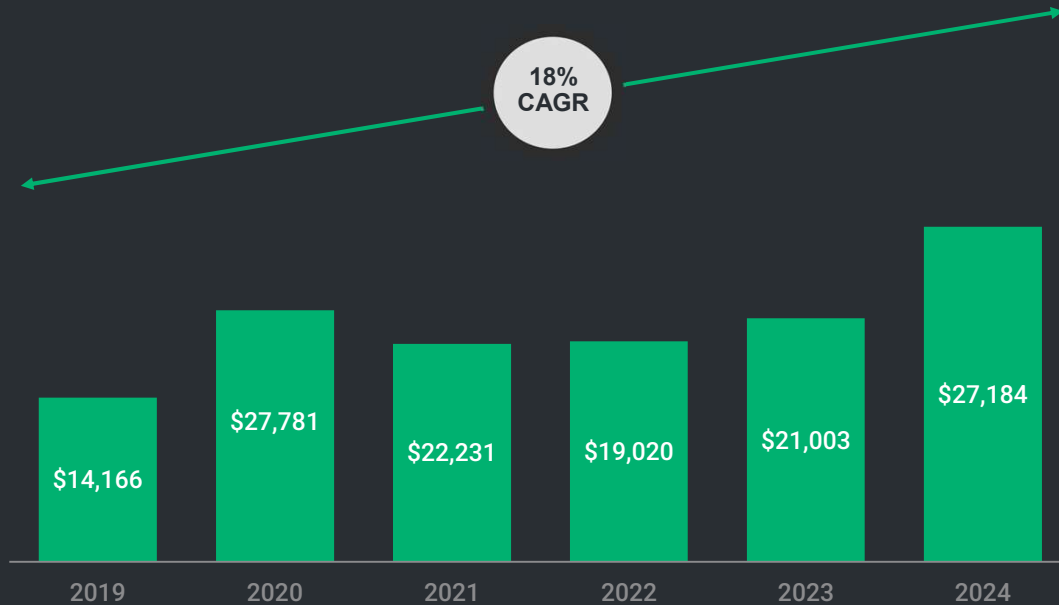
Total noninterest income of \$27,184 (annualized) is up 18% since 2019

Total Mortgage Income for 2024 (annualized) is \$3.1 million

Total Mortgage Income for 2023 was \$2.5 million

Total Mortgage Income in 2022 was \$2.4 million

## Total Noninterest Income Growth



Note: Grant income has been removed from 2020, 2021, 2022, 2023.

# BANKFIRST CAPITAL

OVERVIEW

# ECIP Investment

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Perpetual Preferred Stock

- Created by the Consolidated Appropriations Act of 2021 in response to the COVID-19 pandemic
- Stock Not Dilutive to Common Shareholder
- 0% Dividend Paid by BankFirst for first 24 months, then 2% Dividend Paid by BankFirst indefinitely. (May be reduced in future)
- The Company will pay \$2.8 million in preferred dividends during 2024.
- Perpetual Preferred Stock never has to be paid off and becomes part of our permanent capital structure

# ECIP Investment

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Perpetual Preferred Stock

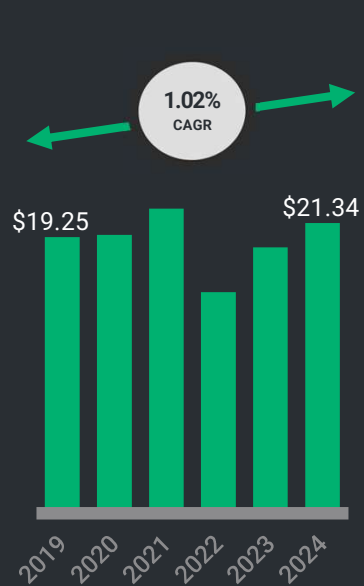
# \$188 Million

United States Treasury has invested **\$175,000,000** in BankFirst Capital Corporation in the form of Perpetual Preferred Stock

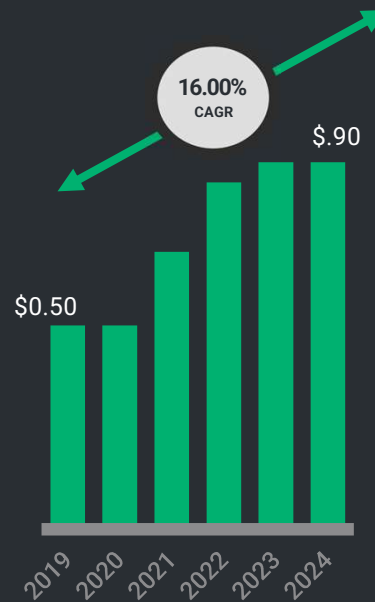
BankFirst acquired **\$13,680,000** of Perpetual Preferred Stock with the acquisition of Mechanics.

# Shareholder Returns

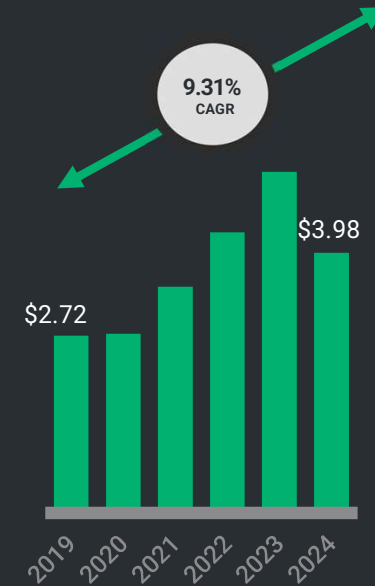
## Tangible Book Value<sup>1</sup>



## Dividend Focus<sup>2</sup>



## Earnings Per Share<sup>3</sup>



Source: BankFirst Internal data.

Note: \$ in millions

1 - Tangible Book Value as of June 30, 2024

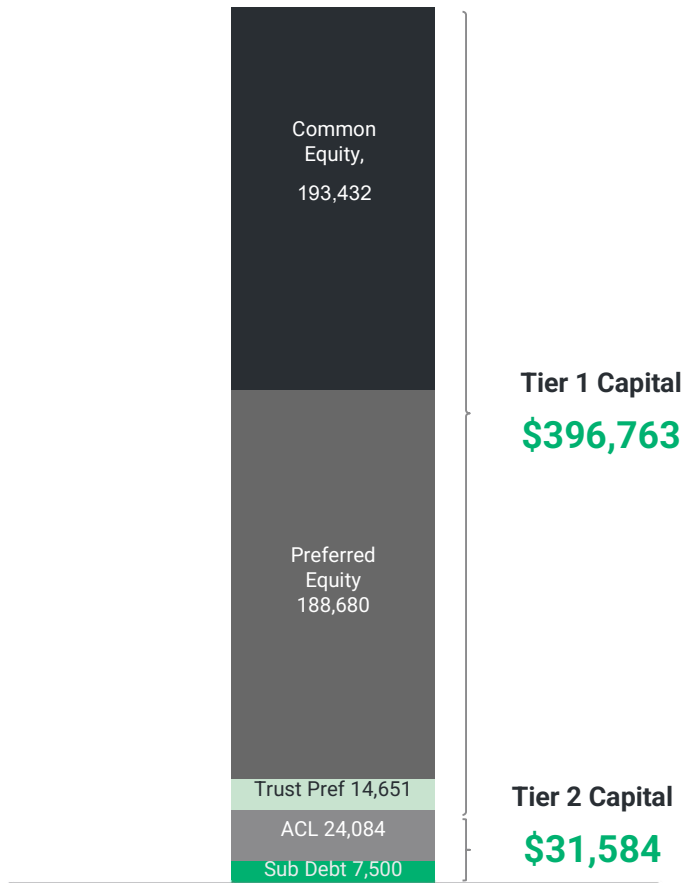
2 - Shown as a constant from 2023. To be determined in the 4<sup>th</sup> Quarter 2024

3 - 2024 Earnings Per Share annualized

# Capital Position

## Capital Position

as of June 30, 2024 (\$ in thousands)



## Capital Highlights

- Issued \$175.0 million of senior perpetual noncumulative preferred stock to the U.S. Department of the Treasury pursuant to the Emergency Capital Investment Program (“ECIP”)
- BankFirst also acquired \$13.7 in ECIP through the acquisition of Mechanics.
- Consistent dividend payment history including through the 2008 financial crisis
- Subordinated debt financing in the Company’s capital structure as of June 30, 2024:
  - \$7.5 million par value subordinated notes due April 30, 2029; call period began May 2024; current fixed rate of 6.38%
  - ECIP dividend

# Market Profile



Recent Price <sup>1</sup> (08/23/2024)	\$36.48
Shares Outstanding (07/31/2024)	5.442 million
Market Capitalization <sup>2</sup>	\$155.2 million
Price/Tangible Book Value <sup>3</sup>	1.71x
Trailing P/E <sup>4</sup>	7.53x
Dividend Yield <sup>5</sup>	4.22%
Total Assets (06/30/2024)	\$2.8 Billion

1 – Source: OTC Markets

2 – Based on August 23, 2024 closing market price and June 30, 2024 shares outstanding

3 – Based on August 23, 2024 closing market price, June 30, 2024 shares outstanding and June 30, 2024 tangible book value.

4 – Based on August 23, 2024 closing market price, June 30, 2024 shares outstanding and \$3.98 earnings/share

5 – Based on closing market price as of August 23, 2024, based prior year dividend of \$0.90

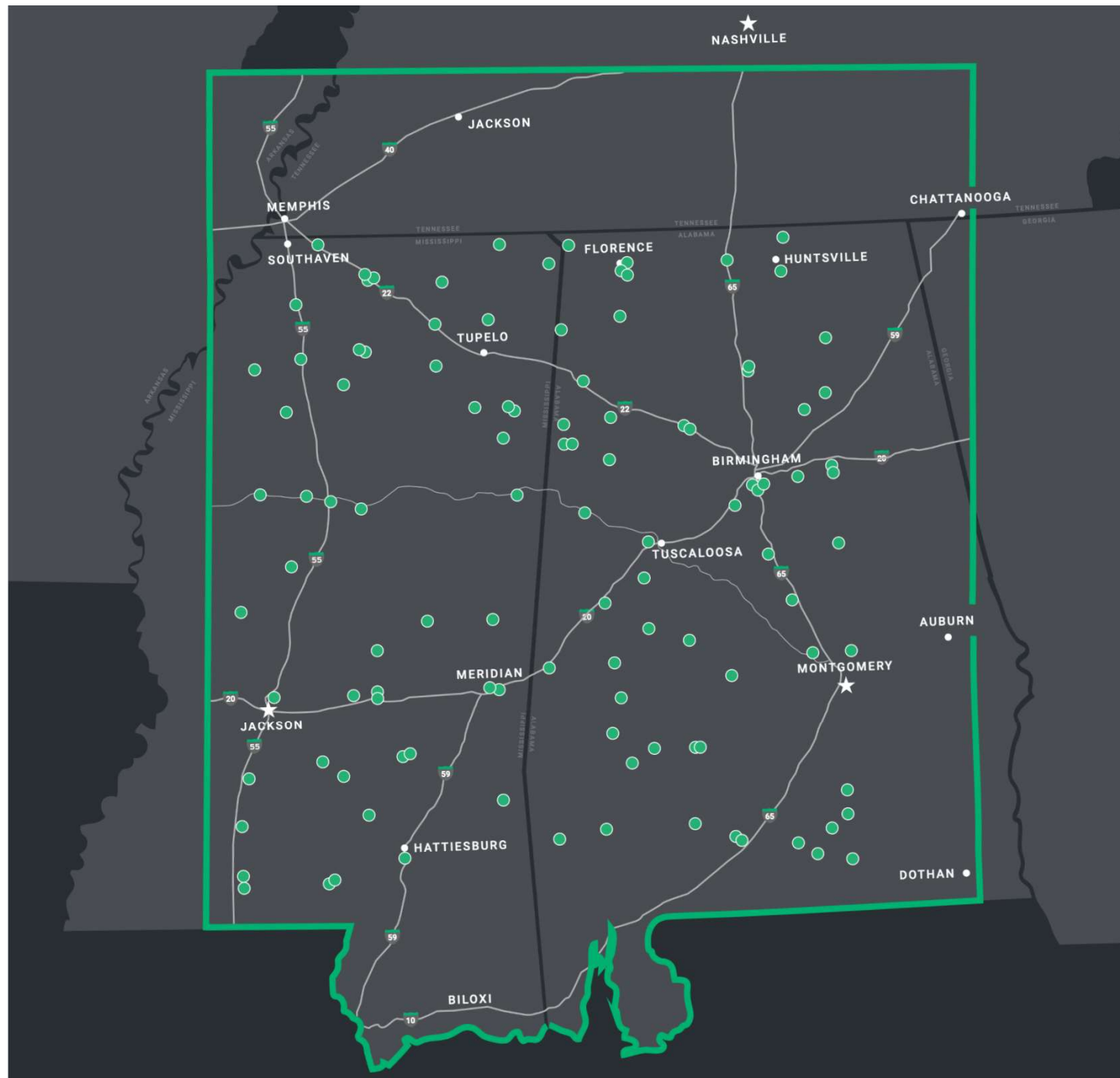
BANKFIRST

# Strategic Vision

# Banks Headquartered in Footprint

## GROWTH PLAN

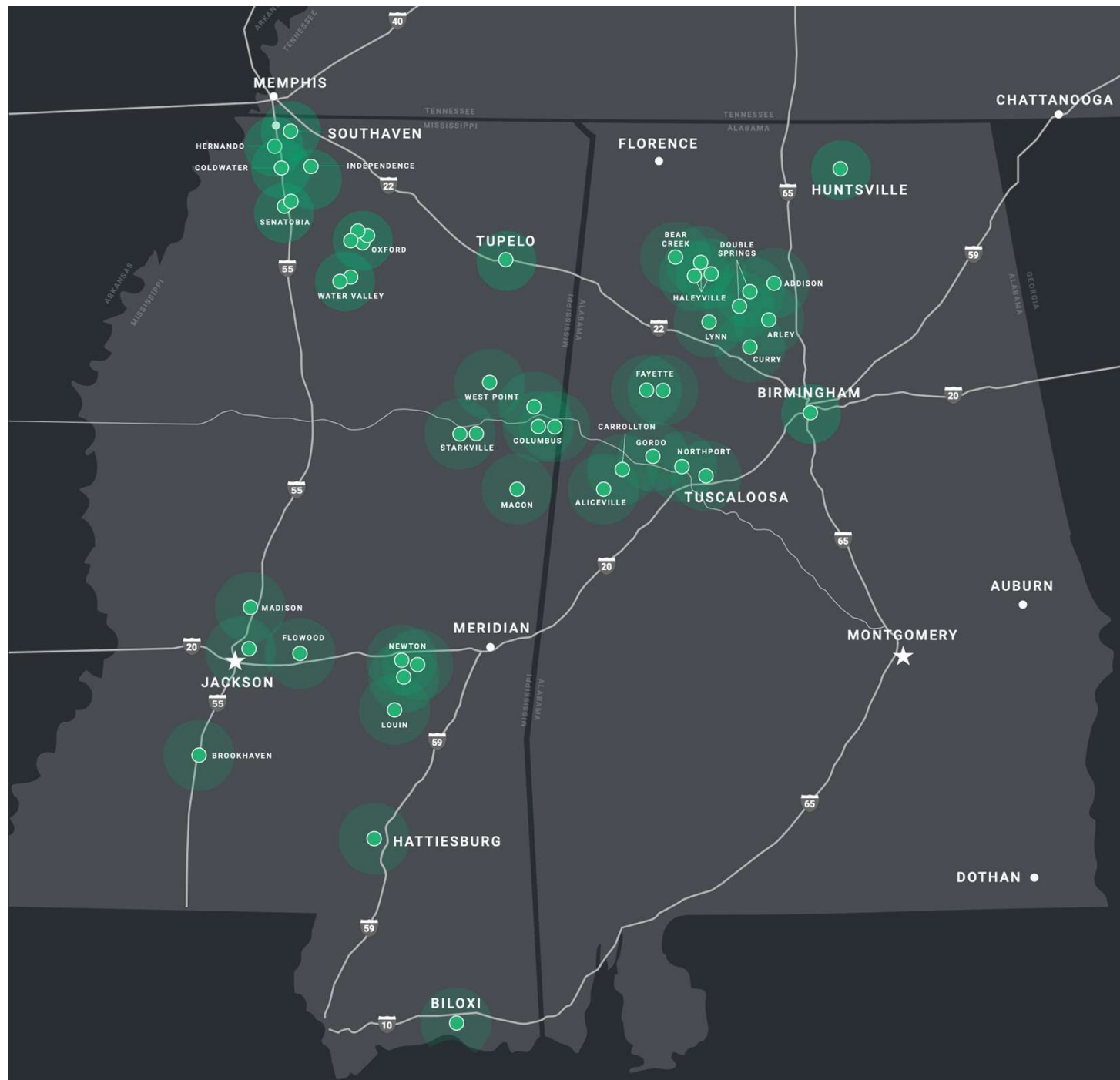
Headquarters of banks within our current footprint that could become acquisition targets.



# Locations

## COMPANY OVERVIEW

BankFirst has a significant presence on Highway 82 from Starkville, MS to Tuscaloosa, AL, and on the Interstate 55 corridor in North Mississippi and along the Interstate 22 corridor in North Mississippi and North Alabama. The Bank continues to expand both its Mississippi and Alabama footprint.



**BANKFIRST**

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**SUPPLEMENTARY INFORMATION**

# Balance Sheet Highlights

## COMPANY OVERVIEW

	2019	2020	2021	2022	2023	2024
<b>Total Assets</b>	\$1,279	\$1,727	\$1,819	\$2,458	\$2,725	\$2,758
Loans, net	\$895	\$1,126	\$1,191	\$1,497	\$1,789	\$1,816
AFS Securities	\$217	\$329	\$424	\$278	\$235	\$232
HTM Securities	-	-	-	\$348	\$328	\$317
<b>Total Liabilities</b>	\$1,166	\$1,580	\$1,662	\$2,121	\$2,353	\$2,376
Total Deposits	\$1,110	\$1,515	\$1,581	\$2,061	\$2,289	\$2,320
Total Borrowings	\$44	\$55	\$68	\$39	\$37	\$28
<b>Total Equity</b>	\$115	\$147	\$158	\$337	\$372	\$382

Note: \$ in Millions

Note: The Balance Sheet presented shows the consolidated company's progress over the past 5 years.

Note: Years 2019-2023 as of December 31.

Note: Year 2024 as of June 30.

# Income Statement Highlights

## COMPANY OVERVIEW

	2019	2020	2021	2022	2023	2024
Net Interest Income	\$40,555	\$50,147	\$55,224	\$68,925	\$89,465	\$84,894
Provision for Loan Losses	\$1,577	\$8,117	\$1,112	\$1,050	\$1,985	\$2,100
Non-Interest Income	\$14,166	\$21,983	\$23,119	\$19,892	\$27,637	\$27,291
Non-Interest Expense	\$37,795	\$47,857	\$54,241	\$59,025	\$79,058	\$79,378
Income Tax Expense	\$3,534	\$2,674	\$4,690	\$5,787	\$7,858	\$6,292
Net Income	\$11,815	\$13,044	\$18,300	\$22,955	\$28,201	\$24,415

Note: \$ in thousands

Note: The Income Statement presented shows the consolidated company's progress over the past 5 years.

Note: 2024 Annualized Net Income

# Tangible Book Value

per common share excluding AOCI

	2019	2020	2021	2022	2023	2024
Total Equity	\$115,015	\$146,996	\$156,798	\$337,335	\$372,437	\$382,112
Less Preferred stock	\$ -	\$ -	\$ -	\$175,000	\$188,680	\$188,680
Less Goodwill and other intangibles	\$23,884	\$39,099	\$38,459	\$75,359	\$78,256	\$77,446
<b>Tangible common equity</b>	<b>\$91,131</b>	<b>\$107,897</b>	<b>\$118,339</b>	<b>\$86,976</b>	<b>\$105,501</b>	<b>\$115,986</b>
Common shares outstanding	\$4,489,414	\$5,270,323	\$5,284,629	\$5,353,906	\$5,399,972	\$5,436,106
Tangible book value per common share	\$20.30	\$20.47	\$22.39	\$16.25	\$19.54	\$21.34
Accumulated Other Comprehensive Income (AOCI)	\$1,263	\$4,779	-\$560	-\$14,068	-\$10,485	-\$10,485
Tangible book value per common share excluding AOCI	\$20.02	\$19.57	\$22.50	\$18.87	\$21.48	\$23.58

Note: \$ in Millions