

Baylake Corporation (NASDAQ: BYLK; Sturgeon Bay, WI) has agreed to merge with Nicolet Bankshares, Inc. (OTCBB: NCBS; Green Bay, WI)

Deal Value: \$140.9 million

Sandler O'Neill acted as exclusive financial advisor and rendered a fairness opinion to Baylake Corporation in this transaction. This transaction represents Sandler O'Neill's 95th bank or thrift transaction nationwide since January 1, 2014 representing \$16.7 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions than any other investment bank during that time period.¹

Since January 1, 2013, Sandler O'Neill's has advised on 26 bank or thrift transaction in the Midwest for an aggregate transaction value of \$2.5 billion, more than any other investment bank during that time period.¹

GREEN BAY and STURGEON BAY, WI, September 8, 2015 – Nicolet Bankshares, Inc. (OTCQB: NCBS) ("Nicolet") and Baylake Corp. (NASDAQ: BYLK) ("Baylake") jointly announce the signing of a definitive merger agreement under which Nicolet and Baylake will merge to create the largest community bank north of Milwaukee.

Based on the financial results as of June 30, 2015, the combined company would have total assets of \$2.2 billion, deposits of \$1.8 billion and loans of \$1.6 billion. The merger is expected to create the fourth largest bank headquartered in Wisconsin by deposit market share. The combined company will have an expanded geography with 41 branches in Northeast and Northcentral Wisconsin and the upper peninsula of Michigan.

Bob Atwell, Founding Chairman and CEO of Nicolet said, "By uniting two strong community banks, we will be able to leverage the strengths of each to create a real difference to our shareholders, customers and to the communities we serve."

"We are extremely pleased to announce the combination of these two great Wisconsin community banks," said Rob Cera, President and CEO of Baylake. "Our similar cultures, customer-first approach, service strengths and geographies make this a perfect fit."

Mike Daniels, President and COO of Nicolet National Bank said, "We are really looking to drive growth and efficiency through the scale that we create. Individually we are good; together we are better. This will truly transform the landscape of community banking in Wisconsin."

In the merger, Baylake shareholders will receive a fixed ratio of 0.4517 shares of Nicolet common stock for each share of Baylake common stock. This implies a transaction value of \$15.02 per share of Baylake stock or approximately \$141 million in aggregate consideration based upon Nicolet's closing price of \$33.25 as of September 8, 2015.

In addition, Baylake expects to declare and pay a special cash dividend of \$0.40 per share to Baylake shareholders prior to the closing of the merger.

The transaction is expected to be accretive to Nicolet's earnings per share in 2016 and thereafter. Further, it is anticipated that the combined company's pro forma capital ratios will exceed regulatory well-capitalized guidelines and its pro forma tangible common equity to tangible assets ratio will approximate 8% at closing.

Prior to the closing of the transaction, Nicolet plans to be listed on NASDAQ.

The combined company's leadership team will be comprised of executives from both organizations. Bob Atwell and Rob Cera will serve as co-Chairmen and CEOs of Nicolet Bankshares, Inc. Mike Daniels will serve as President and CEO of Nicolet National Bank.

Additionally, the board of directors will be comprised of eight directors each from Nicolet and Baylake.

The combined company will operate under the Nicolet National Bank brand and the corporate headquarters will be in Green Bay, WI.

The merger agreement has been unanimously approved by the board of directors of each company. The transaction is expected to close in the first half of 2016 and is subject to customary closing conditions, including approval by shareholders of each company and regulatory approvals.

Financial Highlights

(Dollars in millions)

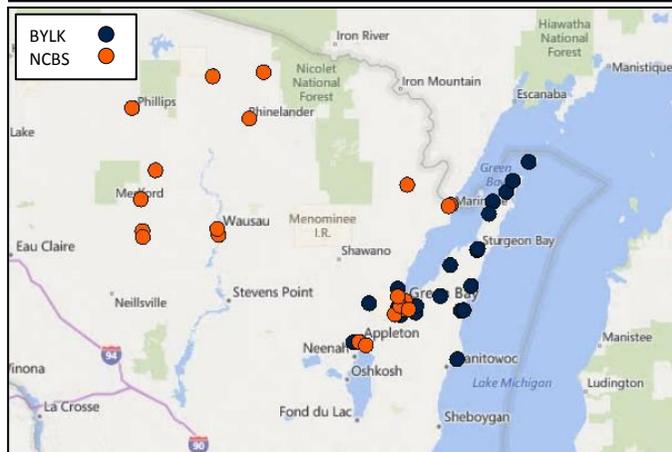
	BYLK	NCBS
Total Assets	\$981	\$1,185
Net Loans	\$680	\$877
Total Deposits	\$759	\$1,000
Total Equity	\$108	\$114
Branches	20	21

Financial data as of June 30, 2015

¹ Excludes terminated transactions and self-advisory roles

Source: SNL Financial, Company Documents, Press Release

Pro Forma Map



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