

NEWS RELEASE



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Bank First increases its dividend by 9%; reports net income of \$3.1 million for the second quarter

Bank First National Corporation ([BFNC](#)) announced that its board of directors approved a quarterly common stock cash dividend of \$0.12 per common share, a \$0.01 increase from the previous quarter. The dividend is payable on October 3, 2014, to shareholders of record as of September 19, 2014. “The increase in the quarterly cash dividend is a reflection of our strategy to provide returns to our shareholders consistent with our financial performance through quarterly cash dividends and appreciation of our stock price,” stated Mike Molepske, President and Chief Executive Officer.

In addition, Bank First reported net income for the second quarter of 2014 of \$3.1 million, compared to net income of \$3.2 million in the prior year quarter of 2013. Earnings per share remained steady at \$0.49 over the same period.

“Our second quarter results were mixed as we continued the growth of our core banking business with loans increasing by 9.9% to \$866 million and core deposits increasing by 9.4% to \$904 million. However, our mortgage origination business remains soft with gains on our sales of mortgages declining to \$138,000 in the second quarter of 2014, compared to \$383,000 in the prior year quarter of 2013,” said Mr. Molepske.

“We continue to invest in our facilities and personnel. We began construction of our new Two Rivers office in the second quarter, and will open our new Valders office on August 1,” added Molepske.

Bank First National Corporation (BFNC) provides financial services through its sole subsidiary, Bank First National, which was incorporated in 1894. The Bank is an independent community bank with 12 banking locations in Manitowoc, Brown, and Sheboygan and Winnebago counties. The Bank has grown through both acquisitions and de novo branch expansion. The Bank offers loan, deposit and treasury management products at each of its banking offices. Insurance services are available through our bond with Ansay & Associates, LLC. Trust, investment advisory and other financial services are offered through the Bank's partnership with Legacy Private Trust, an alliance with Morgan Stanley Smith Barney and an affiliation with McKenzie Financial Services, LLC. The Bank is a co-owner of a data processing subsidiary, United Financial Services, Inc., which provides data services for over 56 Midwest banks. The company employs approximately 159 full-time equivalent staff and has assets of \$1.09 billion as of June 30, 2014. Further information about Bank First National Corporation is available by clicking on the Investor Relations tab at www.BankFirstNational.com.

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Forward Looking Statements: This news release may contain certain "forward-looking statements" that represent Bank First National Corporation's expectations or beliefs concerning future events. Such forward-looking statements are about matters that are inherently subject to risks and uncertainties. Because of the risks and uncertainties inherent in forward looking statements, readers are cautioned not to place undue reliance on them, whether included in this news release or made elsewhere from time to time by Bank First National Corporation or on its behalf. Bank First National Corporation disclaims any obligation to update such forward-looking statements. In addition, statements regarding historical stock price performance are not indicative of or guarantees of future price performance.

**BANK FIRST NATIONAL CORPORATION
AND SUBSIDIARIES
Consolidated Balance Sheets**

| ASSETS | 6/30/2014 | 12/31/2013 | 6/30/2013 | YOY Quarter Change |
|---|--------------------------------|--------------------------------|------------------------------|-------------------------------|
| Cash and due from Banks | \$ 32,716,409 | \$ 26,448,045 | \$ 20,145,144 | \$ 12,571,265 |
| Interest-bearing deposits | 5,940,795 | 45,186,559 | 11,491,145 | \$ (5,550,350) |
| Federal funds sold | - | 129,395 | 31,000 | (31,000) |
| Cash and cash equivalents | <u>38,657,204</u> | <u>71,763,999</u> | <u>31,667,289</u> | 6,989,915 |
| Securities available for sale, at fair value | 111,316,389 | 109,650,433 | 113,145,025 | (1,828,636) |
| Other investments, at cost | 2,958,417 | 2,958,417 | 2,958,417 | - |
| Loans held for sale | 281,600 | 272,200 | 405,000 | (123,400) |
| Loans | 865,298,108 | 823,144,428 | 785,552,221 | 79,745,887 |
| Allowance for loan loss | <u>(8,951,629)</u> | <u>(8,755,151)</u> | <u>(8,359,727)</u> | <u>(591,902)</u> |
| Loans, net | 856,346,479 | 814,389,277 | 777,192,494 | 79,153,985 |
| Premises and equipment, net | 9,894,169 | 9,272,220 | 10,028,209 | (134,040) |
| Goodwill | 7,983,933 | 7,983,933 | 7,983,933 | - |
| Intangible assets, net | 48,429 | 57,509 | 66,590 | (18,161) |
| Mortgage Servicing Rights | 2,345,851 | 2,505,802 | 2,426,654 | (80,803) |
| Investment in minority owned subsidiaries | 15,597,429 | 14,745,738 | 14,809,399 | 788,030 |
| Deferred tax | - | 972,540 | - | - |
| Other real estate owned | 2,208,677 | 2,976,156 | 4,630,880 | (2,422,203) |
| Cash value of life insurance | 20,102,335 | 19,841,558 | 20,032,147 | 70,188 |
| Other assets | 21,646,477 | 3,496,787 | 3,386,847 | 18,259,630 |
| Total Assets | <u>\$ 1,089,387,389</u> | <u>\$ 1,060,886,569</u> | <u>\$ 988,732,884</u> | <u>\$ 100,654,505</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | |
| Deposits | 903,421,419 | 919,486,423 | 840,904,190 | 62,517,229 |
| Fed funds purchased | - | - | 9,148,019 | (9,148,019) |
| Securities sold under repurchase agreements | 32,603,280 | 30,844,504 | 30,077,485 | 2,525,795 |
| Borrowed funds | 20,000,000 | - | - | 20,000,000 |
| Dividend Payable | 700,626 | 445,204 | - | 700,626 |
| Notes payable | 2,905,000 | 1,815,000 | 5,350,000 | (2,445,000) |
| Other liabilities | <u>23,414,086</u> | <u>6,727,568</u> | <u>4,674,862</u> | <u>18,739,224</u> |
| Total liabilities | 983,044,411 | 959,318,699 | 890,154,556 | 92,889,855 |
| Stockholders' Equity | | | | |
| Common stock--\$0.01 par value: Authorized-- 20,000,000 shares Issued--6,714,252 | 67,146 | 67,146 | 67,146 | - |
| Additional paid-in-capital | 2,519,621 | 2,608,071 | 2,518,228 | 1,393 |
| Retained earnings | 108,518,077 | 103,631,067 | 99,690,991 | 8,827,086 |
| Accumulated other comprehensive income | 1,648,244 | 1,050,099 | 1,754,659 | (106,415) |
| Treasury stock, at cost | (6,410,110) | (5,788,513) | (5,452,696) | (957,414) |
| Total stockholders' equity | <u>106,342,978</u> | <u>101,567,870</u> | <u>98,578,328</u> | <u>7,764,650</u> |
| Total Liabilities and Stockholders' Equity | <u>\$ 1,089,387,389</u> | <u>\$ 1,060,886,569</u> | <u>\$ 988,732,884</u> | <u>\$ 100,654,505</u> |

**BANK FIRST NATIONAL CORPORATION
AND SUBSIDIARIES**
Consolidated Quarterly Statements of Income

| | <u>6/30/2014</u> | <i>% of gross revenue</i> | <u>6/30/2013</u> | <i>% of gross revenue</i> | <u>YOY Quarter Change</u> |
|--|---------------------|-------------------------------|---------------------|-------------------------------|-------------------------------|
| Interest/Dividend income: | | | | | |
| Loans, including fees | \$ 9,147,626 | 78.7% | \$ 8,830,646 | 76.1% | \$ 316,980 |
| Federal funds sold | 56 | 0.0% | 4,518 | 0.0% | (4,462) |
| Securities: | | 0.0% | - | 0.0% | - |
| Taxable | 333,597 | 2.9% | 357,717 | 3.1% | (24,120) |
| Tax-exempt | 407,034 | 3.5% | 554,006 | 4.8% | (146,972) |
| Other | (24,795) | -0.2% | (25,932) | -0.2% | 1,137 |
| Total interest income | 9,863,518 | 84.8% | 9,720,956 | 83.8% | 142,562 |
| Interest expense: | | | | | |
| Deposits | 1,146,630 | 9.9% | 1,079,021 | 9.3% | (67,609) |
| Securities sold under repurchase agreements | 26,716 | 0.2% | 77,283 | 0.7% | 50,567 |
| Borrowed funds | 17,114 | 0.1% | 29,671 | 0.3% | 12,557 |
| Total interest expense | 1,190,460 | 10.2% | 1,185,975 | 10.2% | (4,485) |
| Net interest income | 8,673,058 | 74.6% | 8,534,981 | 73.6% | 138,077 |
| Provision for loan losses | 570,000 | 4.9% | 425,000 | 3.7% | (145,000) |
| Net interest income after provision | 8,103,058 | 69.7% | 8,109,981 | 69.9% | (6,923) |
| Noninterest income: | | | | | |
| Wealth Management Revenue | 26,843 | 0.2% | 26,653 | 0.2% | 190 |
| Service charges | 612,264 | 5.3% | 529,392 | 4.6% | 82,872 |
| Income from Ansay | 338,813 | 2.9% | 259,254 | 2.2% | 79,559 |
| Loan servicing income | 196,079 | 1.7% | 594,875 | 5.1% | (398,796) |
| Income from UFS | 277,635 | 2.4% | 198,109 | 1.7% | 79,526 |
| Net gain on sales of mortgage loans | 137,760 | 1.2% | 383,485 | 3.3% | (245,725) |
| Net loss on sales of securities | - | 0.0% | (339,563) | -2.9% | 339,563 |
| Other | 175,743 | 1.5% | 224,801 | 1.9% | (49,058) |
| Total Noninterest income | 1,765,137 | 15.2% | 1,877,006 | 16.2% | (111,869) |
| Noninterest expense: | | | | | |
| Salaries, commissions, and employee benefits | 2,548,228 | 21.9% | 2,670,078 | 23.0% | 121,850 |
| Occupancy | 789,183 | 6.8% | 667,509 | 5.8% | (121,674) |
| Data processing | 355,503 | 3.1% | 359,840 | 3.1% | 4,337 |
| Loss on sales of OREO | 236,664 | 2.0% | 297,333 | 2.6% | 60,669 |
| Postage, stationery, and supplies | 100,477 | 0.9% | 100,730 | 0.9% | 253 |
| Advertising | 49,885 | 0.4% | 25,160 | 0.2% | (24,725) |
| Outside service fees | 506,979 | 4.4% | 408,207 | 3.5% | (98,772) |
| Amortization of intangibles | 4,540 | 0.0% | 4,540 | 0.0% | 0 |
| Other | 826,720 | 7.1% | 793,948 | 6.8% | (32,772) |
| Total Noninterest expense | 5,418,179 | 46.6% | 5,327,346 | 45.9% | (90,833) |
| Income before provision for income taxes | 4,450,016 | 38.3% | 4,659,641 | 40.2% | (209,625) |
| Provision for income taxes | 1,363,200 | 11.7% | 1,459,976 | 12.6% | 96,776 |
| Net income | \$ 3,086,816 | 0 | \$ 3,199,665 | 0 | \$ (112,849) |
| | | | - | | |
| QTR Average Shares outstanding | 6,373,369 | | 6,533,074 | | (159,705) |
| Earnings per share--common shareholders | \$ 0.49 | | \$ 0.49 | | \$ 0.00 |

BANK FIRST NATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Income YTD

| | YTD 6/30/2014 | YTD 6/30/2013 | YOY Change |
|--|--------------------------|--------------------------|-----------------------|
| Interest/Dividend income: | | | |
| Loans, including fees | \$ 18,182,064 | \$ 17,403,829 | \$ 778,235 |
| Federal funds sold | 3,704 | 30,324 | (26,620) |
| Securities: | | | |
| Taxable | 667,681 | 700,245 | (32,564) |
| Tax-exempt | 854,390 | 1,019,326 | (164,936) |
| Other | (120,054) | (46,414) | (73,640) |
| Total interest income | 19,587,785 | 19,107,310 | 480,475 |
| Interest expense: | | | |
| Deposits | 2,273,290 | 2,238,677 | (34,613) |
| Securities sold under repurchase agreements | 47,064 | 148,621 | 101,557 |
| Borrowed funds | 34,853 | 56,938 | 22,085 |
| Total interest expense | 2,355,207 | 2,444,237 | 89,030 |
| Net interest income | 17,232,578 | 16,663,073 | 569,505 |
| Provision for loan losses | 770,000 | 775,000 | 5,000 |
| Net interest income after provision | 16,462,578 | 15,888,073 | 574,505 |
| Noninterest income: | | | |
| Wealth Management Revenue | 60,891 | 52,416 | 8,475 |
| Service charges | 1,094,521 | 1,182,443 | (87,922) |
| Income from Ansay | 911,403 | 803,624 | 107,779 |
| Loan servicing income | 403,482 | 759,673 | (356,191) |
| Income from UFS | 600,889 | 421,050 | 179,839 |
| Net gain on sales of mortgage loans | 244,574 | 815,046 | (570,472) |
| Net loss on sales of securities | - | (339,563) | 339,563 |
| Other | 335,966 | 374,292 | (38,326) |
| Total Noninterest income | 3,651,726 | 4,068,981 | (417,255) |
| Noninterest expense: | | | |
| Salaries, commissions, and employee benefits | 5,732,045 | 5,797,574 | 65,529 |
| Occupancy | 1,541,254 | 1,328,329 | (212,925) |
| Data processing | 750,513 | 735,419 | (15,094) |
| Loss on sales of OREO | 265,171 | 262,485 | (2,686) |
| Postage, stationery, and supplies | 184,297 | 206,705 | 22,408 |
| Advertising | 100,408 | 73,720 | (26,688) |
| Outside service fees | 1,037,773 | 822,307 | (215,466) |
| Amortization of intangibles | 9,080 | 9,080 | 0 |
| Other | 1,436,738 | 1,670,521 | 233,783 |
| Total Noninterest expense | 11,057,279 | 10,906,140 | (151,139) |
| Income before provision for income taxes | 9,057,025 | 9,050,914 | 6,111 |
| Provision for income taxes | 2,768,528 | 2,832,754 | 64,226 |
| Net income | \$ 6,288,497 | \$ 6,218,160 | \$ 70,337 |
| YTD Average Shares outstanding | 6,373,779 | 6,539,043 | (165,264) |
| Earnings per share--common shareholders | \$ 0.99 | \$ 0.95 | \$ 0.04 |

Bank First National Corporation
Financial Data

| Dec 2013 Actual YTD | | Jun 2014 Actual YTD | Jun 2013 Actual YTD |
|---|---|------------------------|------------------------|
| Net Income and per share data | | | |
| \$12,058,589 | Net Income (Bank) | \$6,412,831 | \$6,311,484 |
| \$11,563,515 | Net Income (Consolidated) | \$6,288,497 | \$6,218,160 |
| \$1.79 | Earnings per Share (Consolidated) | \$0.99 | \$0.95 |
| 11.0% | Change over prior period | 1.1% | |
| \$0 | Branch closing expense | \$0 | \$0 |
| \$703,280 | Dividends (Holding Co.) | \$1,402,625 | \$0 |
| 6% | Dividend Payout Ratio (DPS/EPS) | 67% | 0% |
| 2.32% | Dividend Yield (DPS/Stock Price) | 2.10% | 0.00% |
| \$15.91 | Book Value | \$16.73 | \$15.40 |
| \$14.48 | Tangible Book Value less AFS impact | \$15.21 | \$13.87 |
| \$14.65 | Tangible Book Value | \$15.48 | \$14.14 |
| 10.62 | Price Earnings Ratio | 10.64 | 8.41 |
| 1.19 | Book Value Multiple | 1.26 | 1.04 |
| 19.00 | Market Value | 21.00 | 16.00 |
| 6,384,432 | Period End Shares | 6,355,559 | 6,402,152 |
| 121,304,208 | Market Capitalization | 133,466,739 | 102,434,432 |
| Performance Ratios (1) | | | |
| 3.82% | Net Interest Margin (YTD) | 3.73% | 3.83% |
| 16.35% | Fee Income to Total Revenue | 17.49% | 19.63% |
| 54.14% | Efficiency Ratio | 51.31% | 51.00% |
| 1.15% | ROA | 1.20% | 1.26% |
| 11.60% | ROE | 11.98% | 12.54% |
| 153.740 | FTE - period end | 161.530 | 167.050 |
| 160.198 | Avg. number of FTE | 155.032 | 166.400 |
| 72,183 | Earnings per Avg. Employee | 81,125 | 74,738 |
| 6,233,628 | Avg Assets per Avg. Employee | 6,750,414 | 5,929,274 |
| Selected Financial Condition (EOP) | | | |
| \$129,395 | Fed Funds Sold | \$0 | \$31,000 |
| \$112,608,851 | Total Securities | \$114,274,807 | \$116,103,442 |
| \$823,416,628 | Total Loans | \$865,579,708 | \$788,078,901 |
| \$8,755,151 | Allowance for loan losses | \$8,951,629 | \$8,359,727 |
| \$7,983,933 | Goodwill | \$7,983,933 | \$7,983,933 |
| \$1,060,886,568 | Total Assets | \$1,089,387,390 | \$988,732,883 |
| \$1,002,276,738 | Average Assets | \$1,046,527,954 | \$986,631,165 |
| \$919,486,423 | Core Deposits | \$903,421,418 | \$825,904,189 |
| \$919,486,423 | Total Deposits | \$903,421,418 | \$840,904,189 |
| \$0 | Brokered Deposits (includes CDARS one-way buys) | \$0 | \$15,000,000 |
| \$9,915,504 | CDARS Core Deposits | \$5,450,030 | \$10,616,552 |
| \$1,815,000 | Other Borrowings | \$22,905,000 | \$5,350,000 |
| \$30,844,504 | Repurchase Agreements | \$32,603,280 | \$30,077,485 |
| \$32,659,504 | Total Wholesale Funding | \$55,508,280 | \$59,575,505 |
| \$0 | Fed Funds Purchased | \$0 | \$9,148,019 |
| \$101,567,869 | Total Equity | \$106,342,977 | \$98,578,327 |
| \$99,694,434 | Average Stockholder's Equity | \$105,019,627 | \$99,187,952 |

Bank First National Corporation
Financial Data

| Dec 2013 Actual YTD | | Jun 2014 Actual YTD | Jun 2013 Actual YTD |
|-----------------------------------|--|------------------------|------------------------|
| Balance Sheet Ratios | | | |
| 90% | Loans to Deposits | 96% | 94% |
| 11% | Investments to Total Assets | 10% | 12% |
| 135% | Avg Earnings to Avg Bearing Liabilities | 134% | 130% |
| 0% | Brokered Deposits to Total Deposits | 0% | 2% |
| 1% | CDARS Deposits to Total Deposits | 1% | 1% |
| 3% | Repos to Total Deposits plus repos | 3% | 3% |
| 3% | Wholesale funding to total Liabilities | 6% | 7% |
| 33% | Wholesale funding to Risk Based Capital | 54% | 61% |
| Asset Quality | | | |
| 1.06% | Allowance for probable credit losses to total loans | 1.03% | 1.06% |
| 0.08% | Net charge-offs to average total loans | 0.13% | 0.09% |
| 0.31% | Nonaccrual loans to total loans | 0.37% | 0.26% |
| 0.08% | Loans past due 30 days to total loans | 0.09% | 0.15% |
| 0.53% | Non-performing assets to total assets | 0.51% | 0.68% |
| 2,570,864 | Nonaccrual loans | 3,170,885 | 2,021,964 |
| 45,988 | Loans 90 days past due | 168,775 | 105,684 |
| 2,976,156 | Other Real Estate Owned | 2,208,677 | 4,630,880 |
| <u>\$5,593,008</u> | Non-performing assets | <u>\$5,548,337</u> | <u>\$6,758,528</u> |
| \$1,475,000 | Provision for loan losses | \$770,000 | \$775,000 |
| 997,312 | Gross charge-offs | 683,584 | 652,939 |
| (327,471) | Recoveries | (110,061) | (287,674) |
| <u>\$669,841</u> | Net Charge-offs | <u>\$573,522</u> | <u>\$365,265</u> |
| \$805,159 | Provision less charge-offs | \$196,478 | \$409,735 |
| Condensed Income Statement | | | |
| 30,805 | Short-term investment income | 3,704 | 30,324 |
| 3,089,228 | Investment securities income | 1,402,018 | 1,573,322 |
| 35,866,141 | Loan income | 18,182,064 | 17,503,664 |
| <u>\$38,986,175</u> | Total Interest Income | <u>\$19,587,786</u> | <u>\$19,107,310</u> |
| 4,527,049 | Deposit interest expense | 2,273,290 | 2,238,677 |
| 231,219 | Repo interest expense | 44,200 | 145,900 |
| 120,733 | Other borrowings interest expense | 37,717 | 59,659 |
| <u>\$4,879,002</u> | Total Interest Expense | <u>\$2,355,207</u> | <u>\$2,444,237</u> |
| 34,107,173 | Net interest income | 17,232,578 | 16,663,073 |
| 1,475,000 | Provision for loan losses | 770,000 | 775,000 |
| <u>\$32,632,173</u> | Net interest income after provision for loan loss | <u>\$16,462,578</u> | <u>\$15,888,073</u> |
| 6,668,617 | Noninterest income | 3,651,723 | 4,068,981 |
| 22,798,472 | Noninterest expense | 11,057,277 | 10,906,139 |
| <u>\$16,502,318</u> | Net Income before Taxes | <u>\$9,057,025</u> | <u>\$9,050,914</u> |
| <u>\$4,938,803</u> | Taxes | <u>\$2,768,528</u> | <u>\$2,832,754</u> |
| <u>\$11,563,515</u> | NET INCOME | <u>\$6,288,497</u> | <u>\$6,218,160</u> |