

NEWS RELEASE



P.O. Box 10

Manitowoc, WI 54221-0010

For further information, contact:

Kevin M LeMahieu, Chief Financial Officer

Phone: (920) 652-3200

klemahieu@bankfirstnational.com

FOR IMMEDIATE RELEASE

Bank First reports fourth quarter 2016 net income of \$3.6 million, or \$0.57 per share, declares a cash dividend of \$0.16 per share

Manitowoc, WI – January 24, 2017 - Bank First National Corporation ([BFNC](#)) reported net income for the fourth quarter of 2016 of \$3.6 million, or \$0.57 per share, up 15.9% from the same period in 2015. For the year ended December 31, 2016, Bank First earned \$14.9 million or \$2.40 per share, up 12.6% from the year ended December 31, 2015.

Net interest income after provision for loan losses was \$9.9 million for the quarter ended December 31, 2016, compared to \$9.0 million for the prior year fourth quarter, representing a 10.5% increase year-over-year. For the year ended December 31, 2016, net interest income after provision for loan losses totaled \$38.5 million, up 10.0% from \$35.0 million for the year ended December 31, 2015.

Noninterest income was \$2.0 million in the fourth quarter of 2016, compared to \$1.6 million during the fourth quarter of 2015. Sales and servicing of secondary market mortgage loans continued the strong trend that has existed throughout 2016, resulting in an increase of \$0.5 million in income from that area for the fourth quarter year-over-year. Strong operating results from the Bank's unconsolidated data processing subsidiary, UFS LLC, resulted in an additional positive variance of \$0.2 million. Increases in these areas were offset by realized losses of \$0.2 million on the sale of securities during the fourth quarter of 2016. For the year ended December 31, 2016, noninterest income totaled \$9.2 million, up 20.8% from the previous year. On a full year basis income provided by the Bank's investment in insurance agency Ansay & Associates, LLC, increased by \$1.05 million from 2015 to 2016.

Noninterest expense was \$6.5 million in the fourth quarter of 2016, compared to \$5.9 million during the fourth quarter of 2015. For the year ended December 31, 2016, noninterest expense was \$24.9 million, up 11.5% from \$22.3 million in the prior year.

This increase was the result of expenses related to our new office in Appleton, as well as an increase in the cost of our data processing.

“We once again reported record earnings during 2016, marking the eighth consecutive year we have seen an increase in our earnings per share,” stated Mike Molepske, Chief Executive Officer. “Since 2009, when earnings per share was \$0.88, Bank First’s average annual earnings per share growth rate has been 15.6%. This has been accomplished through a commitment to providing our customers with innovative products and services that are value driven, leading to unprecedented organic growth in our customer relationships. Our Fox Valley market showed 15.7% growth in deposits and 12.4% growth in loans during 2016, the result of the successful opening of our Appleton location and continued success of our other established offices in that region.”

Bank First reported total loan growth of \$69.3 million, or 7.2%, during 2016. This was funded by an increase in core deposits of \$64.8 million over that same period, up 6.1%. Demand deposit accounts grew by \$28.3 million over the course of 2016 and represent 29.2% of core deposits as of December 31, 2016. Asset quality remained very strong as of December 31, 2016. Nonperforming assets to total assets finished the year at 0.16%, compared to 0.43% at December 31, 2015. For the year ended December 31, 2016, Bank First realized a net loan recovery (recoveries exceeded charge offs) of \$396,000.

The Corporation’s Board of Directors approved a quarterly cash dividend of \$0.16 per common share, representing an increase of 14.3% from the fourth quarter of 2015. The dividend is payable on April 4, 2017, to shareholders of record as of March 28, 2017.

Bank First National Corporation (BFNC) provides financial services through its subsidiary, Bank First National, which was incorporated in 1894. The Bank is an independent community bank with 12 banking locations in Manitowoc, Brown, Sheboygan, Outagamie, 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 and an affiliation with McKenzie Financial Services, LLC. The Bank is a co-member of a data processing subsidiary, UFS, LLC, which provides data services for over 50 Midwest banks. The Company employs approximately 173 full-time equivalent staff and has assets of \$1.32 billion as of December 31, 2016. 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

(thousands, except per share amounts)

ASSETS	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>YOY Change</u>
Cash and due from Banks	\$ 29,258	\$ 21,260	\$ 7,998
Interest-bearing deposits	11,048	6,810	4,238
Federal funds sold	39,851	57,574	(17,723)
Cash and cash equivalents	<u>80,157</u>	<u>85,644</u>	<u>(5,487)</u>
Securities available for sale, at fair value	111,325	97,358	13,967
Securities held to maturity, at cost	31,558	34,316	(2,758)
Other investments, at cost	6,088	5,338	750
Loans held for sale	-	368	(368)
Loans	1,026,257	956,637	69,620
Allowance for loan loss	(10,728)	(10,011)	(717)
Loans, net	<u>1,015,529</u>	<u>946,626</u>	<u>68,903</u>
Premises and equipment, net	13,323	12,960	363
Goodwill	7,984	7,984	-
Intangible assets, net	2,409	2,325	84
Investment in minority owned subsidiaries	19,341	17,373	1,968
Other real estate owned	1,583	1,855	(272)
Cash value of life insurance	20,549	20,015	534
Other assets	6,151	5,513	638
Total Assets	<u>\$ 1,315,997</u>	<u>\$ 1,237,675</u>	<u>\$ 78,322</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits	\$ 1,127,020	\$ 1,062,575	\$ 64,445
Securities sold under repurchase agreements	50,106	45,617	4,489
Other liabilities	11,348	10,555	793
Total liabilities	<u>1,188,474</u>	<u>1,118,747</u>	<u>69,727</u>
Stockholders' Equity			
Common stock--\$0.01 par value: Authorized-- 20,000,000 shares Issued--6,714,252	67	67	-
Additional paid-in-capital	2,828	2,691	137
Retained earnings	134,773	123,526	11,247
Accumulated other comprehensive income	291	1,224	(933)
Treasury stock, at cost	(10,436)	(8,580)	(1,856)
Total stockholders' equity	<u>127,523</u>	<u>118,928</u>	<u>8,595</u>
Total Liabilities and Stockholders' Equity	<u>\$ 1,315,997</u>	<u>\$ 1,237,675</u>	<u>\$ 78,322</u>

BANK FIRST NATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Quarterly Statements of Income
(thousands, except per share amounts)

	12/31/2016	% of gross revenue	12/31/2015	% of gross revenue	YOY Quarter Change
Interest/Dividend income:					
Loans, including fees	\$ 10,454	77.9%	\$ 9,737	80.0%	\$ 717
Federal funds sold	92	0.7%	58	0.5%	34
Securities:					
Taxable	413	3.1%	597	4.9%	(184)
Tax-exempt	445	3.3%	192	1.6%	253
Total interest income	11,404	85.0%	10,584	86.9%	820
Interest expense:					
Deposits	1,355	10.1%	1,271	10.4%	84
Securities sold under repurchase agreements	25	0.2%	16	0.1%	9
Borrowed funds	87	0.6%	27	0.2%	60
Total interest expense	1,467	10.9%	1,314	10.8%	153
Net interest income	9,937	74.1%	9,270	76.1%	667
Provision for loan losses	-	0.0%	278	2.3%	(278)
Net interest income after provision	9,937	74.1%	8,992	73.9%	945
Noninterest income:					
Wealth Management Revenue	22	0.2%	29	0.2%	(7)
Service charges	587	4.4%	585	4.8%	2
Income (loss) from Ansay	(39)	-0.3%	-	0.0%	(39)
Loan servicing income	510	3.8%	194	1.6%	316
Income from UFS	677	5.0%	437	3.6%	240
Net gain on sales of mortgage loans	339	2.5%	155	1.3%	184
Net gain (loss) on sales of securities	(240)	-1.8%	-	0.0%	(240)
Other	154	1.1%	190	1.6%	(36)
Total Noninterest income	2,010	15.0%	1,590	13.1%	420
Noninterest expense:					
Salaries, commissions, and employee benefits	3,382	25.2%	3,095	25.4%	287
Occupancy	609	4.5%	605	5.0%	4
Data processing	621	4.6%	503	4.1%	118
Loss on sales of OREO	15	0.1%	32	0.3%	(17)
Postage, stationery, and supplies	254	1.9%	89	0.7%	165
Advertising	64	0.5%	43	0.4%	21
Outside service fees	1,348	10.0%	992	8.1%	356
Amortization of intangibles	4	0.0%	4	0.0%	-
Other	166	1.2%	572	4.7%	(406)
Total Noninterest expense	6,463	48.2%	5,935	48.8%	528
Income before provision for income taxes	5,484	40.9%	4,647	38.2%	837
Provision for income taxes	1,930	14.4%	1,537	12.6%	393
Net income	\$ 3,554		\$ 3,110		\$ 444
QTR Average Shares outstanding	6,202,907		6,288,342		(85,435)
Earnings per share--common shareholders	\$ 0.57		\$ 0.49		\$ 0.08

BANK FIRST NATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Income YTD
(thousands, except per share amounts)

	YTD 12/31/2016	YTD 12/31/2015	YOY Change
Interest/Dividend income:			
Loans, including fees	\$ 40,853	\$ 37,946	\$ 2,907
Federal funds sold	499	150	349
Securities:			
Taxable	1,799	1,686	113
Tax-exempt	1,575	1,280	295
Total interest income	44,726	41,062	3,664
Interest expense:			
Deposits	5,506	4,932	(574)
Securities sold under repurchase agreements	70	72	2
Borrowed funds	356	59	(297)
Total interest expense	5,932	5,063	(869)
Net interest income	38,794	35,999	2,795
Provision for loan losses	320	1,008	688
Net interest income after provision	38,474	34,991	3,483
Noninterest income:			
Wealth Management Revenue	90	113	(23)
Service charges	2,392	2,231	161
Income from Ansay	1,583	538	1,045
Loan servicing income	1,361	991	370
Income from UFS	2,133	2,165	(32)
Net gain on sales of mortgage loans	1,042	674	368
Net gain (loss) on sales of securities	(225)	-	(225)
Other	643	751	(108)
Total Noninterest income	9,019	7,463	1,556
Noninterest expense:			
Salaries, commissions, and employee benefits	13,314	12,193	(1,121)
Occupancy	2,581	2,575	(6)
Data processing	2,473	1,777	(696)
Loss (gain) on sales of OREO	31	(3)	(34)
Postage, stationery, and supplies	517	353	(164)
Advertising	201	177	(24)
Outside service fees	2,671	2,225	(446)
Amortization of intangibles	18	18	-
Other	3,068	2,990	(78)
Total Noninterest expense	24,874	22,305	(2,569)
Income before provision for income taxes	22,619	20,149	2,470
Provision for income taxes	7,706	6,754	(952)
Net income	\$ 14,913	\$ 13,395	\$ 1,518
YTD Average Shares outstanding	6,220,694	6,291,319	(70,625)
Earnings per share--common shareholders	\$ 2.40	\$ 2.13	\$ 0.27

Bank First National Corporation
Financial Data

Dec 2015 Actual YTD		Dec 2016 Actual YTD	Dec 2015 Actual YTD
Net Income and per share data			
\$13,663,975	Net Income (Bank)	\$15,269,831	\$13,663,975
\$13,395,385	Net Income (Consolidated)	\$14,912,725	\$13,395,385
\$2.13	Earnings per Share (Consolidated) [2.26]	\$2.40	\$2.13
6.90%	EPS change over prior period	12.6%	
\$3,208,860	Dividends (Holding Co.)	\$3,666,204	\$3,208,861
24%	Dividend Payout Ratio (DPS/EPS) (Consolidated)	25%	24%
1.80%	Dividend Yield (DPS/Stock Price) (Consolidated)	1.92%	1.80%
\$18.97	Book Value (Consolidated)	\$20.53	\$18.97
\$17.50	Tangible Book Value less AFS impact (Consolidated)	\$19.20	\$17.50
\$17.71	Tangible Book Value (Consolidated)	\$19.25	\$17.70
13.55	Price Earnings Ratio (Consolidated)	13.90	13.55
1.52	Book Value Multiple (Consolidated)	1.62	1.52
28.85	Market Value	\$33.33	\$28.85
6,267,660	Period End Shares	6,210,892	6,267,660
180,821,991	Market Capitalization	207,009,030	180,821,991
Performance Ratios (1)			
3.32%	Net Interest Margin (ytd)	3.26%	3.32%
17.17%	Fee Income to Total Revenue	18.86%	17.17%
49.92%	Efficiency Ratio	50.81%	49.92%
1.14%	ROA (Consolidated) [1.15%]	1.13%	1.14%
11.65%	ROE	12.01%	11.65%
161.480	FTE - period end	173.020	161.480
158.558	Avg. number of FTE	169.186	158.558
84,483	Earnings per Avg. Employee	88,144	84,483
7,417,782	Avg Assets per Avg. Employee [7,510,000]	7,834,499	7,417,798
Balance Sheet Ratios			
86%	Loans to Deposits	91%	90%
12%	Investments to Total Assets	11%	12%
142%	Avg Earnings to Avg Bearing Liabilities	144%	142%
4%	Repos to Total Deposits plus repos	4%	4%
4%	Wholesale funding to total Liabilities	4%	4%
39%	Wholesale funding to Risk Based Capital	39%	39%
45%	Total Liquidity (Greater than 15%)	56%	45%
4.02%	Dependency Liquidity (Less than 30%)	1.00%	4.02%
* Key Performance Indicators for Full Year [Target]			
Asset Quality			
1.05%	Allowance for probable credit losses to total loans	1.05%	1.05%
0.03%	Net charge-offs to average total loans	-0.04%	0.03%
0.14%	Nonaccrual loans to total loans	0.06%	0.14%
0.06%	Loans past due 30 days to total loans	0.17%	0.06%
0.43%	Non-performing assets to total assets [1.70%]	0.16%	0.43%
1,348,682	Nonaccrual loans	574,553	1,348,682
272,649	Loans 90 days past due	24,621	272,649
1,855,008	Other Real Estate Owned	1,583,077	1,855,008
\$3,476,339	Non-performing assets	\$2,182,251	\$3,476,339

Bank First National Corporation
Financial Data

Dec 2015 Actual YTD		Dec 2016 Actual YTD	Dec 2015 Actual YTD
\$1,007,500	Provision for loan losses	\$320,000	\$1,007,500
338,388	Gross charge-offs	238,401	338,388
(84,089)	Recoveries	(634,864)	(84,089)
<u>\$254,299</u>	Net Charge-offs	<u>(\$396,463)</u>	<u>\$254,299</u>
\$753,201	Provision less charge-offs	\$716,463	\$753,201

Capital Ratios: (Bank)

11.47%	Total risk-based capital ratio (Well cap limit = 10%)	11.51%	11.47%
10.52%	Tier 1 risk-based capital ratio (Well cap limit = 6%)	10.54%	10.52%
9.08%	Leverage ratio (Well cap limit = 5%)	8.81%	9.08%
\$117,659,000	Risk Based Capital	\$127,089,000	\$117,659,000
9.02%	Tangible Equity Ratio	8.99%	9.02%

Selected Financial Condition (EOP)

\$57,573,826	Fed Funds Sold	\$42,551,744	\$57,573,826
\$143,165,687	Total Securities	\$148,970,396	\$143,165,687
\$957,005,198	Total Loans	\$1,026,256,707	\$957,005,198
\$10,011,064	Allowance for loan losses	\$10,727,527	\$10,011,064
\$1,237,674,744	Total Assets	\$1,337,296,690	\$1,237,674,744
\$1,176,151,229	Average Assets	\$1,325,484,020	\$1,176,151,229
\$1,062,567,566	Core Deposits	\$1,127,577,409	\$1,063,110,227
\$0	Brokered Deposits (includes CDARS one-way buys)	\$0	\$0
\$5,603,480	CDARS Core Deposits	\$6,306,509	\$5,603,480
\$0	FHLB Advances	\$0	\$0
\$45,617,414	Repos	\$50,105,977	\$45,617,414
\$45,617,414	Total Wholesale Funding	\$50,105,977	\$45,617,414
\$0	Fed Funds Purchased	\$0	\$0
\$118,928,001	Total Equity	\$127,523,488	\$118,928,001

(1) Interim amounts are for bank only, annual amounts are consolidated

Condensed Income Statement

149,593	Short-term investment income	498,632	149,593
2,881,439	Investment securities income	2,559,892	2,881,439
38,030,865	Loan income	41,667,772	38,030,865
<u>\$41,061,896</u>	Total Interest Income	<u>\$44,726,297</u>	<u>\$41,061,896</u>
4,931,511	Deposit interest expense	5,505,218	4,931,511
72,268	Repo interest expense	69,521	72,268
59,225	Other borrowings interest expense	357,236	59,225
<u>\$5,063,004</u>	Total Interest Expense	<u>\$5,931,975</u>	<u>\$5,063,004</u>
35,998,893	Net interest income	38,794,322	35,998,893
1,007,500	Provision for loan losses	320,000	1,007,500
<u>\$34,991,393</u>	Net interest income after provision for loan loss	<u>\$38,474,322</u>	<u>\$34,991,393</u>
7,462,923	Noninterest income	9,018,930	7,462,923
22,304,283	Noninterest expense	24,874,418	22,304,283
<u>\$20,150,033</u>	Net Income before Taxes	<u>\$22,618,834</u>	<u>\$20,150,033</u>
\$6,754,648	Taxes	\$7,706,109	\$6,754,648
<u>\$13,395,385</u>	NET INCOME	<u>\$14,912,725</u>	<u>\$13,395,385</u>

* Key Performance Indicators for Full Year