

NEWS RELEASE



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FOR IMMEDIATE RELEASE

Bank First reports fourth quarter 2017 net income of \$3.3 million, or \$0.50 per share, declares a cash dividend of \$0.16 per share

MANITOWOC, Wis, Jan. 17, 2018 / -- Bank First National Corporation (OTC-PINK: [BFNC](#)), the holding company for Bank First, reported net income for the fourth quarter of 2017 of \$3.3 million, or \$0.50 per share, down 7.8% from the same period in 2016. For the year ended December 31, 2017, Bank First earned \$15.3 million or \$2.44 per share, up 2.7% from the year ended December 31, 2016.

Fourth quarter 2017 net income was adversely impacted by \$2.0 million (\$1.4 million after tax) in expenses related to the acquisition of Waupaca Bancorporation, Inc. Also, federal tax reform legislation signed in December required the revaluation of the net deferred tax asset to the lower corporate tax rates enacted, resulting in additional income tax expense of \$0.6 million. These two nonrecurring expense items reduced fourth quarter earnings per share by \$0.31. Without these two items, fourth quarter 2017 earnings per share would have been \$0.81, up 40.6% from the same period in 2016.

Net interest income after provision for loan losses was \$14.7 million for the quarter ended December 31, 2017, compared to \$9.9 million for the prior year fourth quarter, representing a 48.1% increase year-over-year. For the year ended December 31, 2017, net interest income after provision for loan losses totaled \$44.7 million, up 16.1% from \$38.5 million for the year ended December 31, 2016.

Noninterest income was \$1.9 million in the fourth quarter of 2017, compared to \$2.3 million during the fourth quarter of 2016. Sales and servicing of secondary market mortgage loans saw a decline in 2017, leading to the overall decline in noninterest income. For the year ended December 31, 2017, noninterest income totaled \$9.8 million, up 6.5% from the previous year.

Noninterest expense was \$10.4 million in the fourth quarter of 2017, compared to \$6.7 million during the fourth quarter of 2016. For the year ended December 31, 2017,

noninterest expense was \$30.4 million, up 21.1% from \$25.1 million in the prior year. Expenses from the acquisition of Waupaca Bancorporation, Inc. made up \$2.7 million of this increase year-over-year. The remainder resulted from two months of operations with six added branches from the acquisition as well as normal inflationary increases to most expenses.

“We are very proud of the Bank First team, including those added through our Waupaca acquisition, for an extremely well implemented bank acquisition and conversion,” stated Mike Molepske, Chief Executive Officer. “With only six months between the announcement and the close of this deal, including converting all operating systems the weekend of the transaction close, we could not have asked for a smoother process.”

Bank First reported total loan growth of \$371.3 million, or 36.2%, and total deposit growth of \$379.6 million, or 33.7%, during 2017. This increase was the result of both organic growth and the Waupaca acquisition. Demand deposit accounts continue to represent a significant portion of core deposits, at 29% as of December 31, 2017.

“We are very optimistic as we move into 2018,” continued Molepske. “We look forward to making a positive impact in the communities we now serve in Waupaca and Barron Counties, as well as continuing this tradition in all of our legacy markets. Our board and management team will continue to explore opportunities in new markets through acquisitions and de novo branch openings, as well as anticipating the potential of becoming a fully public SEC registrant.”

The Corporation’s Board of Directors approved a quarterly cash dividend of \$0.16 per common share, payable on April 4, 2018, to shareholders of record as of March 28, 2018.

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 18 banking locations in Manitowoc, Brown, Sheboygan, Outagamie, Winnebago, Waupaca and Barron 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 243 full-time equivalent staff and has assets of \$1.75 billion as of December 31, 2017. 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>12/31/2017</u>	<u>12/31/2016</u>	<u>YOY Change</u>
Cash and due from Banks	\$ 37,914	\$ 29,258	\$ 8,656
Interest-bearing deposits	15,186	11,048	4,138
Federal funds sold	48,877	39,851	9,026
Cash and cash equivalents	<u>101,977</u>	<u>80,157</u>	<u>21,820</u>
Securities available for sale, at fair value	119,043	111,325	7,718
Securities held to maturity, at cost	39,991	31,558	8,433
Other investments, at cost	7,226	6,088	1,138
Loans	1,397,547	1,026,257	371,290
Allowance for loan loss	(11,612)	(10,728)	(884)
Loans, net	<u>1,385,935</u>	<u>1,015,529</u>	<u>370,406</u>
Premises and equipment, net	18,578	13,323	5,255
Goodwill	15,085	7,984	7,101
Intangible assets, net	5,578	2,409	3,169
Investment in minority owned subsidiaries	21,515	19,341	2,174
Other real estate owned	6,270	1,583	4,687
Cash value of life insurance	23,722	20,549	3,173
Other assets	8,484	6,151	2,333
Total Assets	<u><u>\$ 1,753,404</u></u>	<u><u>\$ 1,315,997</u></u>	<u><u>\$ 437,407</u></u>
 LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits	\$ 1,506,642	\$ 1,127,020	\$ 379,622
Securities sold under repurchase agreements	47,568	50,106	(2,538)
Borrowings	20,000	-	20,000
Other liabilities	17,466	11,348	6,118
Total liabilities	<u>1,591,676</u>	<u>1,188,474</u>	<u>403,202</u>
Stockholders' Equity			
Common stock--\$0.01 par value	74	67	7
Additional paid-in-capital	27,528	2,828	24,700
Retained earnings	146,040	134,773	11,267
Accumulated other comprehensive income	816	292	524
Treasury stock, at cost	(12,730)	(10,437)	(2,293)
Total stockholders' equity	<u>161,728</u>	<u>127,523</u>	<u>34,205</u>
Total Liabilities and Stockholders' Equity	<u><u>\$ 1,753,404</u></u>	<u><u>\$ 1,315,997</u></u>	<u><u>\$ 437,407</u></u>

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

	12/31/2017	% of gross revenue	12/31/2016	% of gross revenue	YOY Quarter Change
Interest/Dividend income:					
Loans, including fees	\$ 16,121	83.5%	\$ 10,454	76.6%	\$ 5,667
Federal funds sold	322	1.7%	92	0.7%	230
Securities:					
Taxable	617	3.2%	535	3.9%	82
Tax-exempt	370	1.9%	323	2.4%	47
Total interest income	17,430	90.2%	11,404	83.5%	6,026
Interest expense:					
Deposits	1,876	9.7%	1,356	9.9%	520
Securities sold under repurchase agreements	83	0.4%	25	0.2%	58
Borrowed funds	339	1.8%	86	0.6%	253
Total interest expense	2,298	11.9%	1,467	10.7%	831
Net interest income	15,132	78.3%	9,937	72.8%	5,195
Provision for loan losses	420	2.2%	-	0.0%	420
Net interest income after provision	14,712	76.2%	9,937	72.8%	4,775
Noninterest income:					
Wealth Management Revenue	24	0.1%	22	0.2%	2
Service charges	790	4.1%	587	4.3%	203
Income (loss) from Ansay	(125)	-0.6%	(39)	-0.3%	(86)
Loan servicing income	117	0.6%	510	3.7%	(393)
Income from UFS	679	3.5%	677	5.0%	2
Net gain on sales of mortgage loans	182	0.9%	339	2.5%	(157)
Other	221	1.1%	154	1.1%	67
Total Noninterest income	1,888	9.8%	2,250	16.5%	(362)
Noninterest expense:					
Salaries, commissions, and employee benefits	5,681	29.4%	3,382	24.8%	2,299
Occupancy	920	4.8%	609	4.5%	311
Data processing	848	4.4%	621	4.5%	227
Loss on sales of OREO	(10)	-0.1%	15	0.1%	(25)
Net loss on sales of securities	23	0.1%	240	1.8%	(217)
Postage, stationery, and supplies	178	0.9%	254	1.9%	(76)
Advertising	59	0.3%	64	0.5%	(5)
Outside service fees	1,685	8.7%	1,348	9.9%	337
Amortization of intangibles	129	0.7%	4	0.0%	125
Other	905	4.7%	166	1.2%	739
Total Noninterest expense	10,418	53.9%	6,703	49.1%	3,715
Income before provision for income taxes	6,182	32.0%	5,484	40.2%	698
Provision for income taxes	2,904	15.0%	1,930	14.1%	974
Net income	\$ 3,278		\$ 3,554		\$ (276)
QTR Average Shares outstanding	6,612,114		6,202,907		409,207
Earnings per share--common shareholders	\$ 0.50		\$ 0.57		\$ (0.08)

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

	YTD 12/31/2017	YTD 12/31/2016	YOY Change
Interest/Dividend income:			
Loans, including fees	\$ 48,863	\$ 40,853	\$ 8,010
Federal funds sold	1,112	499	613
Securities:			
Taxable	1,833	1,799	34
Tax-exempt	1,664	1,575	89
Total interest income	53,472	44,726	8,746
Interest expense:			
Deposits	6,443	5,506	(937)
Securities sold under repurchase agreements	272	70	(202)
Borrowed funds	1,017	356	(661)
Total interest expense	7,732	5,932	(1,800)
Net interest income	45,740	38,794	6,946
Provision for loan losses	1,055	320	(735)
Net interest income after provision	44,685	38,474	6,211
Noninterest income:			
Noninterest income from strategic alliances	94	90	4
Service charges	2,950	2,747	203
Income from Ansay	1,663	1,583	80
Loan servicing income	1,158	1,006	152
Income from UFS	2,390	2,133	257
Net gain on sales of mortgage loans	895	1,042	(147)
Other	698	643	55
Total Noninterest income	9,848	9,244	604
Noninterest expense:			
Salaries, commissions, and employee benefits	16,595	13,314	(3,281)
Occupancy	3,097	2,573	(524)
Data processing	2,939	2,473	(466)
Net loss (gain) on sales of OREO	(49)	31	80
Net loss on sale of securities	32	225	193
Postage, stationery, and supplies	452	362	(90)
Advertising	183	201	18
Outside service fees	3,317	2,670	(647)
Amortization of intangibles	132	18	(114)
Other	3,696	3,232	(464)
Total Noninterest expense	30,394	25,099	(5,295)
Income before provision for income taxes	24,139	22,619	1,520
Provision for income taxes	8,826	7,706	(1,120)
Net income	\$ 15,313	\$ 14,913	\$ 400
YTD Average Shares outstanding	6,285,901	6,220,694	65,207
Earnings per share--common shareholders	\$ 2.44	\$ 2.40	\$ 0.04

Bank First National Corporation
Financial Data

Dec2016 Actual YTD		Dec2017 Actual YTD	Dec2016 Actual YTD
Net Income and per share data			
\$15,269,831	Net Income (Bank)	\$15,720,445	\$15,269,831
\$14,912,725	Net Income (Consolidated)	\$15,312,873	\$14,912,725
\$2.40	Earnings per Share (Consolidated) [2.52]	\$2.44	\$2.40
12.60%	EPS change over prior period	1.6%	
\$3,666,204	Dividends (Holding Co.)	\$4,046,166	\$3,666,204
25%	Dividend Payout Ratio (DPS/EPS) (Consolidated)	24%	25%
1.92%	Dividend Yield (DPS/Stock Price) (Consolidated)	1.43%	1.68%
\$20.53	Book Value (Consolidated)	\$23.76	\$20.53
\$19.20	Tangible Book Value less AFS impact (Consolidated)	\$20.99	\$19.20
\$19.25	Tangible Book Value (Consolidated)	\$21.11	\$19.25
13.90	Price Earnings Ratio (Consolidated)	18.35	13.90
1.62	Book Value Multiple (Consolidated)	1.88	1.62
33.33	Market Value	\$44.70	\$33.33
6,210,892	Period End Shares	6,805,684	6,210,892
207,009,030	Market Capitalization	304,214,075	207,009,030
Performance Ratios (1)			
3.26%	Net Interest Margin (ytd)	3.45%	3.26%
18.86%	Fee Income to Total Revenue	17.67%	18.86%
50.81%	Efficiency Ratio	53.28%	50.81%
1.13%	ROA (Consolidated) [1.13%]	1.04%	1.13%
12.01%	ROE	11.17%	12.01%
173.020	FTE - period end	242.540	173.020
169.186	Avg. number of FTE	186.688	169.186
88,144	Earnings per Avg. Employee [89,000]	82,024	88,144
7,834,499	Avg Assets per Avg. Employee	7,867,879	7,834,478
Balance Sheet Ratios			
91%	Loans to Deposits	93%	91%
11%	Investments to Total Assets	10%	11%
144%	Avg Earnings to Avg Bearing Liabilities	144%	144%
4%	Repos to Total Deposits plus repos	3%	4%
4%	Wholesale funding to total Liabilities	4%	4%
39%	Wholesale funding to Risk Based Capital	41%	39%
56%	Total Liquidity (Greater than 15%)	44%	64%
1.00%	Dependency Liquidity (Less than 30%)	0.09%	-3.28%
* Key Performance Indicators for Full Year [Target]			
Asset Quality			
1.05%	Allowance for probable credit losses to total loans	0.83%	1.05%
-0.04%	Net charge-offs to average total loans	0.01%	-0.04%
0.06%	Nonaccrual loans to total loans	1.30%	0.06%
0.17%	Loans past due 30 days to total loans	0.50%	0.17%
0.16%	Non-performing assets to total assets [1.70%]	1.42%	0.16%
574,553	Nonaccrual loans	18,127,193	574,553
24,621	Loans 90 days past due	2,329,533	24,621
1,583,077	Other Real Estate Owned (Non-performing)	4,433,491	1,583,077
\$2,182,251	Non-performing assets	\$24,890,217	\$2,182,251

Bank First National Corporation
Financial Data

Dec2016 Actual YTD		Dec2017 Actual YTD	Dec2016 Actual YTD
\$320,000	Provision for loan losses	\$1,055,000	\$320,000
238,401	Gross charge-offs	218,092	238,401
(634,864)	Recoveries	(47,877)	(634,864)
(\$396,463)	Net Charge-offs	\$170,215	(\$396,463)
\$716,463	Provision less charge-offs	\$884,785	\$716,463

Capital Ratios: (Bank)

11.51%	Total risk-based capital ratio (Well cap limit = 10%)	10.40%	11.51%
10.54%	Tier 1 risk-based capital ratio (Well cap limit = 6%)	9.00%	10.54%
8.81%	Leverage ratio (Well cap limit = 5%)	8.86%	8.81%
\$127,089,000	Risk Based Capital	\$166,424,000	\$127,089,000
8.99%	Tangible Equity Ratio	8.44%	8.99%

Selected Financial Condition (EOP)

\$39,850,744	Fed Funds Sold	\$48,877,105	\$39,850,744
\$148,970,396	Total Securities	\$167,009,589	\$148,970,396
\$1,026,256,707	Total Loans	\$1,397,547,507	\$1,026,256,707
\$10,727,527	Allowance for loan losses	\$11,612,311	\$10,727,527
\$1,337,296,690	Total Assets	\$1,753,403,822	\$1,337,296,690
\$1,325,484,020	Average Assets	\$1,468,841,241	\$1,319,405,553
\$1,127,577,409	Core Deposits	\$1,507,008,339	\$1,127,577,409
\$0	Brokered Deposits (includes CDARS one-way buys)	\$0	\$0
\$6,306,509	CDARS Core Deposits	\$7,802,088	\$6,306,509
\$0	Other Borrowings	\$20,000,000	\$0
\$50,105,977	Repos	\$47,567,505	\$50,105,977
\$50,105,977	Total Wholesale Funding	\$67,567,505	\$50,105,977
\$0	Fed Funds Purchased	\$0	\$0
\$127,523,488	Total Equity	\$161,727,561	\$127,523,488

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

Condensed Income Statement

498,632	Short-term investment income	1,105,629	498,632
2,931,081	Investment securities income	3,045,357	2,931,081
41,296,584	Loan income	49,321,123	41,296,584
\$44,726,297	Total Interest Income	\$53,472,109	\$44,726,297
5,505,218	Deposit interest expense	6,442,438	5,505,218
69,521	Repo interest expense	272,242	69,521
357,236	Other borrowings interest expense	1,017,388	357,236
\$5,931,975	Total Interest Expense	\$7,732,069	\$5,931,975
38,794,322	Net interest income	45,740,040	38,794,322
320,000	Provision for loan losses	1,055,000	320,000
\$38,474,322	Net interest income after provision for loan loss	\$44,685,040	\$38,474,322
9,018,930	Noninterest income	9,815,712	9,018,930
24,874,418	Noninterest expense	30,361,571	24,874,418
\$22,618,834	Net Income before Taxes	\$24,139,181	\$22,618,834
\$7,706,109	Taxes	\$8,826,308	\$7,706,109
\$14,912,725	NET INCOME	\$15,312,873	\$14,912,725

* Key Performance Indicators for Full Year