

NEWS RELEASE



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FOR IMMEDIATE RELEASE

Bank First Announces Net Income for the Third Quarter of 2018

- **Net income of \$5.9 million and \$19.4 million for the three and nine months ended September 30, 2018**
- **Earnings per common share of \$0.89 and \$2.90 for the three and nine months ended September 30, 2018**
- **Annualized return on average assets of 1.34% and 1.45% for the three months and nine months ended September 30, 2018**
- **An increase of 25% in the quarterly cash dividend, to \$0.20 per share**

MANITOWOC, Wis, October 16, 2018 -- Bank First National Corporation (OTC-PINK: [BFNC](#)), the holding company for Bank First, reported net income for the third quarter of 2018 of \$5.9 million, or \$0.89 per share, up 43.5% from the same period in 2017. For the nine months ended September 30, 2018, Bank First earned \$19.4 million or \$2.90 per share, up 48.7% from the first nine months of 2017. Results for the third quarter and first nine months of 2018 were positively impacted by the acquisition of Waupaca Bancorporation, Inc. (Waupaca) during the fourth quarter of 2017.

Net interest income after provision for loan losses was \$14.7 million for the quarter ended September 30, 2018, compared to \$10.4 million for the prior year third quarter, representing a 41.3% increase year-over-year. Through nine months ended September 30, 2018, net interest income after provision for loan losses totaled \$45.4 million, up 51.5% from \$30.0 million through the first nine months of 2017. Net interest income after provision for loan losses declined by \$0.13 million from the prior quarter due to a reduction of \$0.21 million in accretion of fair value adjustments of the acquired Waupaca loan portfolio into interest income quarter-over-quarter.

Noninterest expense was \$9.7 million in the third quarter of 2018, compared to \$7.0 million during the third quarter of 2017. For the nine months ended September 30, 2018, noninterest expense was \$29.7 million, up 48.9% from \$20.0 million in the prior year period. The primary reason for the increase in noninterest expense for the quarter and

year-to-date is the aforementioned acquisition of Waupaca which occurred during the fourth quarter of 2017, significantly increasing the scale of the Bank's operations. Bank First's efficiency ratio was 51.6% through the first nine months of 2018, compared to 50.5% through the first nine months of 2017.

"In 2018, we utilized the benefits from the reduction in the Bank's corporate tax rate to invest in our remarkable team of bankers," stated Mike Molepske, Chief Executive Officer. "We have invested in our operations, compliance and enterprise risk management departments to position the Bank to grow organically and through strategic acquisitions. In addition, we continue to add quality business development bankers to our team. Most recently, we welcomed new bankers to our Sheboygan, Oshkosh, Waupaca and Appleton markets and hired a leader for our agricultural banking group."

Bank First experienced total loan growth of \$7.5 million during the third quarter of 2018, representing a 2.1% annualized growth rate. Solid organic loan growth during the quarter was partially offset by the Bank's continued targeted reduction of portions of the loan portfolio acquired from Waupaca that do not align with its relationship-based approach to community banking. Deposits showed a decline of \$9.0 million during the third quarter of 2018, representing a 2.4% annualized decline. This decline is the result of normal seasonal shifts in the Bank's deposit base that it has seen historically during the third quarter. It is anticipated that core deposits will increase through the end of 2018, once again based on seasonal shifts experienced in prior years.

Bank First's asset quality continued to feel the impact of the acquisition of Waupaca. Nonperforming assets to total assets finished the quarter at 1.79%, an increase from 1.32% at the end of the previous quarter. Nearly all of this increase was the result of one Waupaca agricultural relationship which went over 90 days past due as we await a Chapter 11 bankruptcy plan. The Bank does not anticipate incurring any loss on this relationship. The Bank did incur a significant charge-off of \$1.8 million on a separate relationship, resulting in a decline quarter-over-quarter in the allowance coverage ratio. The full amount of this charge-off had previously been reserved for in the allowance for loan losses. Bank First ended the third quarter with a ratio of total classified assets to risk based capital of 34.0%, down from 40.0% one quarter earlier, indicating that it continues to either improve or exit loans that have shown stressed credit quality. "Our team has made great strides in reducing the level of classified assets we acquired with Waupaca. This is being accomplished by going back to Waupaca's roots of relationship-based banking instead of transactional banking," stated Molepske.

The Corporation's Board of Directors approved a quarterly cash dividend of \$0.20 per common share, payable on January 7, 2019, to shareholders of record as of December

21, 2018. This represents a 25% increase in the Corporation's quarterly cash dividend compared to the previous quarter.

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 and technology services for over 50 Midwest banks. The Company employs approximately 253 full-time equivalent staff and has assets of \$1.74 billion as of September 30, 2018. 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
Consolidated Financial Summary (Unaudited)

(In thousands, except per share data)	At or for the Three Months Ended					At or for the Nine Months Ended	
	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017	9/30/2018	9/30/2017
Results of Operations:							
Interest income	\$ 19,510	\$ 19,372	\$ 19,309	\$ 17,430	\$ 12,629	\$ 58,191	\$ 36,042
Interest expense	<u>3,974</u>	<u>3,604</u>	<u>3,027</u>	<u>2,298</u>	<u>1,998</u>	<u>10,605</u>	<u>5,434</u>
Net interest income	15,536	15,768	16,282	15,132	10,631	47,586	30,608
Provision for loan losses	<u>800</u>	<u>900</u>	<u>485</u>	<u>420</u>	<u>255</u>	<u>2,185</u>	<u>635</u>
Net interest income after provision for loan losses	14,736	14,868	15,797	14,712	10,376	45,401	29,973
Noninterest income	2,508	3,027	3,443	1,888	2,247	8,978	7,961
Noninterest expense	<u>9,708</u>	<u>10,064</u>	<u>9,977</u>	<u>10,418</u>	<u>6,974</u>	<u>29,749</u>	<u>19,976</u>
Income before income tax expense	7,536	7,831	9,263	6,182	5,649	24,630	17,958
Income tax expense	<u>1,604</u>	<u>1,431</u>	<u>2,200</u>	<u>2,904</u>	<u>1,818</u>	<u>5,235</u>	<u>5,923</u>
Net income	<u>\$ 5,932</u>	<u>\$ 6,400</u>	<u>\$ 7,063</u>	<u>\$ 3,278</u>	<u>\$ 3,831</u>	<u>\$ 19,395</u>	<u>\$ 12,035</u>
Earnings per common share (basic and diluted):	\$ 0.89	\$ 0.96	\$ 1.05	\$ 0.50	\$ 0.62	\$ 2.90	\$ 1.95
Common Shares:							
Basic and diluted weighted average	6,661,337	6,672,344	6,714,347	6,612,114	6,151,737	6,682,472	6,176,329
Outstanding	6,659,021	6,662,292	6,692,407	6,805,684	6,143,576	6,659,021	6,143,576
Noninterest income / noninterest expense:							
Service charges	\$ 971	\$ 786	\$ 846	\$ 790	\$ 820	\$ 2,603	\$ 2,156
Income from Ansay	176	562	1,196	(125)	117	1,934	1,788
Income from UFS	660	586	609	679	614	1,855	1,711
Loan servicing income	260	604	242	117	197	1,106	1,045
Net gain on sales of mortgage loans	144	128	157	182	319	429	713
Noninterest income from strategic alliances	24	21	23	24	25	68	70
Other noninterest income	<u>273</u>	<u>340</u>	<u>370</u>	<u>221</u>	<u>155</u>	<u>983</u>	<u>478</u>
Total noninterest income	<u>\$ 2,508</u>	<u>\$ 3,027</u>	<u>\$ 3,443</u>	<u>\$ 1,888</u>	<u>\$ 2,247</u>	<u>\$ 8,978</u>	<u>\$ 7,961</u>
Personnel expense	\$ 5,205	\$ 5,446	\$ 5,317	\$ 5,681	\$ 3,577	\$ 15,968	\$ 10,914
Occupancy, equipment and office	817	532	1,350	920	845	2,699	2,171
Data processing	856	925	939	848	752	2,720	2,091
Postage, stationery and supplies	138	159	167	178	121	464	273
Net (gain) loss on sales of other real estate owned	233	(38)	136	(10)	(32)	331	(39)
Net (gain) loss on sales of securities	(19)	47	3	23	-	31	9
Advertising	36	54	52	59	54	142	124
Charitable contributions	169	322	373	104	170	864	391
Outside service fees	817	896	520	1,685	585	2,233	1,926
Amortization of intangibles	189	189	189	129	-	567	3
Other noninterest income	<u>1,267</u>	<u>1,532</u>	<u>931</u>	<u>801</u>	<u>902</u>	<u>3,730</u>	<u>2,113</u>
Total noninterest income	<u>\$ 9,708</u>	<u>\$ 10,064</u>	<u>\$ 9,977</u>	<u>\$ 10,418</u>	<u>\$ 6,974</u>	<u>\$ 29,749</u>	<u>\$ 19,976</u>
Period-end balances:							
Loans	\$ 1,442,041	\$ 1,434,504	\$ 1,405,245	\$ 1,397,547	\$ 1,103,088	\$ 1,442,041	\$ 1,103,088
Allowance for loan losses	11,560	13,047	12,113	11,612	11,243	11,560	11,243
Investment securities available-for-sale, at fair value	119,623	121,550	124,238	119,043	84,549	119,623	84,549
Investment securities held-to-maturity, at cost	40,882	41,203	39,082	39,991	40,529	40,882	40,529
Goodwill and other intangibles, net	20,425	20,614	20,413	20,663	10,723	20,425	10,723
Total assets	1,735,754	1,741,874	1,703,623	1,753,404	1,333,016	1,735,754	1,333,016
Deposits	1,486,470	1,495,424	1,468,713	1,506,642	1,141,377	1,486,470	1,141,377
Stockholders' equity	169,133	165,200	161,795	161,728	134,933	169,133	134,933
Book value per common share	25.40	24.80	24.18	23.76	21.96	25.40	21.96
Tangible book value per common share	22.78	22.15	21.52	21.11	20.66	22.78	20.66
Average balances:							
Loans	\$ 1,437,832	\$ 1,424,604	\$ 1,404,766	\$ 1,333,598	\$ 1,085,807	\$ 1,422,532	\$ 1,061,436
Interest-earning assets	1,654,966	1,676,017	1,671,358	1,600,473	1,315,720	1,667,419	1,307,710
Total assets	1,772,768	1,794,227	1,786,306	1,701,974	1,403,204	1,784,384	1,389,734
Deposits	1,488,758	1,474,952	1,470,579	1,385,150	1,146,163	1,478,163	1,125,369
Interest-bearing liabilities	1,185,391	1,215,923	1,211,571	1,109,472	919,962	1,204,199	931,585
Goodwill and other intangibles, net	20,610	20,474	20,503	18,587	10,723	20,504	10,559
Stockholders' equity	167,651	162,860	161,331	148,950	134,260	163,970	131,639

(In thousands, except per share data)	At or for the Three Months Ended					At or for the Nine Months Ended	
	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017	9/30/2018	9/30/2017
Financial ratios:							
Return on average assets	1.33%	1.42%	1.57%	0.76%	1.08%	1.45%	1.15%
Return on average common equity	14.04%	15.59%	17.37%	8.73%	11.32%	15.77%	12.19%
Return on average tangible common equity	16.01%	17.83%	19.90%	9.98%	12.30%	18.03%	13.25%
Average equity to average assets	9.46%	9.08%	9.03%	8.75%	9.57%	9.19%	9.47%
Stockholders' equity to assets	9.74%	9.48%	9.50%	9.22%	10.12%	9.74%	10.12%
Tangible equity to tangible assets	8.57%	8.30%	8.30%	8.05%	9.32%	8.57%	9.32%
Loan yield	4.98%	5.04%	5.12%	4.80%	4.18%	5.04%	4.11%
Earning asset yield	4.76%	4.72%	4.77%	4.46%	3.96%	4.75%	3.76%
Cost of funds	1.33%	1.19%	1.01%	0.82%	0.86%	1.18%	0.78%
Net interest margin, taxable equivalent	3.81%	3.86%	4.04%	3.89%	3.35%	3.90%	3.27%
Net loan charge-offs to average loans	0.16%	0.00%	0.00%	0.00%	0.01%	0.16%	0.01%
Nonperforming loans to total loans	1.99%	1.43%	1.45%	1.47%	0.10%	1.99%	0.10%
Nonperforming assets to total assets	1.79%	1.32%	1.44%	1.42%	0.20%	1.79%	0.20%
Allowance for loan losses to loans	0.80%	0.91%	0.86%	0.83%	1.02%	0.80%	1.02%