

SHAREHOLDERnews

May 2013

MESSAGE FROM THE PRESIDENT AND CEO



Dear Shareholders,

It's the beginning of May and we are more than a third of the way through 2013, which I find extremely hard to believe with the cooler temperatures we've been experiencing. It has been very difficult to spend any extended time outdoors given the high winds, cold, rain, and snow we have encountered this spring. Although the weather outdoors

has been dismal, the financial performance of your bank has continued its warming trend.

We are happy to report that our positive financial momentum has continued into 2013. The key to our success is our focus on growing the bank one relationship at a time while maintaining exceptional asset quality. Our recipe for success continues to provide you with a shareholder return that is outperforming many peers in Wisconsin.

Today, I would like to answer several questions I receive on a regular basis from our shareholders and customers alike, including the status of our expansion plans, the construction plans for our new Two Rivers office, as well as the name of Bank First's holding company and its stock symbol.

In recent years, Bank First has been focused on growth and building relationships. Our strategic plans to open our Sheboygan and Oshkosh offices in 2008 and 2011, respectively, have made a positive impact to our bottom line, have augmented our depth of resources and provided a foundation for continued growth. Our Sheboygan office is now the bank's largest and most profitable office representing almost half of our total loans, as of March 31, 2013. Our newest office located in Oshkosh became profitable in less than two years and is currently contributing a pretax profit of approximately \$100,000 per month to our Bank's profitability. As you can see from the pie charts on page 2 of this newsletter, these two offices have a significant impact on the bank's overall loan and deposit growth.

Our successful expansions into Sheboygan and Oshkosh began with hiring exceptional banking teams and providing them with outstanding support and autonomy while keeping them accountable for their financial results. We continue to actively recruit the right talent to facilitate our moves into adjacent markets to further our growth in Wisconsin. In addition, we continue to seek opportunities to grow into neighboring markets through strategic acquisitions. However, any such partnership needs to be reviewed and considered very carefully to ensure that the fit is right for both parties and enhances shareholder value for both organizations. We are not going to seek to acquire a



First
Manitowoc Bancorp, Inc.

troubled organization simply because it may be inexpensive.

I would also like to update you on the progress of building a new office in Two Rivers. We have received strong support from the city leaders of Two Rivers and the community as a whole regarding our plans to invest in this very important market. In order to provide ample time for all construction considerations, we hope to begin construction this fall and complete the building by early spring in 2014. Our plans for the new Two Rivers office reflect our investment in one of our most important deposit gathering markets and our pride in Manitowoc County, where we were founded and headquartered.

Another commonly asked question is, "What is the name of your holding company and what is its stock ticker symbol?" Our brand "Bank First" is the direction we are moving in and we are recommending that we rename our holding company and trading ticker symbol to be aligned with our strong banking brand. It is not intuitive that Bank First National is owned by First Manitowoc Bancorp, Inc. and its stock symbol is FMWC. This is very confusing for our newest customers in our newest markets. New customers often want to become our newest shareholders. However, if they seek to find the stock symbol for Bank First National they have trouble doing so.

Therefore, we are beginning the process to better link the name and stock symbol of our holding company to Bank First National. This will be a two-step process. Soon we will change our ticker symbol and in early 2014 we will request shareholder approval to change the name of our holding company to Bank First National Corporation.

Again, we very much appreciate the support from you, our valued shareholder. We will continue working towards providing you with an exceptional financial return on your investment. Most importantly, we will continue to follow our promise to be "a relationship-based community bank focused on providing innovative products and services that are value driven".

Sincerely,

Michael B. Molepske, President and CEO

BANK FIRST LOCATIONS:

402 N. Eighth St., Manitowoc (920) 684-6611
2915 Custer St., Manitowoc (920) 683-5710
1509 Washington St., Two Rivers (920) 793-2274
106 Packer Dr., Francis Creek (920) 683-5700

109 S. Fourth Ave., St. Nazianz (920) 773-2101
110 Baugniet St., Mishicot (920) 755-4200
110 Fremont St., Kiel (920) 894-2215
2747 Manitowoc Rd., Bellevue (920) 469-0500

2323 Eastern Ave., Plymouth (920) 893-1611
2865 S. Ridge Rd., Ashwaubenon (920) 499-0500
2600 Kohler Memorial Dr., Sheboygan (920) 694-1900
101 City Center, Oshkosh (920) 237-5126



OTCQB: FMWC

www.BankFirstNational.com



First Manitowoc Bancorp, Inc. Financial Results for three months ended March 31, 2013

Total assets for the Company increased by \$48 million to \$972 million at March 31, 2013, compared to \$923 million at March 31, 2012. Loans grew by 10 percent on a year-over-year basis or \$66 million. Total loans net of the allowance are \$759 million and our loan growth is focused on selective and high quality relationships within our footprint. Our asset growth is funded from core deposit growth totaling \$68 million or 9 percent on a year-over-year basis. More importantly, our non-interest bearing deposits have increased by 19 percent or \$27 million from \$142 million at March 31, 2012, to \$169 million at March 31, 2013, and represent 20 percent of total deposits.

Our provision for loan losses was \$350,000, down from \$450,000 a year ago. We are pleased to report continued strong asset quality trends in 2013. Our nonperforming assets to total assets are 0.94 percent, down from 1.11 percent as of March 2012.

Net income for the three-months ended March 31, 2013 was \$3.0 million or \$0.46 per share, a decrease of 8 percent compared to the first quarter 2012 net income of \$3.3 million or \$0.50 per share. Net interest income after provision for loan losses increased by 4 percent during the first three months of 2013 to \$7.8 million. We have achieved growth in net interest

income despite declining margins. Net interest margin was 3.78 percent for the first quarter 2013, down from 3.96 percent in the prior year quarter.

Total non-interest income was \$2.2 million for the first three months of 2013, compared to \$2.3 million for the prior year period, a decrease of \$96,000. Gains on sales of mortgage loans were \$432,000, up 14% compared to \$379,000 in the prior year quarter. Although non-interest income was lower than last year first quarter, we anticipated that the strong results for 2012 would be difficult to replicate in 2013.

Non-interest expense increased by \$597,000 or 12 percent to \$5.6 million for the three months-ended March 31, 2013, compared to \$5.0 million in same period of 2012. Our full-time equivalent staff was 159 at March 31, 2013, down from 163 in the prior year quarter. The efficiency ratio was 52% at March 31, 2013, versus 47% for the quarter ended March 31, 2012. During the quarter we recognized higher loan related costs compared to the prior year period. In addition, a one-time reduction of FDIC assessment expense in 2012 was not

1st quarter

3/31/13



LISA O'NEILL
Chief Financial Officer

recurring in 2013 and we have experienced higher employee benefit costs as well in 2013.

Total shareholders' equity increased by 4 percent or \$4.1 million to \$99.1 million at March 31, 2013, as compared with \$94.9 million at March 31, 2012. Return on average equity for the first quarter 2013 was 12.31 percent, down from 13.91 percent in the first quarter of 2012. Return on average assets was 1.22 percent in 2013, down from 1.43 percent in the first quarter of 2012. Our continued strong financial results are derived from our focus on building relationships and delivering high quality and innovative financial services.

Watch for our new ticker symbol announcement soon!

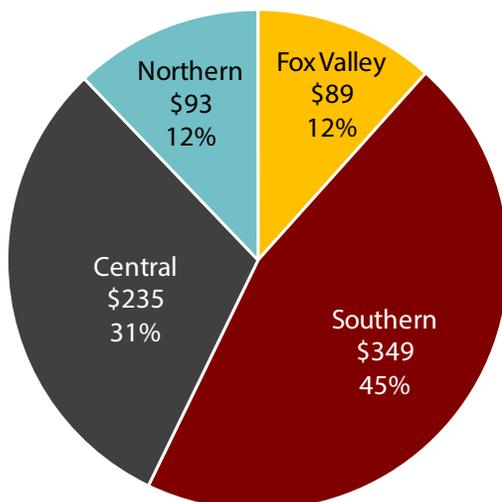
OTCQB: **FMWC**
OTCQB: ?

To receive email news alerts, sign up at our Investor Relations site accessible through www.BankFirstNational.com.
Click on Press Releases / Email Notification.

LOANS

by region as of 3/31/2013

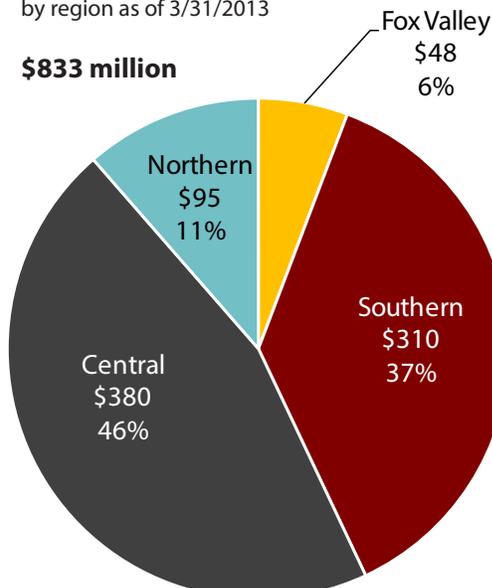
\$766 million



DEPOSITS

by region as of 3/31/2013

\$833 million



Shareholder Services

Shareholders of our First Manitowoc Bancorp, Inc. ("FMWC") stock can elect to hold qualifying shares in "book-entry" or electronic position in lieu of paper certificates.

If you are interested in finding out more information about maintaining your FMWC shares in book entry format, please contact our Shareowner Relations at 1-800-468-9716. Holding shares in book entry can prevent certificates from being lost or stolen.

Financial Performance

	<u>3/31/2013</u>	<u>3/31/2012</u>
	(In Thousands)	
ASSETS		
Cash, Cash Equivalents and Fed Funds Sold	\$ 30,206	\$ 33,394
Investment Securities at Fair Value	114,773	131,777
Other Investments at Cost	2,958	2,958
Loans, Net	758,921	692,567
Premises and Equipment	10,024	9,182
Other Assets	54,737	53,403
Total Assets	\$ 971,619	\$ 923,281
LIABILITIES		
Deposits	\$ 833,730	\$ 783,041
Securities Sold Under Repurchase Agreements	30,303	35,376
Borrowed Funds	-	-
Notes Payable	2,880	3,480
Other Liabilities	5,640	6,448
Total Liabilities	\$ 872,553	\$ 828,345
Total Shareholder Equity	99,066	94,936
Total Liabilities and Shareholder Equity	\$ 971,619	\$ 923,281



**Consolidated
Statements
of Financial
Condition**

**Consolidated
Statements of
Income**

	<u>3/31/2013</u>	<u>3/31/2012</u>
	(In Thousands, Except Share Data)	
Total Interest Income	\$ 9,386	\$ 9,512
Total Interest Expense	1,258	1,581
Net Interest Income	8,128	7,931
Provision for Loan Losses	350	450
Net Interest Income After Provision for Loan Losses	7,778	7,481
Total Other Income	2,192	2,287
Total Operating Expenses	5,579	4,981
Income Before Provision for Income Taxes	4,391	4,787
Provision for Income Taxes	1,373	1,510
Net Income	\$ 3,018	\$ 3,277
Earnings Per Share: Basic and Diluted	\$ 0.46	\$ 0.50

	<u>3/31/2013</u>	<u>3/31/2012</u>
YTD Return on Average Assets	1.22%	1.43%
YTD Return on Average Equity	12.31%	13.91%
Average Assets per Average FTE	\$ 6,087	\$ 5,564
Net Interest Margin (YTD)	3.78%	3.96%
FTE - period end	159	163
Dividend Payout Ratio	0%	22%
Dividends Per Share (YTD)	\$ -	\$ 0.11



**Key Financial
Metrics**



Office Spotlight:

Kiel

Our Kiel office, located at 110 Fremont Street, is our featured office for this edition of our quarterly newsletter. This office became our seventh office added to our branch network when it opened in 1994. Located in the southwest corner of Manitowoc County, our Kiel office is considered part of our southern region network.

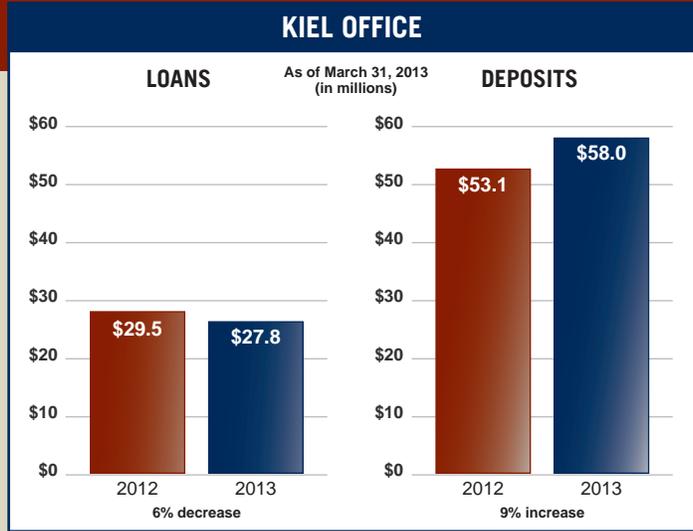
Michelle Rabe, Vice President, leads this office of eight employees who have a combined total of over 109 years of banking experience. Their average assets per employee is greater than \$8 million, which is well above our goal of \$6.7 million per employee at each branch.

As of March 31, 2013, loans decreased by 6 percent year-over-year from \$29.5 million to \$27.8 million, while deposits grew by 9 percent year-over-year from \$53.1 million to \$58.0 million.

The office underwent a complete interior makeover in 2012. Stop on in today and say hello to the friendly staff. They would love to see you!

OFFICE HOURS:

Monday-Thursday 8:00 am to 5:00 pm
Friday 8:00 am to 6:00 pm
Saturday 9:00 am to 12:00 pm



L to R: Michelle Rabe, Darla Maratik, Kim Sebo, Jean Dederig, Kevin Moehring, Mary Jo Meyer, Teri Geiser, and Patty Jaeckels.

Bank First announces bank officer promotions

Mike Molepske, President and CEO of Bank First, announced the promotion of two bank officers: Max Scheuer, Business Banking Officer, and John Mueller, Assistant Vice President / Relationship Manager.

Scheuer joined the bank in May of 2010 as a Credit Analyst. Scheuer will focus on developing and managing business banking relationships at the bank's N. 8th Street location in Manitowoc. He received his bachelor's degree from the University of Wisconsin – Green Bay, where he majored in business administration with an emphasis in finance and economics.

Scheuer is involved in his community and is the chair-elect of the SAIL Young Professionals Network, serves on the Leadership Manitowoc County Committee, and is a member of Rotary as well as a presenter for the EDC Boot Camp. He also serves on the St. Peter's Lutheran Construction Finance Committee and Planned Giving Committee, on the Lobsterfest Committee, is the secretary



MAX SCHEUER



JOHN MUELLER

for Bay Area Life Center, and is the micro-brew tent manager at Riverfest. In his spare time he enjoys hunting, fishing, and target shooting.

Mueller joined Bank First in April of 2007 as a relationship manager. He will continue to focus on serving the needs of personal and small business customers at the bank's Plymouth office location. He received his bachelor's degree in history from the University of Wisconsin – Oshkosh. Miller also has obtained his FINRA Series 6, 7,

63, 66 licenses.

Mueller currently serves as treasurer for the Plymouth Education Foundation, is a member of Big Brothers Big Sisters of Sheboygan County, and is a pastoral council member at St. John the Baptist Catholic Church. He resides in Plymouth with his wife, Mary, and their two children, Gretta and Jack. In his spare time he enjoys hunting, fishing, golfing and spending time with his family and friends.



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