

SHAREHOLDERnews

February 2014

MESSAGE FROM THE PRESIDENT AND CEO



Dear Shareholders,

I am pleased to announce that our focus on providing core banking products to our customers in the markets we serve resulted in strong financial performance in the fourth quarter of 2013 and for the entire year. In the fourth quarter of 2013, our net income grew 46% to \$2.9 million, or \$0.45 per share, compared to \$2.0 million, or \$0.30 per share, for the fourth quarter of 2012. This resulted in net income of \$11.6 million for 2013, representing an 11% increase over the net income of \$10.4 million that we enjoyed during 2012. This growth in net income was largely attributable to our growth in net interest income (before provision for loan losses) to more than \$34.1 million in 2013, an increase of nearly 6% on a year-over-year basis, and more than 35% since 2009. This core revenue growth was the largest contributor to our ability to grow earnings per share to \$1.79 in 2013, an increase of 13% from 2012 and more than double the \$0.88 per share delivered in 2009.

Our profitability over the last five years has provided Bank First with the capital needed to fund our growth and capital base, maintain our quarterly dividend and continue to repurchase shares of our stock. While we are under no obligation to purchase shares that are offered to us, our share repurchase program generally has provided a source of liquidity to our shareholders and has enhanced our earnings per share, and in turn, increases the value of your investment in Bank First. During 2013, we repurchased nearly 203,000 shares of our stock at an average cost of \$16.23 per share.

These exceptional financial results reflect the efforts of our people who focus on

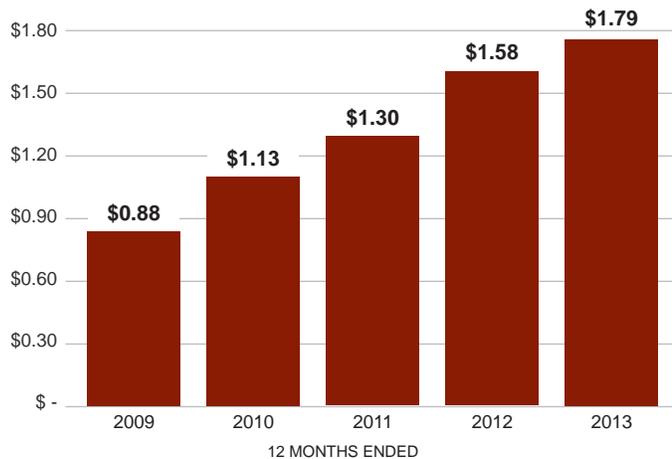
growing our bank one relationship at a time by delivering innovative, technology-based deposit and loan solutions that are value driven. Our bankers are experts at delivering core banking service and we introduce our customers to peripheral financial services through our trusted partner companies. Insurance services are provided by Ansay & Associates, trust and wealth management services are provided by Legacy Private Trust Company, retirement account and investment management solutions are provided by Morgan Stanley, and brokerage and wealth retention services are provided by McKenzie Financial Services.

The dedication of our knowledgeable and motivated bankers, combined with our financial services platform of products and services, makes banking with Bank First easy. The combination of an easy banking platform and empowered bankers dedicated to providing exceptional customer service, positions us well for continued success in the future. Satisfied customers referring friends and family members to our bank is the single largest contributor to our sustained growth. Collectively, our bankers are succeeding in delivering our promise to each other, our customers and our shareholders.

Sincerely,

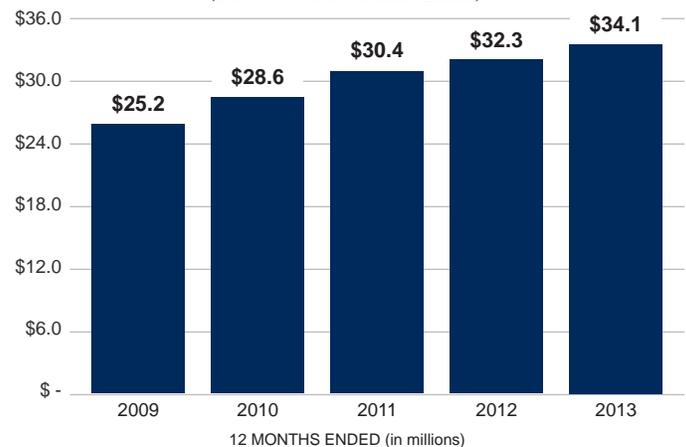
Michael B. Molepske, President and CEO

Earnings Per Share



Net Interest Income

(Before Provision for Loan Losses)



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 Baugnet 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: **BFNC**

www.BankFirstNational.com



First Maniwoc Bancorp, Inc. Financial Results for twelve months ended December 31, 2013

Total assets for the Company increased by \$40 million to \$1.061 billion at December 31, 2013, compared to \$1.020 billion at December 31, 2012. Loans grew by 13 percent on a year-over-year basis, or \$91 million, accounting for the majority of our balance sheet growth. Total loans are \$823 million and our loan growth is focused on selective and high-quality relationships within our footprint. Loan growth is being generated from all four regions of the bank, with the majority of the growth generated in our newest offices.

Our franchise growth is funded from core deposit growth totaling \$50 million, or 6 percent, on a year-over-year basis. In addition, our non-interest bearing deposits have increased by 12 percent, or \$24 million, from \$195 million at December 31, 2012, to \$219 million at December 31, 2013, and represent 24 percent of total deposits. Our focus on growing deposits and loans in our footprint has been successful because of our relationship-based approach to banking and we look forward to continued organic growth with our recent announcement to start a new office in the Appleton market.

Our provision for loan losses was \$1.5 million, down from \$2.9 million a year ago. We are pleased to report continued strong asset quality trends, which also contributed to profitability with a reduced provision for loan loss for 2013. Our nonperforming

assets to total assets are 0.53 percent, down from 0.96 percent as of December 2012.

Net income for the twelve-months ended December 31, 2013, was \$11.6 million, or \$1.79 per share, an increase of 11 percent compared to 2012 net income of \$10.4 million, or \$1.58 per share. Net interest income increased by 5 percent during 2013 to \$34.1 million. We have achieved growth in net interest income despite declining margins. Net interest margin was 3.82 percent for 2013, down from 3.90 percent in 2012.

Total non-interest income was \$6.7 million for 2013, compared to \$8.4 million for 2012. The decline in noninterest income resulted from losses on the sales of investment securities and a decline in residential mortgage activity in 2013 compared to 2012.

Non-interest expense decreased by \$533,000, or 2 percent, to \$22.8 million for 2013, compared to \$23.3 million in 2012. During 2013 we continued to invest in innovative products and solutions for our customers. For example, we introduced mobile deposit for smart phones and the iPad app, demonstrating our investment on an easier banking experience for our customers. Our full-time equivalent staff

4th 12/31/13 quarter



LISA O'NEILL
Chief Financial Officer

was 154 at December 31, 2013, down from 166 in the prior year period. The efficiency ratio was 54 percent in 2013, an improvement from 56 percent in 2012.

Total shareholders' equity increased by 6 percent, or \$5.5 million, to \$102 million at December 31, 2013, as compared with \$96 million at December 31, 2012. Our fourth quarter dividend of \$0.11 per share, or \$703,000, is reflected in the period end results and was paid on January 3, 2014, to shareholders of record on December 20, 2013.

Return on average equity for 2013 was 11.60 percent, up from 10.69 percent in 2012. Return on average assets was 1.15 percent in 2013, up from 1.11 percent in 2012. Our continued strong financial results are derived from our focus on building relationships, delivering high quality and innovative financial services, while maintaining a disciplined credit culture.

Plans for new office in the Fox Valley announced

In January, Bank First announced its plans for a new office near Appleton. "Bank First's strong and stable performance has provided us the resources to construct a new office in the Appleton area," stated Mike Molepske, President and CEO.

Pending municipal and regulatory approvals, the bank will construct a new office at 4201 W. Wisconsin Avenue in the Town of Grand Chute near the Fox River Mall. Developer Bob Gregorski purchased the prime one-acre property in late 2013. The bank will enter a land lease of the property and hope to begin building construction in late 2014. "Our strategic vision to grow our footprint into adjacent markets aligns perfectly with this new location," stated Molepske. "It bridges the gap between our Green Bay and Oshkosh offices and allows our relationship managers the opportunity to build further relationships in



Rendering of future Grand Chute office

the Fox Valley area."

"This new office will position us well to continue serving and growing our existing Fox Valley customer base. Working together with our recent hire Bill Bradley, Vice President, we are expanding the team who will continue to focus on personalized service and solutions to individuals and family-owned, closely-held businesses," stated Joan Woldt, Regional President.

Attention Shareholders:

To help us stay in touch with you, please reach out to Bridget Bonde, our Bank First Transfer Agent liaison, and provide us with your phone and email contact information. You can call her direct at **(920) 652-3222** or email her at **bbonde@bankfirstnational.com**.

First Quarter Common Stock Cash Dividend

The Board has declared a quarterly cash dividend of \$0.11 per share cash dividend. It will be payable on April 4, 2014, to shareholders of record on March 21, 2014.

Financial Performance

	<u>12/31/2013</u>	<u>12/31/2012</u>
	(In Thousands)	
ASSETS		
Cash, Cash Equivalents and Fed Funds Sold	\$ 71,764	\$ 111,780
Investment Securities at Fair Value	109,650	117,955
Other Investments at Cost	2,958	2,958
Loans, Net	814,661	723,666
Premises and Equipment	9,272	10,051
Other Assets	52,582	54,016
Total Assets	<u>\$ 1,060,887</u>	<u>\$ 1,020,426</u>
LIABILITIES		
Deposits	\$ 919,486	\$ 869,163
Securities Sold Under Repurchase Agreements	30,845	43,099
Borrowed Funds	-	-
Notes Payable	1,815	2,820
Other Liabilities	7,173	9,251
Total Liabilities	<u>\$ 959,319</u>	<u>\$ 924,333</u>
Total Shareholder Equity	<u>101,568</u>	<u>96,093</u>
Total Liabilities and Shareholder Equity	<u>\$ 1,060,887</u>	<u>\$ 1,020,426</u>



**Consolidated
Statements
of Financial
Condition**

	<u>12/31/2013</u>	<u>12/31/2012</u>
	(In Thousands, Except Per Share Data)	
Consolidated Statements of Income		
Total Interest Income	\$ 38,986	\$ 38,157
Total Interest Expense	4,879	5,813
Net Interest Income	34,107	32,344
Provision for Loan Losses	1,475	2,900
Net Interest Income After Provision for Loan Losses	32,632	29,444
Total Other Income	6,669	8,376
Total Operating Expenses	22,798	23,331
Income Before Provision for Income Taxes	16,503	14,489
Provision for Income Taxes	4,939	4,069
Net Income	<u>\$ 11,564</u>	<u>\$ 10,420</u>
Earnings Per Share: Basic and Diluted	<u>\$ 1.79</u>	<u>\$ 1.58</u>

	<u>12/31/2013</u>	<u>12/31/2012</u>
YTD Return on Average Assets	1.15%	1.11%
YTD Return on Average Equity	11.60%	10.69%
Average Assets per Average Full Time Equivalent	\$ 6,234,000	\$ 5,664,000
Net Interest Margin (YTD)	3.82%	3.90%
Full Time Equivalent - period end	154	166
Dividend Payout Ratio	6%	56%
Dividends Per Share (YTD)	\$ 0.11	\$ 0.88



**Key Financial
Metrics**

Employee promotions at Bank First

Bank First is proud to announce the recent following promotions:

Dennis Kozlovsky - Senior Underwriter

Dennis joined the bank in 2000. As an Officer of the bank, Dennis was previously responsible for mortgage lending in the northern market. In Dennis's new role he will be responsible for the secondary market underwriting and administration for the bank. Dennis is a graduate of UW-Milwaukee, where he earned a Bachelor's Degree in Business Administration.

Deb Weyker - Vice President of Marketing

Deb joined the bank's marketing department in 2006 and was later promoted to Officer, followed by Assistant Vice President. A member of the Senior Management team, Deb is responsible for overseeing the bank's marketing and public relations efforts. She earned her Bachelor's Degree in Business with an emphasis in Marketing from Silver Lake College and also holds a degree in Graphic Design from Lakeshore Technical College.

Amy Dehne - Assistant Controller and Officer

Amy joined Bank First in 2010 as a Financial Analyst. She was promoted to a Senior Financial Analyst this past May and most recently to Assistant Controller. Amy earned a Bachelor's Degree in Finance from the University of Wisconsin – Whitewater and is completing her Accounting Degree at Lakeland College in pursuit of her CPA.

Kory Schmidt - Vice President of Business Banking

Kory joined the bank in 2005 as a Credit Analyst and was later promoted to Business Banker followed by Assistant Vice President. Kory graduated with a degree in Business Administration from the University of Wisconsin – Green Bay. In addition, Kory recently earned his MBA from Lakeland College.

Max Scheuer - Assistant Vice President of Business Banking

Max started at the Bank in 2010 as a Credit Analyst and was promoted to Business Banking Representative in 2011 and Business Banking Officer in March of 2013. Max graduated from the University of Wisconsin – Green Bay with a degree in Finance and Economics.

Brandon Suemnicht - Business Banking Officer

Brandon joined the bank in 2011 as a Credit Analyst Intern and was promoted to Credit Analyst upon graduation. Brandon was promoted to a Business Banking Representative this past January. He graduated with a degree in Finance from the University of Wisconsin – Oshkosh and is planning on pursuing his MBA.

Jason Krause - Loan Portfolio Officer

Jason joined the Bank in 2007 as a Credit Analyst and was later promoted to Loan Review Specialist. Jason earned his Bachelor's Degree from Concordia University, as well as his MBA. Jason is currently working on his Certified General Appraiser Designation.

Trevor Rabbach - Business Banking Representative

Trevor joined Bank First in June 2012 as a Credit Analyst. Trevor earned his Bachelor's Degree in Business with an emphasis in Accounting and Finance from the University of Wisconsin – Oshkosh. Trevor is also currently working on his CPA designation.

Bill Bradley joins Bank First

Joan Woldt, Regional President at Bank First, recently announced that Bill Bradley has joined the bank as Vice President of Business Banking. Bill is responsible for further establishing the bank's footprint in the Fox Valley region. "We are enthusiastic to have Bill on our team as we continue to grow in the Fox Valley," stated Woldt. "He is an experienced advocate of his customers and provides a consultative and solutions-based approach which fits well with our bank culture and our strategy for growth in the region."

Bill comes to Bank First with a well-rounded history of providing financial solutions to small and large family-owned and closely-held companies. He has been serving businesses in the Fox Valley for over 15 years. He holds a bachelor's degree in business, majoring in finance and marketing, from the University of Wisconsin – Oshkosh. Involved in the community, Bill is a board member of Wisconsin Business Development and a member of Midwest Business Brokers and Intermediaries (MBBI). He also is involved in the Fox Cities YMCA serving on committees and coaching youth sports.



BILL BRADLEY



DENNIS KOZLOVSKY



DEB WEYKER



AMY DEHNE



KORY SCHMIDT



MAX SCHEUER



BRANDON SUEMNICHT



JASON KRAUSE



TREVOR RABBACH

Save the date!

Our Annual Shareholder Meeting
will be held at
4:00 P.M.

MONDAY, MAY 19, 2014

at the Manitowoc Maritime Museum

Watch for more details to arrive in the Proxy/Annual Report mailing in March.

Please don't forget to vote your shares.

You can vote by internet, telephone, or mail 24 hours a day, 7 days a week.

Details will be provided in the mailing.

If you have questions, please contact Mike Molepske at (920) 652-3202.