

SHAREHOLDERnews

May 2014

MESSAGE FROM THE PRESIDENT AND CEO



Dear Shareholders,

We are pleased to report that Bank First continues to perform exceptionally well on virtually every financial measure through the first three months of 2014. This includes strong loan and deposit growth, impressive asset quality, continued efficiency, and rising net income. On the following pages of this newsletter, you'll

learn about our strong performance as we compare our first quarter financial highlights on a year-over-year basis.

Our staff of remarkable bankers has delivered this type of performance on a consistent basis in recent years. As you can see on the charts below, our loans and deposits have grown by about 10 percent per year over the past four years. During this period, loans have grown \$276 million to \$840 million and deposits have risen \$275 million to nearly \$916 million.

We've done this while still making substantial investments in both people and infrastructure which will continue this year. Recently, we've completed the interior remodeling of our Ashwaubenon office as we work to improve efficiency while building a common image throughout our offices. Last month, we began the process of upgrading both the interior and exterior of our Mishicot office as we prepare for the merger with our Francis Creek office in August.

Next month, we will begin construction of a new Two Rivers office which will be located north of Memorial Drive and just west of

the Lighthouse Inn. This new office will serve as a prototype for our future offices

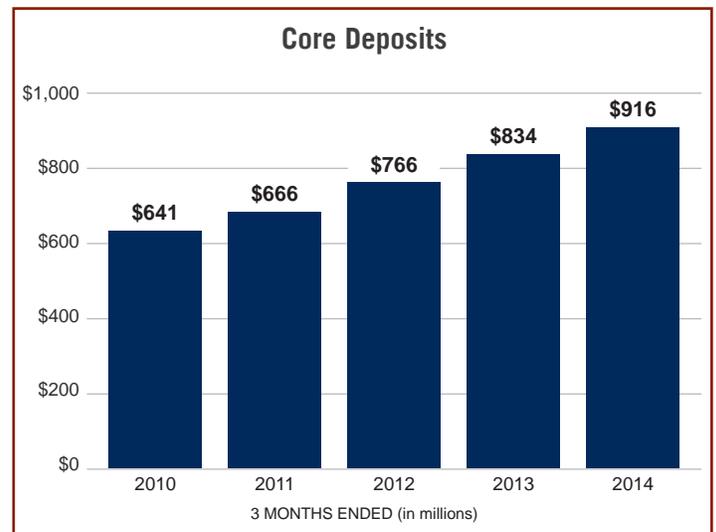
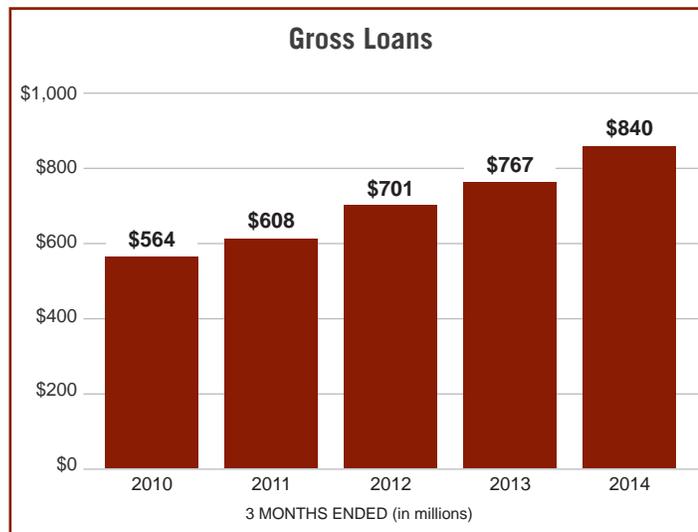
as it builds off many of the architectural aspects of our Sheboygan office and our headquarters on North 8th Street in Manitowoc, while also improving operational efficiency. Shortly, we will begin rebuilding our deteriorated parking area at our Bellevue office to bring in more grassy areas and plantings. In addition, we are currently making improvements to our recently purchased Valders office which will replace our St. Nazianz office in August. Later this year, we will begin preparation for the construction of our first new Appleton area office located near the Fox River Mall.

Lastly, I would like to take this opportunity to invite you to attend our annual shareholder meeting scheduled for 4:00 PM on Monday, May 19, 2014. Our annual shareholder meeting will again be held at the Maritime Museum in Manitowoc and we will be serving refreshments after the meeting including wine, beer, light snacks and desserts prepared by the Courthouse Pub in Manitowoc. If you are unable to attend the annual meeting and have any questions or comments, please do not hesitate to contact me directly at (920) 652-3202 or mmolepske@bankfirstnational.com.

"For Better Banking, Think **First**"

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: **BFNC**

www.BankFirstNational.com



First Manitowoc Bancorp, Inc. Financial Results for three-months-ended March 31, 2014

Total assets for the Company increased by \$86 million to \$1.058 billion as of March 31, 2014, compared to \$972 million as of March 31, 2013. Loans grew nearly 10 percent on a year-over-year basis, or more than \$73 million. Our loan growth comes from a combination of increasing lending activity to our current customers and attracting new selective and high-quality relationships within the markets we serve. Our asset growth is funded from core deposit growth totaling \$82 million, or 10 percent on a year-over-year basis.

We are pleased to report continued strong asset quality trends in 2014. Our provision for loan losses was \$200,000, down from \$350,000 a year ago. The ratio of nonperforming assets to total assets is 0.61 percent, down from 0.94 percent as of March 2013.

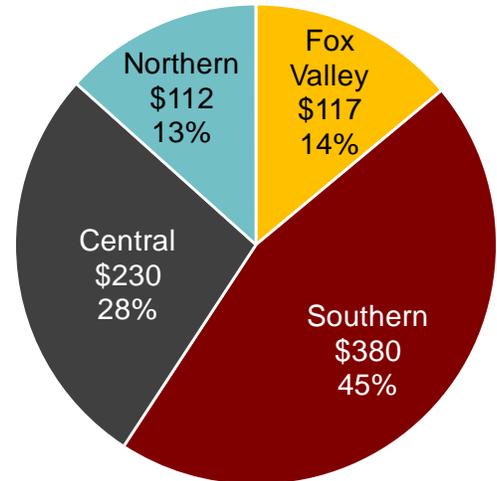
Earnings per share for the three-months-ended March 31, 2014 was \$0.50, an increase of almost 9 percent compared to the first quarter of 2013. Net income was \$3.2 million for the three-months-ended March 31, 2014, or 6 percent more than the same period last year. Net interest income after provision for loan losses increased by \$582,000 during the first three months of 2014 to \$8.4 million. Our year-over-year loan growth allowed us to grow net interest income despite declining interest margins. Net interest margin was 3.74 percent for the first quarter of 2014, down from 3.78 percent in the prior year quarter.

Total non-interest income was \$1.9 million for the first three months of 2014, compared to \$2.2 million for the prior year period, a decrease of \$305,000. The largest driver to this decline was lower fees from the sales of mortgage loans. Non-interest expense increased by \$60,000, or 1 percent to \$5.6 million for the three-months-ended March 31, 2014. Our full-time equivalent (FTE) staff was 155 at March 31, 2014, down from 159 in the prior year quarter. The company's assets per FTE increased to \$6.7 million at March 31, 2014, an improvement of \$661,000 over the same period last year.

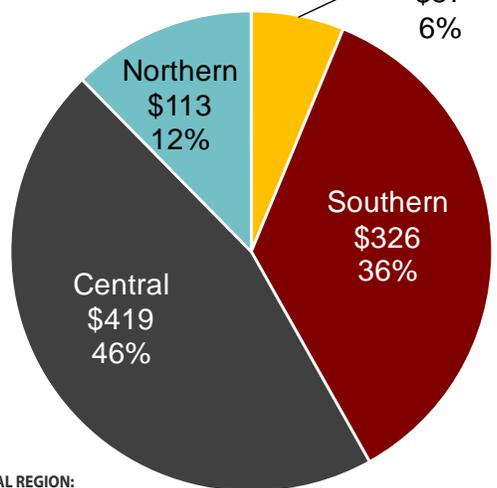
Total shareholders' equity increased by 4.8 percent to \$103.9 million at March 31, 2014, as compared with \$99.1 million at March 31, 2013. Return on average equity for the first quarter of 2014 was 12.35 percent, up from 12.31 percent in the first quarter of 2013. Return on average assets was 1.23 percent in 2014, up from 1.22 percent the year prior.

Our continued strong financial results are derived from our focus on growing relationships and delivering high-quality and innovative financial services to our customers.

LOANS (gross) by region as of 3/31/2014 \$840 million



DEPOSITS by region as of 3/31/2014 \$916 million



CENTRAL REGION:
8th St., Manitowoc
Custer St., Manitowoc
Two Rivers
Francis Creek
Mishicot
St. Nazianz

SOUTHERN REGION:
Sheboygan
Plymouth
Kiel

NORTHERN REGION:
Bellevue
Ashwaubenon

FOX VALLEY REGION:
Oshkosh

Second Quarter Common Stock Cash Dividend

The Board has declared a quarterly cash dividend of \$0.11 per share. It will be payable on July 7, 2014, to shareholders of record on June 20, 2014.

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.

Annual Meeting Reminder



Our Annual Shareholder Meeting will be held at **4:00 P.M.**
MONDAY, MAY 19, 2014
at the Manitowoc Maritime Museum

PLEASE VOTE YOUR SHARES IF YOU HAVEN'T ALREADY DONE SO.

Details were provided in the annual report. You can vote by internet, telephone, or mail 24 hours a day, 7 days a week.

Financial Performance

	<u>3/31/2014</u>	<u>3/31/2013</u>
	(In Thousands)	
ASSETS		
Cash, Cash Equivalents and Fed Funds Sold	\$ 49,185	\$ 30,206
Investment Securities at Fair Value	108,802	114,773
Other Investments at Cost	2,958	2,958
Loans, Net	831,696	758,921
Premises and Equipment	9,797	10,024
Other Assets	55,310	54,737
Total Assets	<u><u>\$ 1,057,748</u></u>	<u><u>\$ 971,619</u></u>
LIABILITIES		
Deposits	\$ 916,048	\$ 833,730
Securities Sold Under Repurchase Agreements	26,301	30,303
Borrowed Funds	-	-
Notes Payable	2,435	2,880
Other Liabilities	9,088	5,640
Total Liabilities	<u><u>\$ 953,872</u></u>	<u><u>\$ 872,553</u></u>
Total Shareholder Equity	<u><u>103,876</u></u>	<u><u>99,066</u></u>
Total Liabilities and Shareholder Equity	<u><u>\$ 1,057,748</u></u>	<u><u>\$ 971,619</u></u>



**Consolidated
Statements
of Financial
Condition**

	<u>3/31/2014</u>	<u>3/31/2013</u>
	(In Thousands, Except Per Share Data)	
Total Interest Income	\$ 9,724	\$ 9,386
Total Interest Expense	1,165	1,258
Net Interest Income	8,559	8,128
Provision for Loan Losses	200	350
Net Interest Income After Provision for Loan Losses	8,359	7,778
Total Other Income	1,887	2,192
Total Operating Expenses	5,639	5,579
Income Before Provision for Income Taxes	4,607	4,391
Provision for Income Taxes	1,405	1,373
Net Income	<u><u>\$ 3,202</u></u>	<u><u>\$ 3,018</u></u>
Earnings Per Share: Basic and Diluted	<u><u>\$ 0.50</u></u>	<u><u>\$ 0.46</u></u>

**Consolidated
Statements of
Income**

	<u>3/31/2014</u>	<u>3/31/2013</u>
YTD Return on Average Assets	1.23%	1.22%
YTD Return on Average Equity	12.35%	12.31%
Average Assets per Average Full-Time Equivalent Employee	\$ 6,748,023	\$ 6,087,278
Net Interest Margin (YTD)	3.74%	3.78%
Full Time Equivalent Employee - period end	155	159
Dividend Payout Ratio (annualized)	22%	0%
Dividends Per Share (YTD)	\$ 0.11	\$ 0.00



**Key Financial
Metrics**



Office Spotlight:

Deposit Operations

Front row, left to right:

Rachel Wilke,
Kelly Fischer,
Kourtney Tollefson.

Back row, left to right:

Michelle Moede,
Colton Rabe,
Barb Engelbrecht,
Karissa Duvenceck,
Scott Tuma,
Kelli Kaminski,
Kelly Dirkman,
Brenda Krueger.

Absent from photo:

Jessica Darmawan



In this newsletter we feature Bank First's Deposit Operations Department. They are not visible on the front line every day; however, they are a critical function to how the bank operates. Without their back-office support, transactions simply would not occur.

The department is comprised of subject matter experts on the bank's deposit products and customer-facing electronic banking applications. They constantly strive to improve the customer experience while improving process efficiency and managing risk. Their focus has changed from solely supporting paper-based exceptions to becoming technology driven due to the shift in the customer's desire to perform banking transactions on the go.

Deposit account servicing is handled by the department's skilled staff. Types of deposit accounts serviced include: IRA (Individual Retirement Account), HSA (Health Savings Account), checking, savings, money market, debit card, credit card, and certificates of deposit.

All electronic banking products and services are processed and supported by Deposit Operations, including ACH (Automated Clearing House), wire transfers, remote capture, bill pay, mobile banking, and tablet banking.

With the help of the bank's skilled front line, the Deposit Operations Department supports the following number of customers in the electronic banking products:

Retail Online Banking users.....	9,400
Retail Bill Pay users.....	1,575
Commercial Bill Pay users	30
Retail Mobile Banking users.....	525
Business Online Banking users.....	850

The number of payments made with the bank's bill pay service has increased by 25% year-over-year. The bank has also seen tremendous growth in the number of customers who are making deposits with the mobile banking goBank deposit application. Online banking product adoption has increased by 15% year-over-year.

Watch for our new look!



Pending shareholder approval at our annual meeting, First Maniwoc Bancorp, Inc. will become Bank First National Corporation on July 1, 2014. Our new name will better align with the bank's name, the company's ticker symbol (BFNC) and will be less confusing to potential investors outside of Maniwoc County.

Bank First welcomes Bill Rehn

We are pleased to announce that Bill Rehn has joined the Bank First team as Vice President of Retail Banking. Rehn brings over 10 years of experience in the banking industry to Bank First and has extensive experience in managing and coaching sales teams.

He attended Bob Jones University and Pensacola Christian College. In his free time, Rehn is active in his local church activities involving youth and youth sports programs. He also is an avid outdoorsman and enjoys reading.

Rehn will be located at our 2747 Maniwoc Road office in Bellevue.



BILL REHN