



First Manitowoc Bancorp, Inc.

MESSAGE FROM THE PRESIDENT



Dear Shareholder,

Welcome to our September newsletter. The financial information included represents the first half of 2006. I hope you will find the additional news items to be useful and informative.

We encourage you to use our many services that are available not only through the bank but also through our subsidiaries... The Vincent Group, Inc. and George V. Reis Investment Group, Inc. We also hope that you will refer your family, friends, and acquaintances to the bank and its subsidiaries.

The summer is just about over, and we look forward to autumn with all its splendor!

Sincerely yours,

Thomas J. Bare, President

Third Quarter Cash Dividend

The board has declared a regular cash dividend of 7.5 cents per share, which represents a 15.4% increase over last year's third quarter dividend. It is payable September 8, 2006 to shareholders of record August 30, 2006. We strongly recommend that you use our dividend direct deposit program. It is safe, secure, and very convenient. Please contact Joan Walsh at our Eighth Street office, (920) 652-3276 for details concerning the program.

Automated Teller Machines (ATMs) added to three locations

New drive-up ATMs have been installed at the St. Nazianz, Francis Creek and Plymouth West (300 E. Mill St.) locations. The new ATMs offer customers a more convenient way to get cash for travel or personal needs and are accessible 24 hours a day, seven days a week. They are located in a safe, well-lit and easily accessible area near each branch. As part of the "ATM Acce\$\$" network, customers may withdraw cash surcharge free at any ATM location with the "ATM Acce\$\$" symbol. In addition to the three new ATMs, First National Bank also operates 10 ATMs at its other branch locations located throughout Manitowoc, Brown, Calumet, and Sheboygan counties.

New imaging technology used to accelerate check processing

First National Bank launched a new device (My Vision X) to create a digital representation of a check image at the teller line. This highly technological scanner replaces the proof process. The result: accelerated check clearing and improved efficiency of bank staff. The transition from proof to image capture is going exceptionally well.



First National Bank's main office ~
402 North Eighth Street Manitowoc



First National Bank

www.bankfirstnational.com Member FDIC

402 N. Eighth Street, Manitowoc
920-684-6611

2915 Custer Street, Manitowoc
920-683-5710

4712 Expo Drive, Manitowoc
920-652-3150

1509 Washington Street, Two Rivers
920-793-2274

106 Packer Drive, Francis Creek
920-683-5700

110 Baugniet Street, Mishicot
920-755-4200

5724 Cty Tk U, Newton
920-726-4266

109 S. Fourth Avenue, St. Nazianz
920-773-2101

110 Fremont Street, Kiel
920-894-2215

2210 Calumet Drive, New Holstein
920-898-1616

2747 Manitowoc Road, Bellevue
920-469-0500

2865 S. Ridge Road, Ashwaubenon
920-499-0500

2323 Eastern Avenue, Plymouth
920-893-1611

300 E. Mill Street, Plymouth
920-892-3330



4712 Expo Drive, Manitowoc
800-700-7350

425 S. Adams Street, Green Bay
888-490-0400

1776 Main Street, Little Chute
800-556-3536



1413 22nd Street,
Two Rivers
920-793-4442



First Manitowoc Bancorp, Inc. Financial Results for six months ended June 30, 2006

First Manitowoc Bancorp, Inc reported net income of \$3.31 million or \$0.49 basic earnings per share for the six months ended June 30, 2006, as compared to \$4.33 million or \$0.63 basic earnings per share for the six months ended June 30, 2005. Reduced net interest margin in the bank's portfolio was offset by increased income in the insurance subsidiary. The bank's loan loss provision for the first six months of 2006 increased by \$950,000 over the same period last year.

The Return on Assets (ROA) was 1.03% for the first six months of 2006 compared to 1.40% for the same period last year. This ratio is 6 basis points behind the 2005 twelve month ROA of 1.09%. The Return on Equity (ROE) decreased from 12.91% for the first two quarters of 2005 to 10.12% for the same six month period in 2006. The current ratio is 0.34% below 2005's twelve month ROE of 10.46%.

Total Corporation assets increased \$19 million or 3.0% to \$645 million at June 30, 2006, compared to total assets of \$626 million at June 30, 2005.

2nd ^{6/30/06} quarter

During that same period, total loans increased \$4 million or 0.9% from \$405 million to \$409 million. Total deposits and repurchase agreements grew \$25 million or 5.1% from \$504 million to \$529 million at June 30.

Total shareholders' equity was \$65.3 million at June 30, 2006 compared to \$67.2 million at June 30, 2005, a \$1.9 million net decrease. During this twelve month period approximately \$4.4 million was paid to the redeeming shareholders to repurchase their stock, \$2.4 million was distributed via dividends to shareholders, and the gain on the Available For Sale securities decreased by \$2.9 million.

A variety of services offered by First National Investments

First National Investments, located in First National Bank, is here to provide customers with a broad range of financial products and services. First National Investments has investment products available which include a diverse selection of mutual funds, annuities, stocks, and bonds.



SUSAN HOPPE

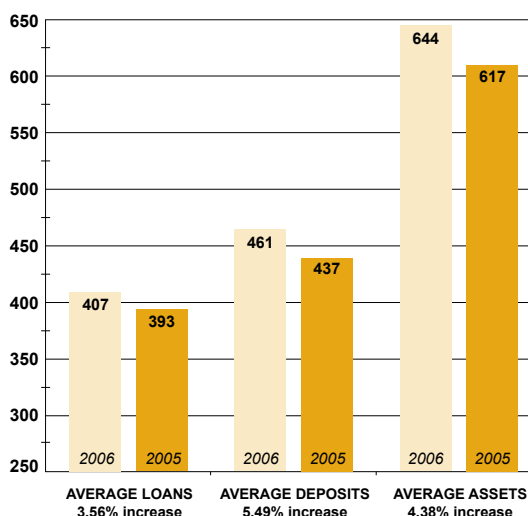
Investment information is available from Susan Hoppe, a registered representative of AFS Brokerage, Inc., who is trained in helping customers identify present and future needs, explain alternatives, and recommend financial packages to reach your individual goals.

Susan will work individually with each customer to prepare a balanced financial program that draws upon the advantages of traditional banking services such as savings accounts, certificates of deposit (CDs), and Individual Retirement Accounts (IRAs), combined with a full range of non-traditional, non-insured investments such as mutual funds, and fixed and variable annuities, stocks, and bonds, that help manage savings and build a financial base for the future.

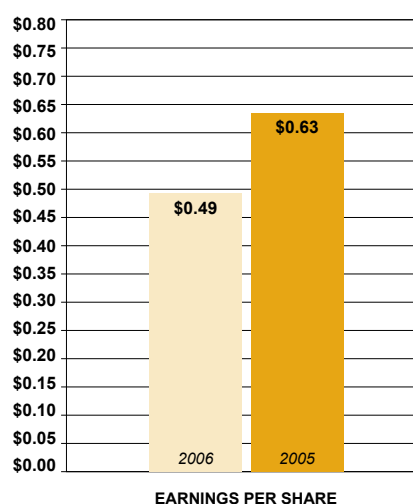
To discuss your investment options, call Susan Hoppe at (920) 652-3282 today.

*All planning activities are incidental to the brokerage business. Securities/Investment Products offered through AFS Brokerage, Inc. Member NASD/SIPC. Securities are not a bank deposit, not FDIC insured, not insured by any Federal Government Agency, not guaranteed by the bank, and may lose value.

SIX MONTHS ENDED JUNE 30
(in millions)



SIX MONTHS ENDED JUNE 30
(on a diluted basis)



The

NUMBERS

FIRST MANITOWOC BANCORP, INC. Consolidated Statements of Financial Condition

	<u>6/30/2006</u>	<u>6/30/2005</u>
(In Thousands)		
ASSETS		
Cash and Cash Equivalents	\$ 15,967	\$ 14,907
Investment Securities at Fair Value	161,967	157,497
Other Investments at Cost	10,291	2,132
Loans, Net	408,591	405,013
Premises and Equipment	9,002	8,948
Other Assets	39,055	37,478
Total Assets	<u>\$644,873</u>	<u>\$625,975</u>
LIABILITIES		
Deposits	\$ 464,053	\$ 445,907
Securities Sold Under Repurchase Agreements	65,431	58,061
Borrowed Funds	42,133	47,245
Other Liabilities	7,999	7,530
Total Liabilities	<u>579,616</u>	<u>558,743</u>
Total Shareholder Equity	<u>65,257</u>	<u>67,232</u>
Total Liabilities and Shareholder Equity	<u>\$644,873</u>	<u>\$625,975</u>

FIRST MANITOWOC BANCORP, INC. Consolidated Statements of Income

	Six Months Ended	
	<u>2006</u>	<u>June 30,</u> <u>2005</u>
(In Thousands, Except Share Data)		
Total Interest Income	\$ 18,948	\$ 16,027
Total Interest Expense	8,844	5,590
Net Interest Income	10,104	10,437
Provision for Loan Losses	1,200	250
Net Interest Income After Provision for Loan Losses	8,904	10,187
Total Other Income	4,447	3,298
Total Operating Expenses	9,114	7,820
Income Before Provision for Income Taxes	4,237	5,665
Provision for Income Taxes	924	1,334
Net Income	<u>\$ 3,313</u>	<u>\$ 4,331</u>
Earnings Per Share: Basic and Diluted	\$ 0.49	\$ 0.63
Return on Average Assets	1.03%	1.40%
Return on Average Equity	10.12%	12.91%

We're growing!

We are currently in the process of seeking Office of the Comptroller of the Currency approval to establish our 15th retail office to be located at 2600 Kohler-Memorial Drive, Sheboygan.

We anticipate the approval process will go smoothly, and we should have approval within the next month or two. Construction will begin in early spring, and the office will open in autumn 2007.



Introducing our new directors

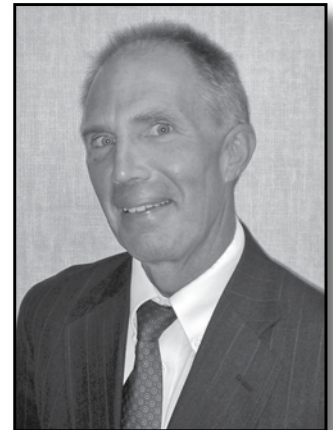
Donald R. Brisch and Daniel J. Lalko have been appointed as directors of First Manitowoc Bancorp, Inc. and First National Bank in Manitowoc.

Mr. Brisch is Vice President of Operations at Rockwell Lime Company in Manitowoc and has served on the bank's Francis Creek/Mishicot Advisory board since 1991.

Mr. Lalko is Senior Vice President of Lending at First National Bank. He has been with the bank since 1982.



DONALD J. BRISCH



DANIEL J. LALKO

Fischer promoted to Vice President / Treasury Management Officer

Thomas J. Bare, President of First National Bank, announced the appointment of Kelly L. Fischer to Vice President / Treasury Management.



KELLY FISCHER

Fischer has been employed with the bank since 1999 and currently functions as Assistant Vice President/Cash Management Officer at the main office on 8th Street in Manitowoc. Fischer's responsibilities include overseeing treasury management services for the entire bank. She works closely with commercial customers to ensure the bank's products meet their needs. She is responsible for the development and utilization of the bank's commercial deposit products and services.

Fischer holds a Bachelor of Arts Degree in Accounting from Silver Lake College. She currently serves on the Domestic Violence Center Board and is a Leadership Manitowoc participant. She is active in her church and has coached area youth in volleyball. A native of Manitowoc County, Fischer resides in the Town of Manitowoc Rapids with her husband, Jeremy.

Van Ess joins prestigious Million Dollar Round Table

Bill Van Ess, Financial Advisor and Employee Benefit Specialist at The Vincent Group, Inc., has qualified for the Million Dollar Round Table's (MDRT) highest honor "Top of the Table." MDRT represents the top 6% of insurance and financial advisors in the world. The "Top of the Table" is the organization's premier level as it requires six times the production required to attend the prestigious annual meeting. Van Ess, one of only 1,182 advisors in the United States to qualify for Top of the Table, attended the annual meeting in San Diego this year. Van Ess holds numerous designations including: Certified Life Underwriter (CLU), Chartered Financial Consultant (ChFC), and Certified Financial Planner (CFP) and has been a financial service professional for 18 years. He merged his own firm, Professional Insurance Advantage, with the Vincent Group in 2004. Van Ess earned his Bachelor of Business Administration from St. Norbert College and his Master of Business Administration from the University of Wisconsin - Oshkosh.



BILL VAN ESS

Van Ess primarily works with business owners, professionals, and executives to assist with estate preservation planning, business succession planning, and retirement and investment planning, as well as key executive benefit programs, and corporate group benefit plans.

