

SHAREHOLDERnews

August 2011

MESSAGE FROM THE PRESIDENT AND CEO



Dear Valued Shareholder,

I am pleased to report continued progress towards our strategic goals for 2011. Our asset quality, book value per share, profitability and efficiency measures continue to improve and reflect the efforts of everyone here at Bank First and their commitment to growing relationships through innovative products and services.

Net income through the first six months of 2011 increased 25% to nearly \$4.4 million compared to \$3.5 million in the same period last year. Asset quality continued to improve as loans 30 days or more past due declined to 0.20% of total loans. Net loan charge-offs for 2011 are less than \$120,000 or 0.04% of average loans compared to more than \$1.3 million or 0.47% in the same period of 2010. Our book value per share is \$13.59 up from \$12.88 a year ago.

First Manitowoc Bancorp, Inc. (the holding company of Bank First National) is the ninth largest bank holding company out of 20 publicly traded banks headquartered in Wisconsin. We are proud to report that the peer data for the first quarter 2011 shows that we lead this group in many key financial measures including asset quality, return on assets and return on equity. For 2011, our return on assets and equity were 1.05% and 10.00%, respectively.

Improving our financial performance requires us to continually evaluate how we run our business and adapt to changes in our industry and the markets we serve. In addition, we must prudently manage our financial resources and deploy them in the most efficient manner possible. Recently, we completed the parking lot re-surfacing and landscaping at our 8th Street office and have nearly finished the remodeling at our Custer Street office. For those of you in the area, I encourage you to stop by and observe the progress and changes at these two offices.

As part of ongoing review of the deployment our financial resources, we have decided to consolidate our Expo Drive office in Manitowoc into our Custer Street office, which is located 1.5 miles to the east. We remain fully devoted to providing the residents of Manitowoc County with the most extensive branch network available. After consolidating our Expo and Custer Street offices, we will have seven locations in the county to serve our customers.

Recently, letters were mailed to our Expo Drive customers to inform them of the consolidation. Our business bankers and treasury management officer will be contacting key business customers directly to inform them of the consolidation. The Expo Drive office will be merged with the Custer Street office effective at the end of the business day on September 9, 2011.

We will continue our focus of being a top performing bank in the state through our promise of focusing on relationships and tailoring our products and services to meet our customers' needs. Our people are the key to our success and we remain committed to retaining and attracting top talent in the state. I appreciate the input many of you have provided and request that you continue to provide your feedback.

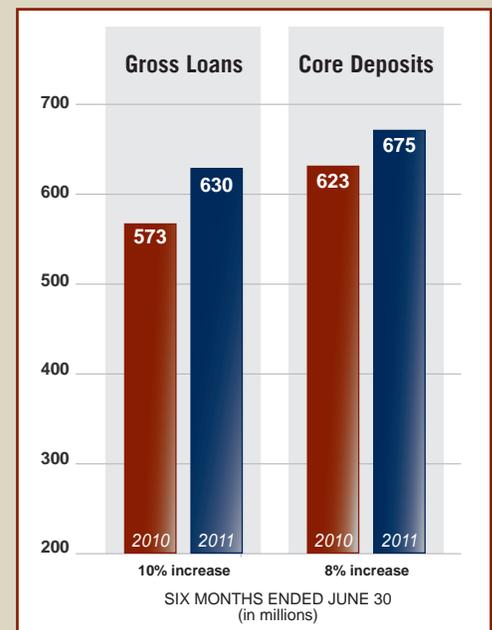
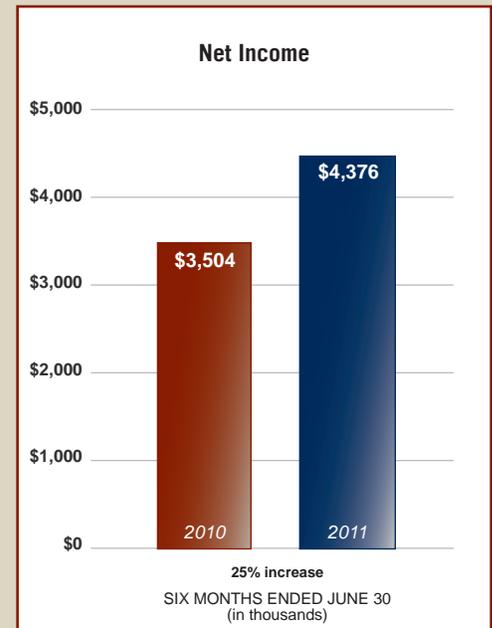
Sincerely,

Mike Molepske, President and CEO



First

Manitowoc Bancorp, Inc.



BANK FIRST NATIONAL

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



Ticker: **FMWC**

www.BankFirstNational.com



First Maniowoc Bancorp, Inc. Financial Results for six months ended June 30, 2011

This year we opened our newest branch in Oshkosh, the latest expansion of our banking footprint. Loans and deposits have grown by \$25 million in Oshkosh since the office opening on February 1, 2011. Our focus on growing banking relationships one at a time continues to fuel our deposit and loan growth.

Total assets for the Company increased by \$33 million to \$848 million at June 30, 2011 compared to \$815 million at June 30, 2010. Loans grew by 10% on a year-over-year basis with \$57 million in growth. Our loan growth is focused on selective and high quality growth and is being experienced in all regions of the bank. Sheboygan and Winnebago counties continue to generate significant growth. Our asset growth was funded from strong core deposit growth of \$52 million on a year-over-year basis. Our non-interest bearing deposits have increased by 12% or \$14 million from \$110 million at June 31, 2010 to \$124 million at June 30, 2011.

Our provision for loan losses was \$1.4 million down from \$3.5 million a year ago. We are pleased to report improving asset quality trends in 2011 compared to 2010. Our nonperforming assets to total assets are 1.54% down from year end levels of 1.73%. Net charge-offs for 2011 were \$115,000 compared to \$1.3 million in the prior year.

Net income for the six months ended June 30, 2011 was \$4.4 million or \$0.66 per share, an increase of 25% over 2010

net income of \$3.5 million or \$0.53 per share. Net interest income increased by \$800,000 or 6% during the first six months of 2011 to \$14.8 million, as compared to \$14.0 million in 2010 due to continued expansion in net interest margin which expanded to 4.16% from 3.83% in 2010.

Total non-interest income was \$3.6 million for the first six months of 2011, compared to a similar amount for the prior year period. Residential mortgage originations have slowed in 2011 compared to 2010 and has resulted in reduced gains on sales of loans sold to FNMA. Non-interest expense increased by \$1.2 million, or 13%, to \$10.9 million for the six months ended June 30, 2011 compared to \$9.7 million in 2010. The increase in non-interest expense is due primarily to the addition of our Oshkosh team. Our full-time equivalent staff was 170 at June 30, 2011 down from 175 in the prior year period. The Company's efficiency ratio was 57% up from 53% in the prior year period.

2nd 6/30/11 quarter



LISA O'NEILL
Chief Financial Officer

We are pleased to report that our third quarter 2011 dividend of \$0.105 per share is unchanged from our dividend per share amount in the second quarter of 2011. Total shareholders' equity increased by 6% or \$4.8 million to \$89.8 million at June 30, 2011 as compared with \$85.0 million at June 30, 2010.

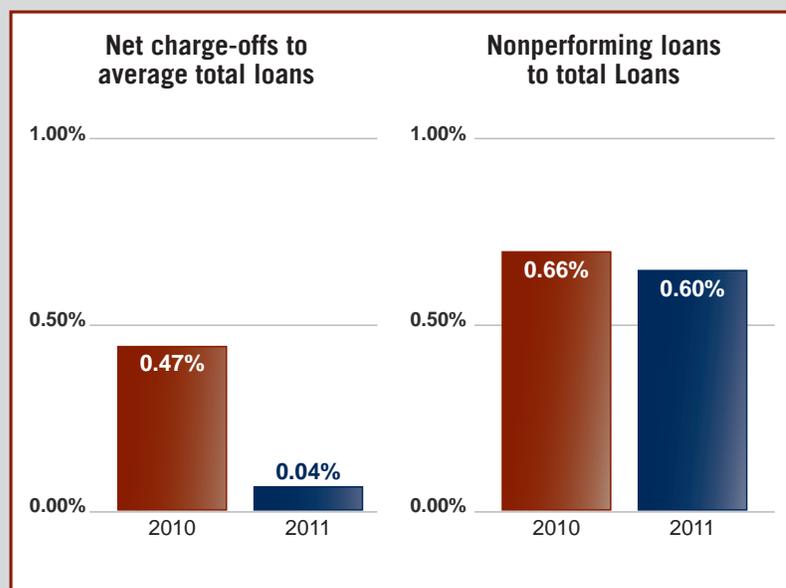
Return on average equity for 2011 was 10.00% for 2011 compared to 8.48% in 2010. Return on average assets was 1.05% in 2011 compared to 0.84% in 2010. Our financial results are derived from our focus on building relationships and delivering high quality and innovative financial services.

Second Quarter Cash Dividend

The Board declared a second quarter cash dividend of \$0.105 per share. It will be payable September 9, 2011, to shareholders of record August 26, 2011.

We strongly recommend that you use the dividend direct deposit program. Please contact Joan Walsh at our Eighth Street office, (920) 652-3276, for details.

Asset Quality Metrics as of June 30



Financial Performance

	<u>6/30/2011</u>	<u>6/30/2010</u>
	(In Thousands)	
ASSETS		
Cash, Cash Equivalents and Fed Funds Sold	\$ 22,031	\$ 19,104
Investment Securities at Fair Value	126,446	161,217
Other Investments at Cost	3,539	3,539
Loans, Net	623,382	568,717
Premises and Equipment	9,365	9,172
Other Assets	62,802	53,300
Total Assets	<u>\$ 847,565</u>	<u>\$ 815,049</u>
LIABILITIES		
Deposits	\$ 685,133	\$ 643,611
Securities Sold Under Repurchase Agreements	60,335	54,959
Borrowed Funds	1,354	21,442
Notes Payable	5,105	3,400
Other Liabilities	5,869	6,670
Total Liabilities	<u>\$ 757,796</u>	<u>\$ 730,082</u>
Total Shareholder Equity	<u>89,769</u>	<u>84,967</u>
Total Liabilities and Shareholder Equity	<u>\$ 847,565</u>	<u>\$ 815,049</u>



**Consolidated
Statements
of Financial
Condition**

	<u>6/30/2011</u>	<u>6/30/2010</u>
	(In Thousands, Except Share Data)	
Consolidated Statements of Income		
Total Interest Income	\$ 18,660	\$ 19,299
Total Interest Expense	3,840	5,279
Net Interest Income	14,820	14,020
Provision for Loan Losses	1,360	3,457
Net Interest Income After Provision for Loan Losses	13,460	10,563
Total Other Income	3,601	3,626
Total Operating Expenses	10,927	9,664
Income Before Provision for Income Taxes	6,134	4,525
Provision for Income Taxes	1,758	1,021
Net Income	<u>\$ 4,376</u>	<u>\$ 3,504</u>
Earnings Per Share: Basic and Diluted	<u>\$ 0.66</u>	<u>\$ 0.53</u>

	<u>6/30/2011</u>	<u>6/30/2010</u>
Return on Average Assets	1.05%	0.84%
Return on Average Equity	10.00%	8.48%
Efficiency Ratio	57%	53%
Net Interest Margin	4.16%	3.83%
FTE - period end	170	175
Dividend Payout Ratio	32%	40%
Dividends Per Share	\$ 0.210	\$ 0.210



**Key Financial
Metrics**

Send us your ideas!



As always, we would love to hear your ideas or suggestions on how we can improve and increase the value of this newsletter.

Feel free to contact us at (920) 652-3100 or email us at info@bankfirstnational.com.

A \$5.00 note from "The National Bank of Manitowoc" dated August 30, 1914.



Luebke joins Bank First

Kevin Luebke recently joined Bank First as a Retail Banker. In his new position, Luebke will be responsible for retail banking as well as servicing local small business clients at Bank First's Custer Street office location.

Luebke brings valued experience to Bank First having held the position of credit analyst for three years and marketing endorsements manager for six years at Mercury Marine. In addition, he also held the position of credit analyst at VF Corporation in Appleton. He holds a bachelor's degree in finance with an emphasis in real estate from the University of Wisconsin-Whitewater.

Luebke currently coaches little league baseball and enjoys fishing, golfing, and time with his family. He currently resides in Valders with his wife, Michelle, and their two children, Nathaniel and Madison.



KEVIN LUEBKE

Office Spotlight:



Plymouth

First Manitowoc Bancorp, Inc. purchased Dairy State Bank in Plymouth in December of 1999. Dairy State Bank opened in 1948 and has been involved in the Plymouth community for over 63 years.

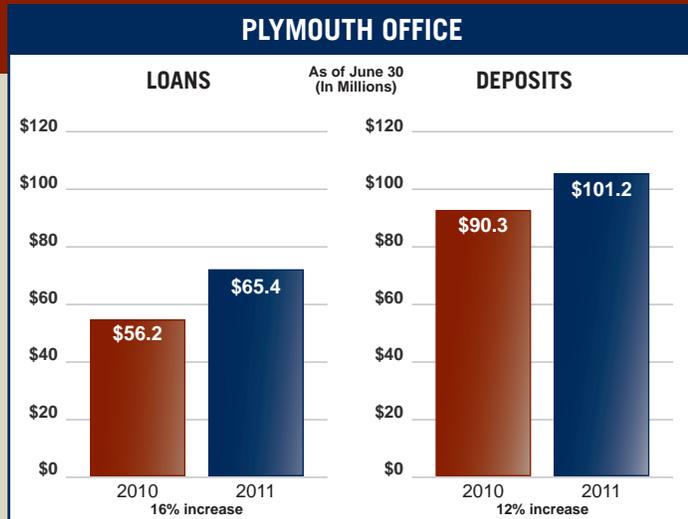
Lead by Todd Neils, Market President, our Plymouth office currently staffs 15 full-time equivalent people. The average length of employment at this office is 16 years, which shows great pride and dedication to our organization.

Our Plymouth office is also home to our Finance Department, led by Lisa O'Neill, our CFO. This department employs five full-time people.

As of June 30, 2011, loans grew from \$56.2 million to \$65.4 million, an increase of \$9 million. Deposits grew from \$90.3 million to \$101.2 million, or by \$11 million.

Our Plymouth team has a strong connection with their community. Support and participation at community events, such the recent Wall Dogs project, prove that our staff truly takes community banking to heart.

We welcome you to stop by and visit us at 2323 Eastern Ave., Plymouth. Our office hours are Monday-Thursday 8 a.m. to 5 p.m., Friday 8 a.m. to 6 p.m., and Saturday 8 a.m. to 12 Noon.



Front row L to R: Mickey Vanderhoof, Todd Neils, Lisa O'Neill, Mary Fieber. Back row L to R: Susan Schuricht, John Mueller, Terry Wagner, Joanne Enders, Amy Ludwig, David Ames, Debbie Holz, Zachary Raab, Carol Williams, Lois Stranz, Megan Maki, Sharon Bein, Elizabeth Fenske, Mary Brachmann, Wendy Mauk, Peggy Woodward, Hannah Kaiser, and Wendy Gorman.



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Manitowoc Bancorp, Inc.

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