

SHAREHOLDERnews

November 2010

MESSAGE FROM THE CEO AND PRESIDENT



Dear Fellow Shareholders,

After a beautiful summer, we now find ourselves in the heart of fall and on our way to winter. As we approach the end of 2010, we begin reflecting on the accomplishments of 2010 and start to plan for 2011.

First, as we announced in our last newsletter, our Chairman, John Zimmer, will retire from our Board of Directors before the end of the year. John has been instrumental in guiding our institution through our management transition and the financial turmoil that has engulfed our economy for the past two years. If you have the opportunity, please thank John for his years of dedicated service to our shareholders.

The Nominating Committee of our Board of Directors began the process of selecting a new board member last summer. We are pleased to announce that the Board of Directors has approved the recommendation made by our Nominating Committee. Robert Gregorski has been appointed to our board effective October 19, 2010. Mr. Gregorski graduated from Lincoln High School in 1979 and attended the University of Wisconsin – Madison where he completed his undergraduate and law degrees. After college, Mr. Gregorski practiced law for 12 years in Milwaukee and Manitowoc. Mr. Gregorski is the founder and Principal of Gregorski Development LLC, which purchases and develops retail sites. Mr. Gregorski developed the Harbor Town Center in Manitowoc and lives in the Appleton area with his wife, Candi, and three children. Mr. Gregorski's Manitowoc roots, business background and Fox Valley presence will be strategically relevant as we expand our footprint in Oshkosh.

Secondly, at Bank First National, we are very fortunate to be in a strong and sustainable financial position. Your Bank continues to perform well despite the difficult financial climate we are operating in. The Bank's net income for the first nine months of 2010 rose 10 percent to \$5.8 million compared to \$5.3 million in 2009. Our year-to-date financial results include an increase in our allowance for loan losses as a percent of total loans to 1.60 from 1.05 at September 30, 2010 and September 30, 2009, respectively. We attribute our profitability primarily to our core banking franchise. The Bank's net interest income for the first nine months of 2010 rose more than 14 percent to \$21.4 million from \$18.7 million a year ago.

Although we expect continued economic challenges in 2011, we are excited with the opportunities before us. We are focused on growing relationships in Oshkosh; we opened our first deposit and loan accounts in September and we expect our Oshkosh office will be occupied in November. In Green Bay, we continue to add new customer relationships to the Bank which have resulted in healthy growth in both loans and deposits. Over the past 12 months, loans in the Green Bay market increased by \$11 million. Moreover, during that same period, deposits increased \$28 million. We invite you to stop in our recently renovated Bellevue office.

Lastly, your management team is presently working through the strategic planning process. Our plan begins with our promise to our shareholders, customers, employees and the communities in which we operate. We are a relationship-based community bank focused on providing innovative products and services that are value driven. We will continue to provide you with more details on the dynamic strategic plan we are developing in upcoming newsletters and in our 2010 annual report.

Sincerely yours,

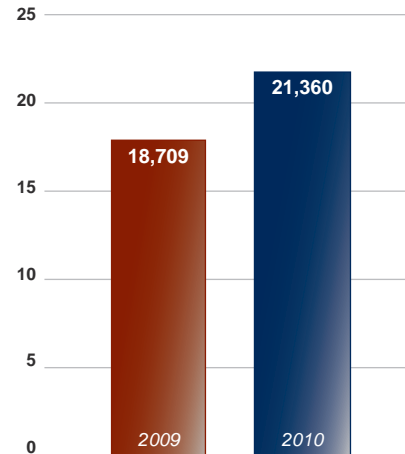
Michael B. Molepske, CEO



First

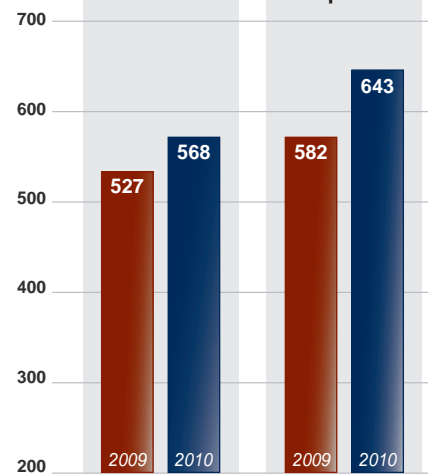
Manitowoc Bancorp, Inc.

Net Interest Income



14% increase
NINE MONTHS ENDED SEPTEMBER 30
(in thousands)

Average Loans and Average Deposits



8% increase 10% increase
NINE MONTHS ENDED SEPTEMBER 30
(in millions)

BANK FIRST NATIONAL

402 N. Eighth St., Manitowoc (920) 684-6611
4712 Expo Dr., Manitowoc (920) 652-3150
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) 684-6611



Ticker: FMWC

www.BankFirstNational.com



First Maniwoc Bancorp, Inc. Financial Results for nine months ended September 30, 2010

Our financial results reflect positive results from our core banking franchise, improved profitability of our insurance activities and a continued focus on our people, our most important asset. This quarter we hired our Oshkosh banking team and identified the location for our latest footprint expansion plans in the Fox Valley. 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 \$20 million or 3 percent to \$804 million at September 30, 2010 compared to \$784 million at September 30, 2009. Loans grew by 4 percent during the year with \$22 million year-over-year growth. Our loan activities are focused on selective and high quality growth.

Our asset expansion was funded from strong core deposit growth of \$50 million on a year-over-year basis. Our non-interest bearing deposits have increased by 16 percent from \$98 million at September 30, 2009 to \$114 million at September 30, 2010.

Our strong core deposit growth has enabled the Company to reduce wholesale funding and in September 2010, the Company prepaid \$7.8 million of borrowings that cost 4.0%. The effect of this deleveraging strategy is to reduce excess liquidity at the bank and improve net interest margin trends in the future.

During the third quarter 2010 we continued our trend of recognizing elevated provision for loan loss expense given the economic impact on certain loan exposures. Despite the increases in provision for loan losses, we are pleased to report continued stable asset quality trends in 2010 compared to 2009.

Our nonperforming assets to total assets have increased to 0.85 percent at September 30, 2010 from 0.63 percent at September 30, 2009 due to a \$2.7 million increase in nonaccrual loans offset by a decrease in other real estate owned assets of \$800,000.

Net charge-offs for 2010 were \$1.5 million compared to \$1.1 million in 2009. Provision for loan losses was \$5.0 million in 2010 compared to \$2.2 million in 2009. As a result, our allowance for loan losses as a percentage of loans is 1.60 percent at September 30, 2010

up from 1.05 percent at September 30, 2009.

Our 2010 net income for the nine months-ended September 30, 2010 was \$5.8 million or \$0.88 per share, an increase of 30 percent over 2009 net income of \$4.5 million or \$0.68 per share.

Net interest income increased by \$2.7 million or 14 percent during 2010 to \$21.0 million, as compared to \$18.7 million in 2009, due to a \$51 million increase in average earning assets and expansion in net interest margin to 3.91 percent from 3.68 percent in 2009.

Total non-interest income was \$6.7 million for the first nine months of 2010, compared to \$10.0 million for the prior year period. In 2010, Bank First National recorded its 38 percent interest in Ansay LLC in one net line item in non-interest income. In 2009 and prior, the insurance business was consolidated with Bank First National and therefore revenues and expenses were reported gross.

Non-interest expense decreased by \$4.2 million, or 22 percent, to \$15.3 million for the nine months ended September 30, 2010 compared to \$19.5 million in 2009. The reduced level of non-interest expense results from the three branch closures made in 2009 and the reflection of insurance related expenses in noninterest income for our minority interest in Ansay LLC.

Our full-time equivalent staff decreased by 71 to 171 at September 30, 2010, from 242 at September 30, 2009. The merger of our insurance subsidiary

3rd quarter

9/30/10



LISA O'NEILL
Chief Financial Officer

with Ansay LLC reduced our consolidated FTE staff by 60, as the Company holds a minority owned 38 percent interest in the newly formed entity versus a wholly-owned subsidiary. The Company's efficiency ratio decreased to 52 percent at September 30, 2010, from 67 percent at September 30, 2009.

We are pleased to report that our third quarter 2010 dividend of \$0.105 per share is unchanged from our dividend per share amount in the second quarter of 2010. Total shareholders' equity increased by 7 percent or \$5.7 million to \$87.3 million at September 30, 2010 as compared with \$81.6 million at September 30, 2009.

Return on average equity for 2010 was 9.28 percent for 2010 compared to 8.27 percent in 2009. Return on average assets was 0.94 percent in 2010 compared to 0.91 percent in 2009.

While the banking and economic climate remain turbulent, we are pleased to report profitable and sound financial trends as we prepare and respond to these challenges.

Our financial results are derived from our focus on building relationships and delivering high quality and innovative financial services.

Third and Fourth Quarter Cash Dividends Announced

On 08/10/2010, the Board declared a third quarter cash dividend of \$0.105 per share. It was payable September 10, 2010, to shareholders of record August 30, 2010.

On 10/19/2010, the Board declared a fourth quarter cash dividend of \$0.105 per share. It will be payable December 10, 2010, to shareholders of record November 29, 2010.

We strongly recommend that you use the 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.

Financial Performance

	<u>9/30/2010</u>	<u>9/30/2009</u>
ASSETS		
	(In Thousands)	
Cash, Cash Equivalents and Fed Funds Sold	\$ 27,746	\$ 13,464
Investment Securities at Fair Value	146,076	166,021
Other Investments at Cost	4,561	3,539
Loans, Net	564,327	542,640
Premises and Equipment	9,197	10,138
Other Assets	52,040	48,453
Total Assets	<u>\$ 803,947</u>	<u>\$ 784,255</u>
LIABILITIES		
Deposits	\$ 631,946	\$ 593,246
Securities Sold Under Repurchase Agreements	64,286	71,975
Borrowed Funds	10,678	22,497
Notes Payable	2,500	4,600
Other Liabilities	7,233	10,350
Total Liabilities	<u>\$ 716,643</u>	<u>\$ 702,668</u>
Total Shareholder Equity	<u>87,304</u>	<u>81,587</u>
Total Liabilities and Shareholder Equity	<u>\$ 803,947</u>	<u>\$ 784,255</u>



**Consolidated
Statements of
Financial
Condition**

**Consolidated
Statements of
Income**

	<u>9/30/2010</u>	<u>9/30/2009</u>
	(In Thousands, Except Share Data)	
Total Interest Income	\$ 28,866	\$ 28,771
Total Interest Expense	7,506	10,062
Net Interest Income	21,360	18,709
Provision for Loan Losses	4,983	2,180
Net Interest Income After Provision for Loan Losses	16,377	16,529
Total Other Income	6,672	10,044
Total Operating Expenses	15,318	19,523
Income Before Provision for Income Taxes	7,731	7,050
Provision for Income Taxes	1,906	1,744
Net Income	<u>\$ 5,825</u>	<u>\$ 5,306</u>
Net Income available for common shareholders	<u>\$ 5,825</u>	<u>\$ 4,468</u>
Earnings Per Share: Basic and Diluted	\$ 0.88	\$ 0.68

	<u>9/30/2010</u>	<u>9/30/2009</u>
Return on Average Assets	0.94%	0.91%
Return on Average Equity	9.28%	8.27%
Efficiency Ratio	52%	67%
Net Interest Margin (bank only)	3.91%	3.68%
FTE - period end	171	242
Dividend Payout Ratio	36%	46%
Dividends Per Share	\$ 0.32	\$ 0.32



**Key Financial
Metrics**

Staff promotions announced at Bank First National

Mike Molepske recently announced the following staff promotions:

Jennifer Foote has been promoted to Senior Vice President - Enterprise Risk Management. In addition to supervising risk management, compliance and internal audit, Foote will also oversee corporate governance as Corporate



JENNIFER FOOTE

Secretary for Bank First National and its holding company. She has been employed at the Bank since 1994. A graduate of Valders High School, Foote went on to receive her Bachelor's Degree in Business Administration from the University of Wisconsin - Green Bay. She is active in Women in Management as well as several local service organizations. She resides in the City of Manitowoc with her husband, Brad, and their three children.

Dennis Tienor has been promoted to Vice President - Business Banking Manager. In his new role, Tienor will manage business banking in Manitowoc County. He has been employed with the Bank since 2004. Tienor earned his Associate Degree from the University of Wisconsin - Manitowoc and a Bachelor of Business Administration in Finance from the University of Wisconsin - Whitewater. He has also completed commercial lending and bank management coursework from the American Bankers Association Commercial Lending School



DENNIS TIENOR

Authority. He and his wife, Brenda, reside in Manitowoc with their two children.

Shelly Braun has been promoted to Vice President - Retail Banking Manager for the Bank's Central Region. In her new role, she will be responsible for the success of our retail offices in the Central Region. In addition, she will also be responsible for the Bank's secondary market mortgage area. Braun has been with the Bank since 1997. She is a board member of the Capitol Civic Centre and is also the founder and event coordinator of the Heart&Sole 5k - a charity run to benefit Children's Hospital of Wisconsin. She and her husband, Steve, reside in Whitelaw and have two children.



SHELLY BRAUN

and the Graduate School of Banking at the University of Wisconsin - Madison. Tienor is active in our local YMCA, among various other nonprofit groups, and is a member of City of Manitowoc's Industrial Development Committee and Community Development

Shareholder services

Electronic format a safe and secure way to hold certificates

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 Services at 1-800-468-9716. Holding shares in book entry can prevent certificates from being lost or stolen and can facilitate transfer of shares to a brokerage account if you so choose. Look for more information in our next newsletter regarding our upcoming dividend reinvestment plan (DRIP).



Bloechl joins Bank First National

Mei Bloechl recently joined Bank First National as Vice President - Private and Retail Banking serving the Fox Valley market.

Bloechl brings over 30 years of banking experience to her new position. She previously held the position of Vice President - Private Banking at Associated Wealth Management, where she was employed for the past 13 years.



MEI BLOECHL

Involved in her community, she is a board member of the Oshkosh Family, Inc., a member of the Martin Luther Church Trust Committee and Martin Luther Endowment Committee, past board for the Oshkosh Salvation Army and the Altrusa Club of Oshkosh.

Bloechl resides in Oshkosh with her husband and daughter. She enjoys traveling, exploring Wisconsin, and is also involved with her daughter's sports, music and church/school activities.



First
Manitowoc Bancorp, Inc.

First Manitowoc Bancorp, Inc. Board of Directors

John J. Zimmer
John C. Miller
Michael B. Molepske
Michael G. Ansay

Donald R. Brisch
Robert D. Gregorski
Daniel J. Lalko
Craig A. Pauly

Katherine M. Reynolds
David R. Sachse
John M. Webster