

# NEWS RELEASE



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FOR IMMEDIATE RELEASE – January 23, 2012

## **First Manitowoc Bancorp, Inc. reports record year end 2011 net income**

*Manitowoc, Wisconsin – January 23, 2012* - First Manitowoc Bancorp, Inc. (OTCBB: FMWC.OB), parent company of Bank First, reported a 15% increase in annual net income in 2011. Net income rose to \$8.5 million, or \$1.30 per share, for the full year 2011, compared to net income of \$7.5 million, or \$1.13 per share, for the year ended December 31, 2010.

“We are pleased to report continued improvements at Bank First from almost every measure. Our strategic initiatives have translated into improved financial performance for 2011,” said Michael B. Molepske, President and Chief Executive Officer of First Manitowoc Bancorp, Inc. “Over the past year, our total gross loans have grown 14% to \$678 million, while total core deposits have risen 15% to \$752 million. Our footprint expansions into Sheboygan County and most recently Winnebago County with our new Oshkosh office, combined with our core deposit base, have fueled our continued success.”

Return on average assets for First Manitowoc Bancorp, Inc. was 1.00% compared to 0.91% a year ago. “Our improved trends in net interest margin combined with our strong loan growth and reduced level of loan related costs are the biggest factors driving our improvements in profitability year over year.” Net interest margin at the Company improved from 3.95% in 2010 to 4.01% for 2011.

Credit quality improved in 2011 with nonperforming assets as a percentage of total assets decreasing from 1.73% a year ago to 1.09% as of December 31, 2011. “We have been keenly focused on our credit quality. We are particularly proud to report strong asset quality trends while also growing our Bank First loan portfolio.”

Nonperforming assets decreased to \$10 million down from \$14 million a year ago. Losses taken on other real estate owned property in 2011 increased to \$2.5 million compared to \$445,000 in 2010, while our provision for loan losses decreased to \$2.1 million compared to \$6.6 million in 2010. Reduced levels of provision expense combined with increased other real estate owned costs had a net pretax impact of \$2.2 million for 2011.

The capital ratios of the company continue to exceed the well capitalized threshold. The company's excess capital provides capacity for continued growth. Plans for 2012 anticipate continued loan growth, requiring an increase in staff in the company's newer markets. The efficiency ratio increased from 54% in 2010 to 55% in 2011, reflecting the investment to support the newest office in Oshkosh. "Oshkosh loan and deposit growth exceeded our expectations and this office is in a position to reach profitability sooner than originally anticipated," said Michael B. Molepske.

First Manitowoc Bancorp, Inc. provides financial services through its sole subsidiary, Bank First National, a national banking association incorporated in 1894. The Bank is an independent community bank with 12 banking locations in Manitowoc, Brown, and Sheboygan and Winnebago counties. The Bank has grown through both acquisitions and de novo branch expansion. The Bank offers loan, deposit, investment advisory and trust products at each of its banking offices. Insurance products are available through Ansay & Associates, LLC. Trust, investment advisory and other financial services are offered through the Bank's partnership with Legacy Private Trust and through an alliance with Morgan Stanley Smith Barney. The Bank is a co-owner of a data processing subsidiary, United Financial Services, Inc., which provides data services to nearly 40 Wisconsin banks. The Bank employs approximately 166 full time equivalent staff and has assets of \$906 million as of December 31, 2011. Further information about First Manitowoc Bancorp, Inc. is available by clicking on the Investor Relations tab at [www.BankFirstNational.com](http://www.BankFirstNational.com).

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Forward Looking Statements: This news release may contain certain "forward-looking statements" that represent First Manitowoc Bancorp's expectations or beliefs concerning future events. Such forward-looking statements are about matters that are inherently subject to risks and uncertainties. Because of the risks and uncertainties inherent in forward looking statements, readers are cautioned not to place undue reliance on them, whether included in this news release or made elsewhere from time to time by First Manitowoc Bancorp or on its behalf. First Manitowoc Bancorp disclaims any obligation to update such forward-looking statements. In addition, statements regarding historical stock price performance are not indicative of or guarantees of future price performance.

**First Maniowoc Bancorp, Inc.**  
**Financial Scorecard**

	Dec-11 Actual YTD	Dec-10 Actual YTD	Dec-09 Actual YTD	Dec-08 Actual YTD	Dec-07 Actual YTD
<b>Net income and per share data</b>					
Net income (Consol)	\$ 8,547,387	\$ 7,450,226	\$ 6,671,000	\$ 6,237,747	\$ 7,399,000
Earnings per share	1.30	1.13	0.88	0.94	1.10
<i>Change over prior period</i>	15%	12%	7%	-19%	7%
Branch closing expense	607,768	-	750,000	-	-
Common Stock Dividends	2,769,667	2,769,673	2,769,948	2,601,519	2,350,097
Dividend Payout Ratio (DPS/EPS)	32%	37%	47%	42%	30%
Dividend Yield (DPS/Stock price)	3.00%	3.50%	4.57%	3.62%	2.52%
Book Value	14.09	12.91	12.33	11.81	11.28
Tangible Book Value	12.88	11.62	11.08	8.81	9.50
Price earnings ratio	10.80	10.62	10.40	11.59	11.93
Book value multiple	0.99	0.93	0.75	0.92	1.23
Market Value	14.00	12.00	9.20	10.90	13.90
Period end shares	6,587,879	6,586,925	6,595,110	6,595,110	6,698,360
Market capitalization	\$ 92,230,306	\$ 79,043,100	\$ 60,675,012	\$ 71,886,699	\$ 93,107,204
<b>Performance Ratios</b>					
Net interest margin	4.01%	3.95%	3.68%	3.54%	3.69%
Fee income to total revenue	13.68%	23.42%	35.27%	37.57%	33.23%
Efficiency ratio	59.46%	54.38%	66.08%	64.15%	60.77%
Return on Average Assets	1.00%	0.91%	0.85%	0.81%	1.07%
Return on Average Equity	9.53%	8.81%	7.75%	8.15%	10.14%
Fulltime equivalent staff (FTE)	166	171	173	254	225
Avg. number of FTE	169	172	214	240	221
Earnings per average employee	50,692	43,315	31,173	26,032	33,480
Avg. assets per avg. employee (in 000's)	\$ 5,406	\$ 4,835	\$ 3,919	\$ 3,314	\$ 3,260
<b>Selected Financial Condition (in 000's)</b>					
Cash and cash equivalents	\$ 40,939	\$ 32,389	\$ 40,747	\$ 37,372	\$ 46,669
Investment Securities	131,449	137,809	191,715	185,543	172,911
Other Investments at cost	3,539	3,539	3,639	3,639	3,639
Loans (excludes loans held for sale)	676,517	594,600	545,715	512,952	454,521
Allowance for loan losses	7,480	6,347	5,659	4,727	3,796
Loans Net	669,037	588,253	540,056	508,225	450,725
Total Assets	911,518	831,683	838,754	794,128	720,500
Average Assets	851,746	826,561	781,221	745,382	692,182
Deposits	752,486	655,207	641,122	590,934	546,437
Brokered Deposits	-	9,995	24,966	34,865	4,979
Core Deposits	752,486	645,212	616,155	556,069	541,457
Repos	51,933	75,697	78,937	86,056	63,031
Borrowed Funds	-	1,203	22,135	28,170	26,779
Notes Payable	3,700	6,605	4,200	-	-
Total Liabilities	818,695	746,671	757,461	716,660	645,364
Shareholder Equity	\$ 92,823	\$ 85,012	\$ 81,293	\$ 77,468	\$ 75,137

**First Manitowoc Bancorp, Inc.**  
**Financial Scorecard**

	Dec-11 Actual YTD	Dec-10 Actual YTD	Dec-09 Actual YTD	Dec-08 Actual YTD	Dec-07 Actual YTD
<b>Balance Sheet Ratios</b>					
Loans to deposits	90%	91%	85%	87%	83%
Investments to total assets	14%	17%	23%	23%	24%
Brokered deposits to total deposits	0%	2%	4%	6%	1%
Repos to total deposits plus repos	6%	10%	11%	13%	10%
Wholesale funding to total liabilities	6%	12%	17%	21%	15%
<b>Asset Quality</b>					
Allowance for credit losses to total loans	1.11%	1.07%	1.04%	0.92%	0.84%
Net charge-offs to average total loans	0.15%	1.04%	0.52%	1.06%	0.32%
Non accrual loans to total loans	0.46%	1.17%	0.86%	1.16%	0.67%
Loans past due 90 days to total loans	0.02%	0.00%	0.00%	0.02%	0.17%
Non-performing assets to total assets	1.09%	1.73%	0.82%	1.02%	0.80%
Non accrual loans	3,096	6,971	4,691	5,927	3,057
Loans 90 days past due	155	8	-	92	780
OREO	6,639	7,407	2,183	2,101	1,957
Non-performing assets	\$ 9,891	\$ 14,386	\$ 6,874	\$ 8,120	\$ 5,794
Provision for loan losses	\$ 2,110	\$ 6,617	\$ 3,770	\$ 6,334	\$ 1,900
Gross charge-offs	1,263	6,028	3,276	5,470	1,576
Recoveries	(287)	(99)	(437)	(67)	(107)
Net charge-offs	977	5,929	2,839	5,403	1,469
Provision less charge-offs	\$ 1,134	\$ 688	\$ 931	\$ 931	\$ 431
<b>Condensed Income Statement (whole dollars)</b>					
Short-term investment income	\$ 21,903	\$ 15,412	\$ 17,430	\$ 214,425	\$ 775,528
Investment securities income	4,363,686	5,518,570	7,054,501	8,743,693	7,839,170
Loan income	33,354,391	32,598,504	31,287,821	31,402,505	34,126,686
<b>Total Interest Income</b>	37,739,980	38,132,487	38,359,752	40,360,623	42,741,384
Deposit interest expense	6,484,131	8,148,067	10,934,860	14,345,997	17,270,701
Repo interest expense	664,757	760,001	1,119,486	2,132,119	3,059,477
Other borrowings interest expense	202,779	613,557	1,080,890	1,072,673	1,318,701
<b>Total Interest Expense</b>	7,351,668	9,521,624	13,135,236	17,550,789	21,648,880
Net interest income	30,388,312	28,610,862	25,224,516	22,809,834	21,092,505
Provision for loan losses	2,110,334	6,616,679	3,770,000	6,334,000	1,900,000
<b>Net interest income after provision</b>	28,277,978	21,994,183	21,454,516	16,475,834	19,192,505
Noninterest income	4,816,454	8,748,604	13,745,634	13,726,238	10,495,637
Noninterest expense	21,691,424	20,967,662	26,448,638	24,209,769	19,986,296
<b>Net Income before Taxes</b>	11,403,009	9,775,125	8,751,512	5,992,304	9,701,846
Taxes	2,855,622	2,324,899	2,080,120	(245,444)	2,302,495
<b>Net Income</b>	\$ 8,547,387	\$ 7,450,226	\$ 6,671,393	\$ 6,237,747	\$ 7,399,351

**FIRST MANITOWOC BANCORP, INC.  
AND SUBSIDIARIES  
Consolidated Quarterly Statements of Income**

	12/31/2011	% of gross revenue	9/30/2011	% of gross revenue	6/30/2011	% of gross revenue	3/31/2011	% of gross revenue	12/31/2010	% of gross revenue
<b>Interest/Dividend income:</b>										
Loans, including fees	8,529,662	87.4%	8,520,108	79.8%	8,289,699	76.6%	8,014,922	71.0%	8,124,304	71.6%
Federal funds sold	6,219	0.1%	1,398	0.0%	2,070	0.0%	1,902	0.0%	1,006	0.0%
Securities:	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Taxable	556,402	5.7%	195,991	1.8%	821,014	7.6%	676,243	6.0%	648,088	5.7%
Tax-exempt	419,492	4.3%	841,180	7.9%	350,102	3.2%	503,262	4.5%	489,120	4.3%
Other	2,200	0.0%	7,128	0.1%	93	0.0%	894	0.0%	3,926	0.0%
<b>Total interest income</b>	<b>9,513,974</b>	<b>97.4%</b>	<b>9,565,805</b>	<b>89.6%</b>	<b>9,462,978</b>	<b>87.5%</b>	<b>9,197,222</b>	<b>81.4%</b>	<b>9,266,445</b>	<b>81.7%</b>
<b>Interest expense:</b>										
Deposits	1,500,321	15.4%	1,618,419	15.2%	1,686,921	15.6%	1,678,470	14.9%	1,774,862	15.6%
Securities sold under repurchase agreements	149,722	1.5%	159,893	1.5%	163,595	1.5%	191,548	1.7%	191,514	1.7%
Borrowed funds	38,847	0.4%	43,988	0.4%	56,099	0.5%	63,846	0.6%	49,042	0.4%
<b>Total interest expense</b>	<b>1,688,890</b>	<b>17.3%</b>	<b>1,822,299</b>	<b>17.1%</b>	<b>1,906,615</b>	<b>17.6%</b>	<b>1,933,864</b>	<b>17.1%</b>	<b>2,015,418</b>	<b>17.8%</b>
<b>Net interest income</b>	<b>7,825,084</b>	<b>80.1%</b>	<b>7,743,506</b>	<b>72.5%</b>	<b>7,556,364</b>	<b>69.8%</b>	<b>7,263,359</b>	<b>64.3%</b>	<b>7,251,027</b>	<b>63.9%</b>
<b>Provision for loan losses</b>	<b>250,000</b>	<b>2.6%</b>	<b>500,000</b>	<b>4.7%</b>	<b>566,667</b>	<b>5.2%</b>	<b>793,667</b>	<b>7.0%</b>	<b>1,633,334</b>	<b>14.4%</b>
<b>Net interest income after provision</b>	<b>7,575,084</b>	<b>77.6%</b>	<b>7,243,506</b>	<b>67.8%</b>	<b>6,989,697</b>	<b>64.6%</b>	<b>6,469,692</b>	<b>57.3%</b>	<b>5,617,693</b>	<b>49.5%</b>
<b>Other income:</b>										
Trust service fees	109,820	1.1%	173,640	1.6%	273,551	2.5%	133,845	1.2%	132,346	1.2%
Service charges	674,243	6.9%	555,400	5.2%	457,049	4.2%	509,339	4.5%	739,846	6.5%
Ansary Insurance Revenue	(61,240)	-0.6%	119,283	1.1%	70,113	0.6%	728,597	6.5%	(94,851)	-0.8%
Loan servicing income	238,740	2.4%	(361,487)	-3.4%	(3,786)	0.0%	149,972	1.3%	407,117	3.6%
UFS Income	183,738	1.9%	198,649	1.9%	201,110	1.9%	293,021	2.6%	185,550	1.6%
Loss on sales of OREO	(1,797,740)	-18.4%	(612,072)	-5.7%	(8,223)	-0.1%	(125,374)	-1.1%	(352,542)	-3.1%
Gain on sales of mortgage loans	381,857	3.9%	153,017	1.4%	90,245	0.8%	146,381	1.3%	601,701	5.3%
Gain on sales of securities	-	0.0%	594,501	5.6%	130,424	1.2%	-	0.0%	215,395	1.9%
Other	519,920	5.3%	293,731	2.8%	145,847	1.3%	260,339	2.3%	242,441	2.1%
<b>Total other income</b>	<b>249,339</b>	<b>2.6%</b>	<b>1,114,662</b>	<b>10.4%</b>	<b>1,356,332</b>	<b>12.5%</b>	<b>2,096,121</b>	<b>18.6%</b>	<b>2,077,002</b>	<b>18.3%</b>
<b>Other expenses:</b>										
Salaries, commissions, and employee benefits	2,742,761	28.1%	3,254,349	30.5%	2,981,021	27.6%	2,775,807	24.6%	2,907,571	25.6%
Occupancy	641,182	6.6%	580,450	5.4%	637,942	5.9%	633,681	5.6%	603,146	5.3%
Data processing	371,055	3.8%	347,778	3.3%	323,552	3.0%	323,568	2.9%	339,020	3.0%
Postage, stationery, and supplies	116,071	1.2%	98,054	0.9%	125,391	1.2%	127,749	1.1%	93,078	0.8%
Advertising	45,422	0.5%	43,393	0.4%	53,209	0.5%	66,416	0.6%	72,031	0.6%
Outside service fees	334,752	3.4%	547,171	5.1%	572,590	5.3%	667,964	5.9%	691,350	6.1%
Amortization of goodwill and other intangibles	10,789	0.1%	10,789	0.1%	12,303	0.1%	9,276	0.1%	10,789	0.1%
Other	1,342,446	13.7%	426,118	4.0%	930,039	8.6%	538,337	4.8%	932,932	8.2%
<b>Total other expenses</b>	<b>5,604,477</b>	<b>57.4%</b>	<b>5,308,102</b>	<b>49.7%</b>	<b>5,636,047</b>	<b>52.1%</b>	<b>5,142,798</b>	<b>45.5%</b>	<b>5,649,918</b>	<b>49.8%</b>
Income before provision for income taxes	2,219,947	22.7%	3,050,066	28.6%	2,709,982	25.0%	3,423,015	30.3%	2,044,777	18.0%
Provision for income taxes	347,537	3.6%	750,051	7.0%	804,004	7.4%	954,030	8.4%	419,149	3.7%
<b>Net income</b>	<b>1,872,409</b>	<b>19.2%</b>	<b>2,300,015</b>	<b>21.5%</b>	<b>1,905,978</b>	<b>17.6%</b>	<b>2,468,985</b>	<b>21.9%</b>	<b>1,625,628</b>	<b>14.3%</b>
Average Shares outstanding	6,595,406		6,604,964		6,587,227		6,586,925		6,594,035	
<b>Earnings per share--common shareholders</b>	<b>\$ 0.28</b>		<b>\$ 0.35</b>		<b>\$ 0.29</b>		<b>\$ 0.37</b>		<b>\$ 0.25</b>	
<b>Operating income before provision and taxes</b>	<b>2,469,947</b>		<b>3,550,066</b>		<b>3,276,649</b>		<b>4,216,682</b>		<b>3,678,111</b>	
<b>Operating income (above) divided by Assets</b>	<b>1.08%</b>		<b>1.61%</b>		<b>1.55%</b>		<b>1.85%</b>		<b>1.77%</b>	

**FIRST MANITOWOC BANCORP, INC.  
AND SUBSIDIARIES**  
Consolidated Balance Sheets

<b>ASSETS</b>	<b>12/31/2011</b>	<b>9/30/2011</b>	<b>6/30/2011</b>	<b>3/31/2011</b>	<b>12/31/2010</b>
Cash and Due from Banks	\$ 35,776,499	\$ 29,477,019	\$ 17,572,809	\$ 16,520,356	\$ 15,514,449
Interest-bearing deposits	4,252,519	1,664,362	2,738,928	4,322,752	2,908,405
Federal funds sold	910,423	33,000	1,719,254	8,008,202	13,965,907
Cash and cash equivalents	40,939,441	31,174,380	22,030,991	28,851,310	32,388,761
Securities available for sale, at fair value	131,448,791	134,127,235	126,446,077	137,223,034	137,808,773
Other investments (at cost)	3,538,615	3,538,615	3,538,615	3,538,615	3,538,615
Loans held for sale	1,877,450	117,000	588,000	-	2,479,000
Loans	676,517,423	653,012,045	630,385,584	607,730,190	594,635,668
Allowance for loan loss	(7,480,263)	(7,453,967)	(7,591,554)	(7,015,163)	(6,346,705)
Loans, net	669,037,160	645,558,078	622,794,030	600,715,027	588,288,963
Premises and equipment	9,572,834	9,325,549	9,364,932	9,076,816	9,062,977
Goodwill	7,983,933	8,525,683	8,525,690	8,479,690	8,479,690
Intangible assets	93,831	210,878	221,667	233,970	243,245
Mortgage Servicing Rights	1,703,793	1,623,273	2,156,625	2,302,403	2,302,809
Investment in Subsidiary (UFS & Ansay)	14,824,444	14,997,545	14,952,912	14,957,988	17,123,913
Deferred Tax	1,490,320	-	-	-	-
Other Real Estate Owned	6,639,322	8,317,621	9,255,225	9,635,048	7,406,879
Officer Life Insurance	17,201,597	17,554,478	17,384,436	17,274,716	17,141,329
Other assets	5,166,584	5,090,991	10,306,371	5,376,349	5,418,130
<b>Total Assets</b>	<b>\$ 911,518,115</b>	<b>\$ 880,161,326</b>	<b>\$ 847,565,571</b>	<b>\$ 837,664,964</b>	<b>\$ 831,683,085</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Deposits	\$ 752,486,214	\$ 723,994,588	\$ 685,133,120	\$ 666,085,203	\$ 655,206,946
Fed Funds Purchased	-	-	5,000,000	-	-
Securities sold under repurchase agreements	51,933,043	38,425,791	55,334,748	72,209,693	75,697,081
Borrowed funds	-	10,991,458	1,353,866	971,546	1,203,406
Notes Payable	3,700,020	4,020,020	5,105,020	5,670,056	6,605,000
Other liabilities	10,576,216	10,978,452	5,869,321	5,447,255	7,958,812
<b>Total liabilities</b>	<b>\$ 818,695,493</b>	<b>\$ 788,410,308</b>	<b>\$ 757,796,075</b>	<b>\$ 750,383,753</b>	<b>\$ 746,671,244</b>
<b>Shareholders' Equity</b>					
Common stock--\$0.01 par value: Authorized-- 20,000,000 shares Issued--6,714,252	\$ 67,146	\$ 67,146	\$ 67,146	\$ 67,146	\$ 67,146
Additional Paid-in-Capital	2,451,266	2,451,266	2,451,266	2,451,266	2,451,266
Retained earnings	88,831,977	87,661,560	86,055,084	84,840,734	83,063,376
Accumulated other comprehensive income	3,214,307	3,146,968	2,703,923	1,688,820	1,196,807
Treasury stock at cost	(1,742,074)	(1,575,922)	(1,507,922)	(1,766,754)	(1,766,754)
<b>Total shareholders' equity</b>	<b>\$ 92,822,622</b>	<b>\$ 91,751,018</b>	<b>\$ 89,769,496</b>	<b>\$ 87,281,211</b>	<b>\$ 85,011,840</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 911,518,115</b>	<b>\$ 880,161,326</b>	<b>\$ 847,565,571</b>	<b>\$ 837,664,964</b>	<b>\$ 831,683,085</b>