

# NEWS RELEASE



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FOR IMMEDIATE RELEASE – April 17, 2013

## **Bank First reports earnings for first quarter 2013 of \$3.0 million or \$0.46 per share**

Bank First, subsidiary of the parent company First Manitowoc Bancorp, Inc. ([OTCQB: FMWC](#)), reported net income for the first quarter of 2013 of \$3.0 million, or \$0.46 per share, compared to net income of \$3.3 million, or \$0.50 per share in the prior year quarter of 2012. Return on average assets was 1.22% for the quarter ended March 31, 2013, compared to 1.43% in the prior year quarter.

“Our first quarter results reflect continued growth of our core banking business with loans increasing by 10% to \$767 million and core deposits increasing by 9% to \$834 million. Most importantly, our asset quality trends continue to be strong with nonperforming assets to total assets improving to 0.94% at quarter-end 2013, down from 1.11% in the prior year quarter,” said Mike Molepske, President and Chief Executive Officer of Bank First. “We continue to experience strong organic growth in loans and deposits, which has translated into 4% growth in net interest income after provision on a year-over-year basis.”

Total other income was \$2.2 million for the quarter ended March 31, 2013, compared to \$2.3 million in the prior year quarter and includes an anticipated decrease in contingent fee insurance income for 2013 compared to 2012. Gains on sales of mortgage loans were \$432,000 up 14% compared to \$379,000 in the prior year quarter.

Noninterest expense was \$5.6 million up 12% compared to \$5.0 million in the prior year quarter. “The increase in noninterest expense reflects our focus of investing in our core banking model to enable our strategy of continued growth in our footprint in addition to continuing to explore opportunities for growth outside our footprint. Our profitability and

sound capital base provides us with the opportunity for investment in talent, technology and resources as a recipe to deliver our Bank First service model,” added Molepske.

“We remain focused on growing high quality market share one relationship at a time. This disciplined approach has translated into core revenue growth and sustained profitability.”

First Manitowoc Bancorp, Inc. (FMWC) provides financial services through its sole subsidiary, Bank First National, which was 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 for over 40 Wisconsin banks. The Bank employs approximately 159 full-time equivalent staff and has assets of \$972 million as of March 31, 2013. Further information about First Manitowoc Bancorp, Inc. is available by clicking on the Investor Relations tab at [www.BankFirstNational.com](http://www.BankFirstNational.com).

First Manitowoc Bancorp is traded on the OTCQB marketplace under the symbol FMWC. The FMWC stock is traded on the OTC Markets Group platform that links to a diverse network of broker-dealers that provide liquidity and execution services in almost 10,000 equity and debt securities. To learn more about the OTC Markets Group visit [www.otcmarkets.com](http://www.otcmarkets.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 Data

Dec 2012 Actual YTD		Mar 2013 Actual YTD	Mar 2012 Actual YTD
<b>Net Income and per share data</b>			
\$10,870,333	Net Income (Bank)	\$3,091,687	\$3,326,424
\$10,419,981	Net Income (Consol)	\$3,018,495	\$3,276,694
\$1.58	Earnings per Share (Consol)	\$0.46	\$0.50
22.1%	Change over prior period	-7.1%	
\$0	Branch closing expense	\$0	\$0
\$5,779,132	Dividends (Holding Co.)	\$0	\$727,740
56%	Dividend Payout Ratio (DPS/EPS)	0%	22%
5.71%	Dividend Yield (DPS/Stock Price)	0.00%	3.09%
\$14.71	Book Value	\$15.08	\$14.36
\$13.02	Tangible Book Value less AFS impact	\$13.44	\$12.72
\$13.49	Tangible Book Value	\$13.87	\$13.15
9.80	Price Earnings Ratio	8.40	7.17
1.05	Book Value Multiple	1.03	0.99
15.50	Market Value	15.50	14.25
6,531,121	Period End Shares	6,567,598	6,612,234
101,232,376	Market Capitalization	101,797,769	94,224,335
<b>Performance Ratios (1)</b>			
3.90%	Net Interest Margin (YTD)	3.78%	3.96%
20.57%	Fee Income to Total Revenue	21.24%	22.39%
55.57%	Efficiency Ratio	52.40%	47.27%
1.11%	ROA	1.22%	1.43%
10.69%	ROE	12.31%	13.91%
165.750	FTE - period end	158.620	162.590
165.985	Avg. number of FTE	162.185	164.405
62,777	Earnings per Avg Employee	74,446	79,723
5,664,030	Avg Assets per Avg Employee	6,087,278	5,564,016
<b>Selected Financial Condition (EOP)</b>			
\$453,532	Fed Funds Sold	\$307,878	\$696,895
\$121,032,787	Total Securities	\$117,745,228	\$134,640,014
\$731,616,145	Total Loans	\$766,988,870	\$700,582,665
\$7,949,992	Allowance for loan losses	\$8,068,287	\$7,806,165
\$7,983,933	Goodwill	\$7,983,933	\$7,983,933
\$1,020,425,758	Total Assets	\$971,618,767	\$925,848,066
\$940,144,007	Average Assets	\$987,265,158	\$914,752,057
\$871,882,242	Core Deposits	\$833,924,791	\$765,773,546
\$871,882,242	Total Deposits	\$833,924,791	\$783,148,451
\$0	Brokered Deposits (includes CDARS one-way buys)	\$0	\$17,374,905
\$14,337,112	CDARS Core Deposits	\$12,700,048	\$16,463,642
\$2,820,040	Other Borrowings	\$2,880,000	\$3,480,020
\$43,098,904	Repos	\$30,302,528	\$35,375,710
\$45,918,944	Total Wholesale Funding	\$33,182,528	\$56,230,635
\$0	Fed Funds Purchased	\$0	\$0
\$96,093,453	Total Equity	\$99,066,095	\$94,935,766
\$97,446,304	Average Stockholder's Equity	\$98,107,111	\$94,246,547
(1) Interim amounts are for bank only, annual amounts are consolidated			
<b>Balance Sheet Ratios</b>			
83%	Loans to Deposits	92%	89%
12%	Investments to Total Assets	12%	15%
130%	Avg Earnings to Avg Bearing Liabilities	129%	124%
0%	Brokered Deposits to Total Deposits	0%	2%
2%	CDARS Deposits to Total Deposits	2%	2%
5%	Repos to Total Deposits plus repos	4%	4%
5%	Wholesale funding to total Liabilities	4%	7%
49%	Wholesale funding to Risk Based Capital	36%	63%

First Manitowoc Bancorp, Inc.  
Financial Data

Dec 2012 Actual YTD		Mar 2013 Actual YTD	Mar 2012 Actual YTD
<b>Asset Quality</b>			
1.09%	Allowance for probable credit losses to total loans	1.05%	1.11%
0.33%	Net charge-offs to average total loans	0.12%	0.07%
0.54%	Non Accrual loans to total loans	0.50%	0.69%
0.11%	Loans past due 30 days to total loans	0.19%	0.55%
0.96%	Non-performing assets to total assets	0.94%	1.11%
3,959,183	Non accrual loans	3,848,949	4,811,309
276,980	Loans 90 days past due	2,814	0
5,567,117	OREO	5,248,720	5,478,732
<u>\$9,803,280</u>	Non-performing assets	<u>\$9,100,483</u>	<u>\$10,290,041</u>
\$2,900,000	Provision for loan losses	\$350,000	\$450,000
2,596,008	Gross charge-offs	380,385	217,233
(165,737)	Recoveries	(148,680)	(93,135)
<u>\$2,430,271</u>	Net Charge-offs	<u>\$231,704</u>	<u>\$124,097</u>
\$469,729	Provision less charge-offs	\$118,296	\$325,903
<b>Condensed Income Statement</b>			
28,531	Short-term investment income	25,806	5,271
3,613,966	Investment securities income	787,365	961,849
34,514,509	Loan income	8,573,183	8,544,925
<u>\$38,157,005</u>	<b>Total Interest Income</b>	<u>\$9,386,354</u>	<u>\$9,512,045</u>
5,185,739	Deposit interest expense	1,159,656	1,396,486
483,809	Repo interest expense	71,234	146,659
143,330	Other borrowings interest expense	27,372	38,248
<u>\$5,812,919</u>	<b>Total Interest Expense</b>	<u>\$1,258,262</u>	<u>\$1,581,393</u>
32,344,086	Net interest income	8,128,092	7,930,652
2,900,000	Provision for loan losses	350,000	450,000
<u>\$29,444,086</u>	<b>Net interest income after provision for loan loss</b>	<u>\$7,778,092</u>	<u>\$7,480,652</u>
8,376,443	Noninterest income	2,191,974	2,287,481
23,331,240	Noninterest expense	5,578,793	4,981,344
<u>\$14,489,289</u>	<b>Net Income before Taxes</b>	<u>\$4,391,273</u>	<u>\$4,786,788</u>
\$4,069,308	Taxes	\$1,372,778	\$1,510,094
<u>\$10,419,981</u>	<b>NET INCOME</b>	<u>\$3,018,495</u>	<u>\$3,276,694</u>

**FIRST MANITOWOC BANCORP, INC.  
AND SUBSIDIARIES**

**Consolidated Balance Sheets**

<b>ASSETS</b>	<b>3/31/2013</b>	<b>12/31/2012</b>	<b>3/31/2012</b>	<b>YOY Quarter Change</b>
Cash and due from Banks	\$ 10,374,917	\$ 38,598,912	\$ 18,636,915	\$ (8,261,998)
Interest-bearing deposits	19,523,353	72,562,389	14,060,578	5,462,775
Federal funds sold	307,878	453,532	696,895	(389,017)
Cash and cash equivalents	30,206,148	111,614,834	33,394,388	(3,188,240)
Securities available for sale, at fair value	114,773,161	117,954,713	131,776,517	(17,003,356)
Other investments, at cost	2,958,417	2,958,417	2,958,417	-
Loans held for sale	331,300	542,300	1,553,350	(1,222,050)
Loans	766,657,570	731,073,845	698,819,528	67,838,043
Allowance for loan loss	(8,068,287)	(7,949,992)	(7,806,165)	(262,122)
Loans, net	758,589,283	723,123,854	691,013,363	67,575,920
Premises and equipment, net	10,024,138	10,050,581	9,181,854	842,284
Goodwill	7,983,933	7,983,933	7,983,933	-
Intangible assets, net	71,130	75,670	89,290	(18,161)
Mortgage Servicing Rights	2,010,928	2,010,928	1,703,793	307,135
Investment in minority owned subsidiaries	14,744,200	14,170,254	15,043,156	(298,956)
Deferred tax	(6,069)	-	-	(6,069)
Other real estate owned	5,248,720	5,567,117	5,478,732	(230,012)
Cash value of life insurance	19,885,617	19,752,669	17,324,582	2,561,034
Other assets	4,797,861	4,620,489	5,779,664	(981,803)
<b>Total Assets</b>	<b>\$ 971,618,767</b>	<b>\$ 1,020,425,758</b>	<b>\$ 923,281,040</b>	<b>\$ 48,337,727</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				-
Deposits	833,729,519	869,162,768	783,041,108	50,688,411
Fed funds purchased	-	-	-	-
Securities sold under repurchase agreements	30,302,528	43,098,904	35,375,710	(5,073,182)
Borrowed funds	-	-	-	-
Notes payable	2,880,000	2,820,040	3,480,020	(600,020)
Other liabilities	5,640,624	9,250,593	6,448,435	(807,811)
Total liabilities	\$ 872,552,672	\$ 924,332,305	\$ 828,345,274	\$ 44,207,398
Stockholders' Equity				-
Common stock--\$0.01 par value: Authorized-- 20,000,000 shares Issued--6,714,252	\$ 67,146	\$ 67,146	\$ 67,146	\$ -
Additional paid-in-capital	2,471,123	2,451,266	2,451,266	19,857
Retained earnings	96,491,326	93,472,830	91,380,931	5,110,395
Accumulated other comprehensive income	2,804,315	3,058,177	2,836,723	(32,408)
Treasury stock, at cost	(2,767,814)	(2,955,965)	(1,800,300)	(967,514)
Total stockholders' equity	\$ 99,066,095	\$ 96,093,453	\$ 94,935,766	\$ 4,130,330
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 971,618,767</b>	<b>\$ 1,020,425,758</b>	<b>\$ 923,281,040</b>	<b>\$ 48,337,727</b>

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

	3/31/2013	12/31/2012	3/31/2012	YOY Quarter Change
Interest/Dividend income:				
Loans, including fees	\$ 8,527,747	\$ 8,644,577	\$ 8,544,925	\$ (17,179)
Federal funds sold	25,806	11,148	5,271	20,535
Securities:		-		
Taxable	342,528	361,967	460,404	(117,877)
Tax-exempt	510,756	470,878	503,457	7,299
Other	(20,483)	2,471	(2,013)	(18,470)
<b>Total interest income</b>	<b>9,386,354</b>	<b>9,491,041</b>	<b>9,512,045</b>	<b>(125,691)</b>
Interest expense:				
Deposits	1,159,656	1,245,448	1,396,486	(236,830)
Securities sold under repurchase agreements	71,338	72,842	147,226	(75,888)
Borrowed funds	27,267	34,660	37,681	(10,413)
<b>Total interest expense</b>	<b>1,258,262</b>	<b>1,352,949</b>	<b>1,581,393</b>	<b>(323,131)</b>
<b>Net interest income</b>	<b>8,128,092</b>	<b>8,138,091</b>	<b>7,930,652</b>	<b>197,440</b>
<b>Provision for loan losses</b>	<b>350,000</b>	<b>1,200,000</b>	<b>450,000</b>	<b>(100,000)</b>
<b>Net interest income after provision</b>	<b>7,778,092</b>	<b>6,938,091</b>	<b>7,480,652</b>	<b>297,440</b>
Other income:				
Wealth Management Revenue	25,763	29,472	-	25,763
Service charges	653,051	678,904	575,162	77,889
Income from Ansay	544,369	33,683	827,052	(282,683)
Loan servicing income	164,798	272,236	154,361	10,436
Income from UFS	222,942	166,774	179,906	43,036
Net gain on sales of mortgage loans	431,561	576,173	379,375	52,186
Net gain on sales of securities	-	-	-	-
Other	149,491	182,768	171,624	(22,134)
<b>Total other income</b>	<b>2,191,974</b>	<b>1,940,009</b>	<b>2,287,481</b>	<b>(95,506)</b>
Other expenses:				
Salaries, commissions, and employee benefits	3,094,805	2,917,754	2,940,842	153,963
Occupancy	648,983	607,215	644,328	4,655
Data processing	375,579	381,150	364,765	10,813
Loss (gain) on sales of OREO	(34,848)	687,815	(54,209)	19,361
Postage, stationery, and supplies	105,975	95,186	118,254	(12,279)
Advertising	48,559	28,503	52,846	(4,287)
Outside service fees	414,100	593,350	298,446	115,654
Amortization of intangibles	4,540	4,540	4,540	-
Other	921,101	1,080,219	611,533	309,568
<b>Total other expenses</b>	<b>5,578,793</b>	<b>6,395,732</b>	<b>4,981,345</b>	<b>597,448</b>
Income before provision for income taxes	4,391,273	2,482,369	4,786,788	(395,515)
Provision for income taxes	1,372,778	519,695	1,510,094	(137,316)
<b>Net income</b>	<b>\$ 3,018,495</b>	<b>\$ 1,962,674</b>	<b>\$ 3,276,694</b>	<b>\$ (258,199)</b>
Average Shares outstanding	6,545,078	6,550,272	6,597,320	(52,242)
<b>Earnings per share--common shareholders</b>	<b>\$ 0.46</b>	<b>\$ 0.30</b>	<b>\$ 0.50</b>	<b>\$ (0.04)</b>