

# MERGENT INDUSTRIAL

NEW LISTING

March 16, 2010

This Supplemental News Reports is published as required, is part of the annual MERGENT BANK & FINANCE, INDUSTRIAL and OTC MANUALS and will be included in the bound 2010 March Monthly News Reports and is published on our Website.

## FIRST MANITOWOC BANCORP INC

Company Website: [www.bankfirstnational.com](http://www.bankfirstnational.com)

**History:** Incorporated in Wisconsin on Feb. 23, 2005. Reincorporated in Wisconsin on June 21, 2005.

On Apr. 1, 2006, Bank First National acquired 100% ownership in George V. Reis Investment Group, Inc. ("GVR"), a Wisconsin corporation. Total consideration for the transaction was \$750,000, however, only \$450,000 was paid at Apr. 1, 2006. The remaining \$300,000 of consideration was to be paid in the second and third years for \$150,000 each year following the acquisition date upon achieving specified gross income targets.

On Mar. 2, 2007, Bank First National acquired \$15,300,000 in assets consisting primarily of loans and \$5,100,000 in deposits from Acuity Bank and paid \$10,200,000 in net cash. At closing, \$282,000 of purchase premiums and goodwill were capitalized and are recorded as intangible assets.

On Jan. 30, 2008, Bank First National acquired Insurance Associates of Green Bay, Inc. for \$6,000,000 in cash.

On Nov. 20, 2009, Bank First National closed three branches and restructured the Operations and Information Technology Services area. In connection with these actions, Co. recognized \$750,000 of restructuring charges which consisted of losses on the sale of buildings, severance packages provided to terminated personnel, and other related expenses.

On Dec. 31, 2009, Bank First National's wholly-owned insurance subsidiary, The Vincent Group, Inc. merged with A.N. Ansay & Associates, Inc. to form a third party LLC, Ansay and Associates LLC ("Ansay"). Upon completion of the merger, the net assets of the Vincent Group, Inc. were contributed to Ansay and The Vincent Group, Inc. was renamed to TVG Holdings, Inc., which is a 38.4% minority owner of Ansay. Total consideration exchanged for ownership in the partnership approximated \$13,133,000 and consisted of a contribution of approximately \$11,047,000 of income producing net assets, \$491,000 of net fixed assets and net cash paid of \$750,000.

**TARP Capital Purchase Program:** On January 16, 2009, Co. completed raising \$12 million in capital by issuing preferred stock to the U.S. Department of the Treasury as a voluntary participant in the Treasury's TARP Capital Purchase Program. The transaction is part of the Treasury's program to encourage U.S. financial institutions to build capital to increase the flow of financing to U.S. businesses and consumers and to support the U.S. economy. The preferred shares issued by Co. pay cumulative dividends of 5% a year for the first five years and 9% a year thereafter and are considered Tier 1 capital for regulatory purposes. The preferred shares may not be redeemed for a period of three years from the date of issuance, except with the proceeds from the sale of Tier 1 qualifying perpetual preferred stock or common stock for cash, which results in aggregate gross proceeds to Co. of not less than 25% of the issue price of the preferred. After the third anniversary of the date of the preferred issuance, the preferreds may be redeemed, in whole or in part, at any time and from time to time, at the option of Co. All redemptions shall be subject to the approval of Co.'s primary federal bank regulator. The securities purchase agreement between Co. and the Treasury limits the payment of dividends to the current quarterly \$0.105 per share dividend, limits Co.'s ability to repurchase its common stock, and subjects Co. to certain executive compensation limitations.

Co. completed the repurchase of all 12,600 shares of preferred stock issued on January 16, 2009 to the U.S. Department of the Treasury as a voluntary participant in the Treasury's TARP Capital Purchase Program. Co. paid \$12.6 million to repay the preferred stock plus accrued dividends of \$21,800. The repurchase was approved by the Treasury following consultation with and approval from the Federal Reserve Bank of Chicago and the Office of the Comptroller of the Currency.

**Business Summary:** First Manitowoc Bancorp provides financial services through its sole subsidiary, Bank First National (the "Bank"). The Bank is an independent community bank with 12 banking locations in Manitowoc, Brown, and Sheboygan counties (Northeastern Wisconsin). The Bank services include credit card; secured and unsecured consumer; commercial, and real estate loans; demand, time, and savings deposits; ATM processing; insurance services; asset management services; and trust services. As of Dec 31 2009, Co. had total assets of \$838,754,000 and total deposits of \$641,122,000.

**Property:** Co. maintains its principal executive offices in Manitowoc, WI. Bank First National (the "Bank") is an independent community bank with 12 banking locations in Manitowoc, Brown, and Sheboygan counties. The Bank manages its banking branches through the Northern, Central and Southern regions of its marketplace. The Northern Region consists of the Bellevue and Ashwaubenon banking offices in the Green Bay area. The Central Region includes offices in Francis Creek, St. Nazianz, Two Rivers, Mishicot, and Custer Street, Expo Drive and 8th Street in Manitowoc. The Southern Region consists of the new office in Sheboygan, and three additional banking locations in the cities of Plymouth, Kiel, and Sheboygan.

### Subsidiaries

(Wholly owned unless otherwise indicated)

Bank First National  
Ansay & Associates, LLC (38.44%)  
George V. Reis Investment Group, Inc.  
United Financial Services, Inc. (49.8%)  
FNBM Investment Corp.  
TVG Holdings, Inc.

### Officers

John J. Zimmer, Chairman  
David J. Diedrich, President  
Michael B. Molepske, Chief Executive Officer  
Lisa M. O'Neill, Chief Financial Officer  
Rachel E. Wiegert, Corporate Secretary

### Directors

John J. Zimmer  
Donald R. Brisch  
Daniel J. Lalko  
Michael B. Molepske  
Katherine M. Reynolds  
Michael G. Ansay  
David J. Diedrich  
John C. Miller  
Craig A. Pauly  
John M. Webster

**Auditors:** Wipfli LLP

**Counsel:** Michael Best

**Shareholder Relations:** Mark Henning-Wells Fargo Shareowner Services, Tel.: 800-468-9716

**Annual Meeting:** In April

**No. of Stockholders:** Dec. 31, 2009, 301

**No. of Employees:** Dec. 31, 2009, 173

**Address:** 402 North Eighth Street, P.O. Box 10, Manitowoc, WI 54221-0010 **Tel.:** 920 652-3262 **Fax:** 920 652-3182 **E-mail:** loneill@bankfirstnational.com **Web:** www.bankfirstnational.com

**Consolidated Income Account, years ended Dec. 31 (\$000):**

	2009	2008	2007
Int inc on loans, incl fees	31,288	31,403	34,127
Int inc on fed fds sold	10	205	707
Int inc on secur-taxable	4,535	4,656	4,733
Int inc on secur-tax-exempt	2,519	4,088	3,105
Other int inc	8	9	69
Tot int inc	38,360	40,361	42,741
Int exp on dep	10,935	14,346	17,271
Int exp on secur sold under repurch agreements	1,119	2,132	3,059
Int exp on borrow fds	1,081	1,073	1,319
Tot int exp	13,135	17,551	21,649
Prov for loan losses	3,770	6,334	1,900
Net int inc after prov for loan losses	21,455	16,476	19,192
Trust serv fees	537	593	694
Serv charges	2,279	1,892	1,442
Ins commiss	7,152	7,690	3,712
Loan servicing inc	(736)	1,340	668
Gains on sales of mtge loans	1,374	166	74
Gain (loss) on sales of secur	1,734	1,083	230
Other inc	871	223	3,104
Tot other inc	13,745	13,726	10,496
Salaries, commiss & empl benefits	15,422	14,874	12,390
Occupancy exp	2,851	2,724	1,967
Data processing exps	1,643	1,507	1,283
Postage, stationery & suppl exps	448	579	563
Advert exps	303	329	316
Outside serv fees	2,568	639	424
Amort of intangibles	330	336	191
Branch restructuring exp	750		
Other exps	2,134	3,222	2,852
Tot other exps	26,449	24,210	19,986
Inc bef prov for inc tax	8,751	5,992	9,702
Curr fed inc taxes (credit)	1,698	(93)	1,472
Curr state inc taxes (credit)	565	151	339
Tot curr tax expense (credit)	2,263	58	1,811
Defer fed inc taxes (credit)	(228)	(266)	222

MERGENT MANUALS (ISSN 0895-3252) is published weekly on Tuesday by Mergent 60 Madison Ave., New York, NY 10010. Subscription rate \$647.50 per annum for the News Report portion of the Mergent Manuals service in the United States and Canada (Not to be sold separately from the Manual). Copyright © 2008 by Mergent. All information contained herein is copyrighted in the name of Mergent and none of such information may be copied or otherwise reproduced, repackaged, further transmitted, transferred, disseminated, redistributed or resold, or stored for subsequent use for any such purpose, in whole or in part, in any form or matter or by any means whatsoever, by any person without prior written consent.

All information contained herein is obtained by MERGENT, from sources believed by it to be accurate and reliable. Because of the possibility of human and mechanical error as well as other factors, however, such information is provided "as is" without warranty of any kind. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY INFORMATION IS GIVEN OR MADE BY MERGENT IN ANY FORM OR MANNER WHATSOEVER. Under no circumstances shall MERGENT have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance involved in procuring, collecting, compiling, interpreting, analyzing, editing, transcribing, transmitting, communicating or delivering any such information, or (b) any direct, indirect, special, consequential or incidental damages whatsoever, even if MERGENT is advised in advance of the possibility of such damages, resulting from the use of, or inability to use, any such information.

Defer state inc taxes (credit) . . . . .	45	(38)	270	Real-estate - residential loans . . . . .	168,806	176,944	Notes pay . . . . .	4,200	.....		
Tot defer tax expense (credit) . . . . .	(183)	(304)	492	Consumer loans . . . . .	13,992	13,954	Other liabil . . . . .	11,067	11,500		
Provision (credit) for inc tax . . . . .	2,080	(246)	2,303	Other loans . . . . .	11,805	5,697	Tot liabil . . . . .	757,461	716,660		
<b>Net income (loss)</b> . . . . .	6,671	6,238	7,399	Subtotal of loans . . . . .	547,882	.....	Com stk . . . . .	67	67		
TARP - preferred stk accretion . . . . .	600	.....	.....	Less: allow for loan losses . . . . .	5,659	4,727	Addit paid-in cap . . . . .	2,451	2,451		
TARP - preferred stk dividends . . . . .	237	.....	.....	Loans, net . . . . .	542,223	508,255	Retain earn . . . . .	78,383	75,319		
Net income (loss) avail to com shareholders . . . . .	5,834	6,238	7,399	Land improve . . . . .	2,043	1,982	Treas stock, at cost . . . . .	1,653	1,653		
Common shares (000):				Buildings & improve . . . . .	9,139	9,770	Accum other comprehensive inc . . . . .	2,045	1,284		
Weigh avg shares outstg - basic . . . . .	6,595	6,634	6,714	Furn & equip . . . . .	5,722	7,771	Tot stkhldrs eq . . . . .	81,293	77,468		
Weigh avg shares outstg - diluted . . . . .	6,595	6,634	6,714	Premises & equipment, gross . . . . .	16,904	19,523	<b>Long Term Debt:</b> Dec. 31, 2009, \$22,135,000 (excluding current portion) comprised of:				
Yr end shares outstg . . . . .	6,595	6,595	.....	Less: accum deprec . . . . .	7,915	9,224	(1) \$14,500,000 Federal Home Loan Bank advance with interest rates ranging from 0.77% to 4.01% due from July 2010 to May 2013.				
Net earnings (loss) per sh - basic . . . . .	\$0.88	\$0.94	\$1.10	Premises & equipment, net . . . . .	8,989	10,299	(2) \$6,255,000 Federal Home Loan Bank advance structured payment with interest rates ranging from 3.98% to 5.27% due from Aug. 2013 to Sept. 2028.				
Net earnings (loss) per sh - diluted . . . . .	\$0.88	\$0.94	\$1.10	Goodwill . . . . .	7,932	16,492	(3) \$1,380,000 treasury, tax and loan account with interest rate of 0.00%.				
Cash dividends per com sh . . . . .	\$0.42	\$0.39	\$0.35	Other investments, at cost . . . . .	3,639	3,639	<b>Line of Credit:</b> Co. maintains a \$5,000,000 line of credit with a commercial bank. At Dec. 31, 2009, Co. had an outstanding balance on the line of credit of \$4,200,000. The interest rate is a variable rate with a floor of 4.25%. At Dec. 31, 2009, the interest rate was 4.25%.				
Tot no of employees . . . . .	173	.....	.....	Cash val of life ins . . . . .	15,095	14,563	<b>Capital: 1. First Manitowoc Bancorp Inc. common; par \$0.01.</b>				
No of com stkhldrs . . . . .	301	.....	.....	Intang assets . . . . .	2,252	6,854	AUTH — 20,000,000 shs.				
<b>Consolidated Balance Sheet, as of Dec. 31 (\$000):</b>				Invest in minor-owned subs . . . . .	17,185	4,268	OUTSTG — Dec. 31, 2009 6,595,110 shs; par \$0.01.				
Assets:	2009	2008		Other assets . . . . .	9,077	6,843	TREASURY — 119,450 shs.				
Cash & due fr banks . . . . .	18,623	21,149		Tot assets . . . . .	838,754	794,128	STOCK SPLIT — \$0.01 par shares split 5-for-4 Apr. 2, 1997 and Apr. 7, 1999; 2-for-1 June 14, 2000 and Oct. 1, 2002.				
Int-bear dep . . . . .	323	337		Liabilities:			TRANSFER AGENT — Wells Fargo				
Fed fds sold . . . . .	21,801	15,886		Non-int bear demand dep . . . . .	105,545	93,908	LISTED — Over-the Counter (OTC): FMWC				
Cash & cash equivs . . . . .	40,747	37,372		Int-bear demand dep . . . . .	151,796	87,497	PRICE RANGE —				
Secur avail for sale, at fair value . . . . .	191,615	185,543		Savings dep . . . . .	120,663	112,973	2009	2008	2007	2006	
Coml loans . . . . .	115,718	118,728		Time dep . . . . .	263,118	296,556	High	11.00	15.00	17.00	20.00
Real-estate - coml loans . . . . .	237,561	197,659		Dep . . . . .	641,122	590,934	Low	5.25	8.10	12.50	15.10
				Secur sold under repurchase agreements . . . . .	78,937	86,056					
				FHLB adv . . . . .	14,500	19,800					
				JFHLB adv structured payment . . . . .	6,255	7,631					
				Treasury, tax & loan account . . . . .	1,380	739					
				Borrow fds . . . . .	22,135	28,170					