



August 13, 2004

Dear Shareholder,

We wish to inform you that the Board of Directors of CIB Marine Bancshares, Inc. has reached a definitive agreement to sell the Company's Chicago-area banking subsidiary, CIB Bank—Chicago, to First Banks, Inc. of St. Louis, Missouri, for \$62 million in cash. We expect to complete the sale in the fourth quarter of 2004, subject to certain conditions, including approval by regulatory authorities.

The Board made this decision after carefully evaluating a range of alternatives. We believe that the transaction will contribute significantly to our efforts to address CIB Marine's capital, asset quality and financial performance issues, and allow the Company to substantially comply with key elements of the recent regulatory orders.

- The proceeds of the sale, and the resulting divestiture of the assets of CIB Bank—Chicago, will strengthen the capital ratios of CIB Marine and our remaining banking subsidiaries. Following the sale, we believe that all of our banking subsidiaries will meet or exceed the applicable regulatory capital requirements.
- The divestiture of CIB Bank—Chicago also will bring about a substantial decrease in the level of doubtful or substandard assets.
- The transaction will allow the Company to focus our attention and resources on our community banking locations in Central Illinois, Wisconsin, Indiana, Florida, Nebraska, Arizona and Nevada. In this regard, we have cancelled the previously announced plans to market for sale Citrus Bank, N.A. and Marine Bank, Scottsdale, Arizona.

While much work remains to be done, we are pleased to have taken this important step for the future of CIB Marine. We appreciate your support and will continue to keep you informed of key developments.

Sincerely,

The Board of Directors

Statements contained in this news release that are not based on current or historical fact are forward-looking in nature. Actual results could differ materially from those indicated by such statements. For information about factors that could affect actual results, please refer to the Company's periodic reports filed with the Securities and Exchange Commission.

CIB MARINE BANCSHARES, INC. AGREES TO SELL CHICAGO BANKING SUBSIDIARY TO FIRST BANKS OF ST. LOUIS FOR \$62 MILLION

Transaction Will Strengthen Capital of Holding Company and Banking Subsidiaries

CIB Marine Will Focus on Community Banking Operations in Central Illinois, Wisconsin, Indiana, Nebraska, Florida, Arizona and Nevada

PEWAUKEE, WI, August 13, 2004 – CIB Marine Bancshares, Inc. (“CIB Marine”) announced today that it has reached a definitive agreement to sell its Chicago-area banking subsidiary, CIB Bank, Hillside, Illinois (“CIB Bank—Chicago”), to First Banks, Inc. for \$62 million in cash. The transaction, which is subject to certain conditions including approval by regulatory authorities, is expected to be completed in the fourth quarter of 2004.

For CIB Marine, the sale of CIB Bank—Chicago reflects a strategy to focus the Company’s attention and resources on its community bank locations in Central Illinois, Wisconsin, Indiana, Florida, Nebraska, Arizona and Nevada. The proceeds of the sale and the divestiture of CIB Bank – Chicago will enable CIB Marine and its subsidiary banks to improve Tier 1 capital leverage ratios and reduce the organization’s doubtful or substandard assets, consistent with key aspects of recent regulatory orders.

“The CIB Marine Board of Directors is deeply committed to strengthening the Company and its banking subsidiaries, creating shareholder value, and serving our communities,” noted W. Scott Blake, Chairman of the Board of CIB Marine. “The sale of CIB Bank—Chicago, together with our ongoing efforts to improve asset quality, enhance lending practices, and restore profitability, provide clear evidence of our determination to position CIB Marine for the future.”

Stan Calderon, President and Chief Executive Officer of CIB Marine, added, “Our Board of Directors carefully evaluated a wide range of alternatives and determined that the sale of CIB Bank—Chicago was in the best interests of our shareholders, employees and customers. The Company and its banking subsidiaries will emerge with renewed capital strength, a sharp community bank focus, and a continued commitment to providing superior service.”

CIB Bank—Chicago, headquartered in Hillside, IL, had approximately \$1.3 billion in assets and \$1.2 billion in deposits as of June 30, 2004, and operates 16 branch offices in Chicago and surrounding communities. After completing the proposed transaction, CIB Marine will own and operate five community banking subsidiaries: Central Illinois Bank (Champaign, IL); Marine Bank (Wauwatosa, WI); CIB Bank (Indianapolis, IN); Citrus Bank, N.A. (Vero Beach, FL); and Marine Bank (Scottsdale, AZ). As a result of the transaction involving the Chicago subsidiary, the Board of Directors has cancelled previously announced plans to market for sale Citrus Bank, N.A. and Marine Bank, which collectively have branches in Florida, Arizona, Nevada and Nebraska.

Separately, CIB Marine announces that on August 12, 2004, it closed on the sale of a substantial portion of the assets of its mortgage banking subsidiary, Mortgage Services, Inc. (“MSI”), based in Bloomington, Illinois. Final negotiations are underway with a prospective purchaser for the remaining operations of MSI. The proceeds of these transactions are not expected to be material to CIB Marine.

First Banks, Inc. is a privately held bank holding company headquartered in St. Louis, MO, with more than 150 offices in Illinois, Missouri, Texas and California. The Company’s total assets at June 30, 2004, were approximately \$7.3 billion.

CIB Marine is a multi-bank holding company that currently operates 58 banking offices in Illinois, Wisconsin, Indiana, Florida, Arizona, Nebraska and Nevada.

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