

# ANNUAL SHAREHOLDER MEETING

*May 26, 2016*

		Previous Close (May 25, 2016)
S&P 500 Index	INX	\$2,090.54
Dow Jones Industrial Average Index	INDU	\$17,851.51
KBW Regional Banking Total Return Index	KRXTR	\$126.71
CIB Marine Bancshares, Inc.	CIBH	\$0.6115

*Source: Bloomberg L.P.*

# CALL TO ORDER

*Mark A. Elste*

*Chairman of the Board of Directors*

# FORWARD LOOKING STATEMENTS

CIB Marine has made statements during today's presentation that may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. CIB Marine intends these forward-looking statements to be subject to the safe harbor created thereby and is including this statement to avail itself of the safe harbor. Forward-looking statements are identified generally by statements containing words and phrases such as "may," "project," "are confident," "should be," "intend," "predict," "believe," "plan," "expect," "estimate," "anticipate" and similar expressions. These forward-looking statements reflect CIB Marine's current views with respect to future events and financial performance that are subject to many uncertainties and factors relating to CIB Marine's operations and the business environment, which could change at any time.

There are inherent difficulties in predicting factors that may affect the accuracy of forward-looking statements.

Stockholders should note that many factors, some of which are discussed in today's presentation or in the documents that are incorporated by reference, could affect the future financial results of CIB Marine and could cause those results to differ materially from those expressed in forward-looking statements. These factors, many of which are beyond CIB Marine's control, include but are not limited to:

- operating, legal, and regulatory risks;
- economic, political, and competitive forces affecting CIB Marine's banking business;
- the impact on net interest income and securities values from changes in monetary policy and general economic and political conditions; and
- the risk that CIB Marine's analyses of these risks and forces could be incorrect and/or that the strategies developed to address them could be unsuccessful.

These factors should be considered in evaluating the forward-looking statements, and undue reliance should not be placed on such statements. Forward-looking statements speak only as of the date they are made. CIB Marine undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Forward-looking statements are subject to significant risks and uncertainties and CIB Marine's actual results may differ materially from the results discussed in forward-looking statements.

# BOARD OF DIRECTORS

<b>J. Brian Chaffin</b>	President & CEO of CIB Marine Bancshares & CIBM Bank
<b>John P. Hickey, Jr.</b>	Retired President, CEO & Chairman of CIB Marine Bancshares, Inc. & CIBM Bank
<b>Charles E. Baker, CPA</b>	Retired Partner of Ernst & Young, LLP
<b>Willard Bunn III</b>	Managing Director of Colonnade Advisors, LLC
<b>Gary L. Longman, CPA</b>	Former President & CEO of Sunny Ridge Family Center and retired partner of KPMG LLP
<b>Charles D. Mires</b>	Community Bank Investor
<b>Ronald E. Rhoades</b>	President and CEO of Plastic Container Corp.

# **CROWE HORWATH**

- Brian Sterwald
- Aaron O'Connor

# **COMPUTERSHARE**

- Ginger Lawrence

# MANAGEMENT TEAM

<b>J. Brian Chaffin</b>	President & CEO of CIB Marine Bancshares & CIBM Bank
<b>Patrick J. Straka</b>	Chief Financial Officer of CIB Marine Bancshares & CIBM Bank
<b>Paul C. Melnick</b>	Chief Credit Officer of CIB Marine Bancshares & CIBM Bank
<b>Daniel J. Rasmussen</b>	Chief Administrative Officer & General Counsel of CIB Marine Bancshares & CIBM Bank
<b>James P. Mullaney</b>	Director of Corporate Banking of CIBM Bank
<b>Gary Maughan</b>	Mortgage Sales Manager of CIBM Bank
<b>Mark V. Wilmington</b>	Director of Retail Banking of CIBM Bank
<b>Joanne M. P. Blaesing</b>	Director of Marketing of CIBM Bank

# PROPOSAL I: ELECTION OF DIRECTORS

## Nominated Directors:



**Charles E. Baker**



**J. Brian Chaffin**



**John P. Hickey, Jr.**

*Elected directors will serve until 2019.*

**PROPOSAL II: RATIFICATION OF INDEPENDENT  
REGISTERED PUBLIC ACCOUNTING FIRM**

**Crowe Horwath LLP**



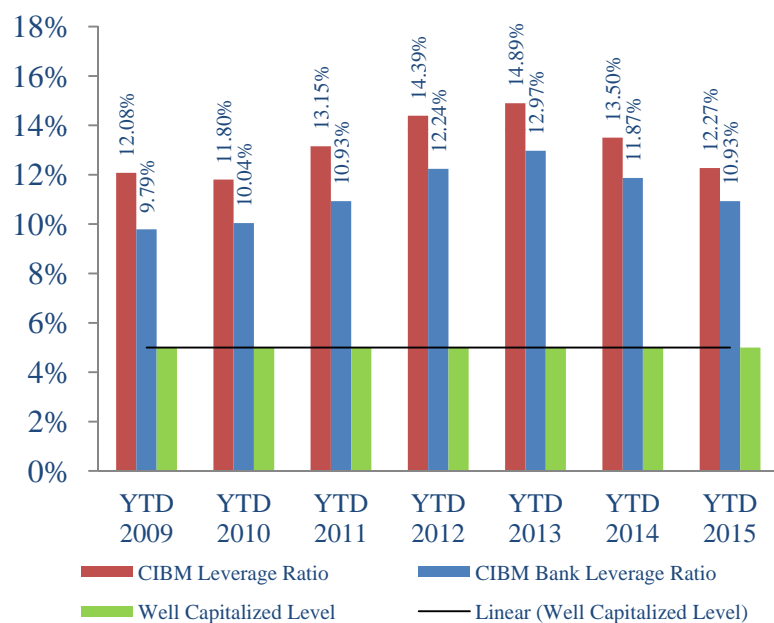
**PRESENTATION  
TO  
SHAREHOLDERS**

*Mark A. Elste*

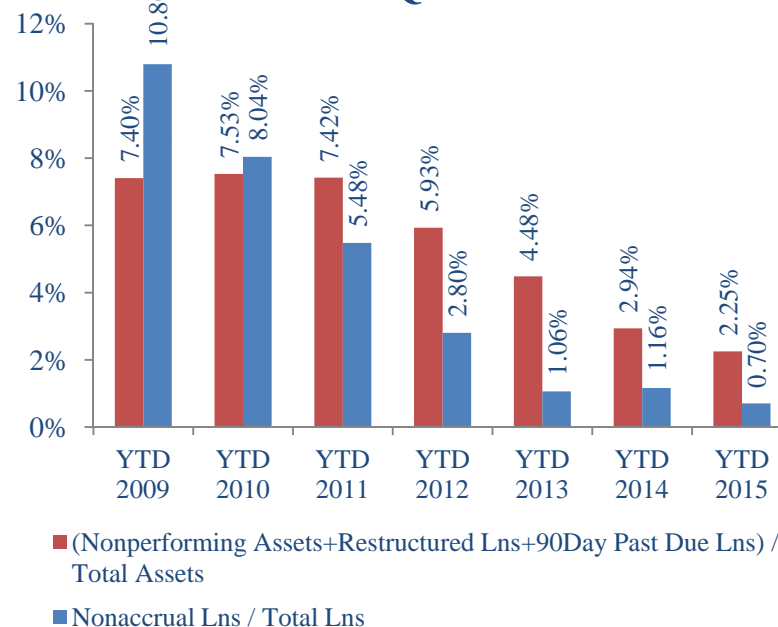
*Chairman of the Board of Directors*

## Dramatic improvements in capital standing and asset quality led to the removal of all regulatory orders in 2014.

### CAPITAL RATIOS



### ASSET QUALITY



Period	Ending Price per Share (1)	Traded Stock Volume YTD	Volume Weighted Average Price YTD (2)	Average Annual Total Return Since 12/31/2009 (3)	Average Annual Total Return Since 12/31/2010 (3)
12/31/2009	\$0.11	862,997	\$0.15		
12/31/2010	\$0.09	1,878,293	\$0.23	-23%	
12/31/2011	\$0.18	2,243,872	\$0.12	28%	112%
12/31/2012	\$0.20	1,950,703	\$0.27	22%	53%
12/31/2013	\$0.49	3,930,733	\$0.53	45%	79%
12/31/2014	\$0.47	2,011,497	\$0.53	34%	53%
12/31/2015	\$0.43	1,543,421	\$0.47	25%	38%
05/13/2016	\$0.55	818,499	\$0.39	29%	42%

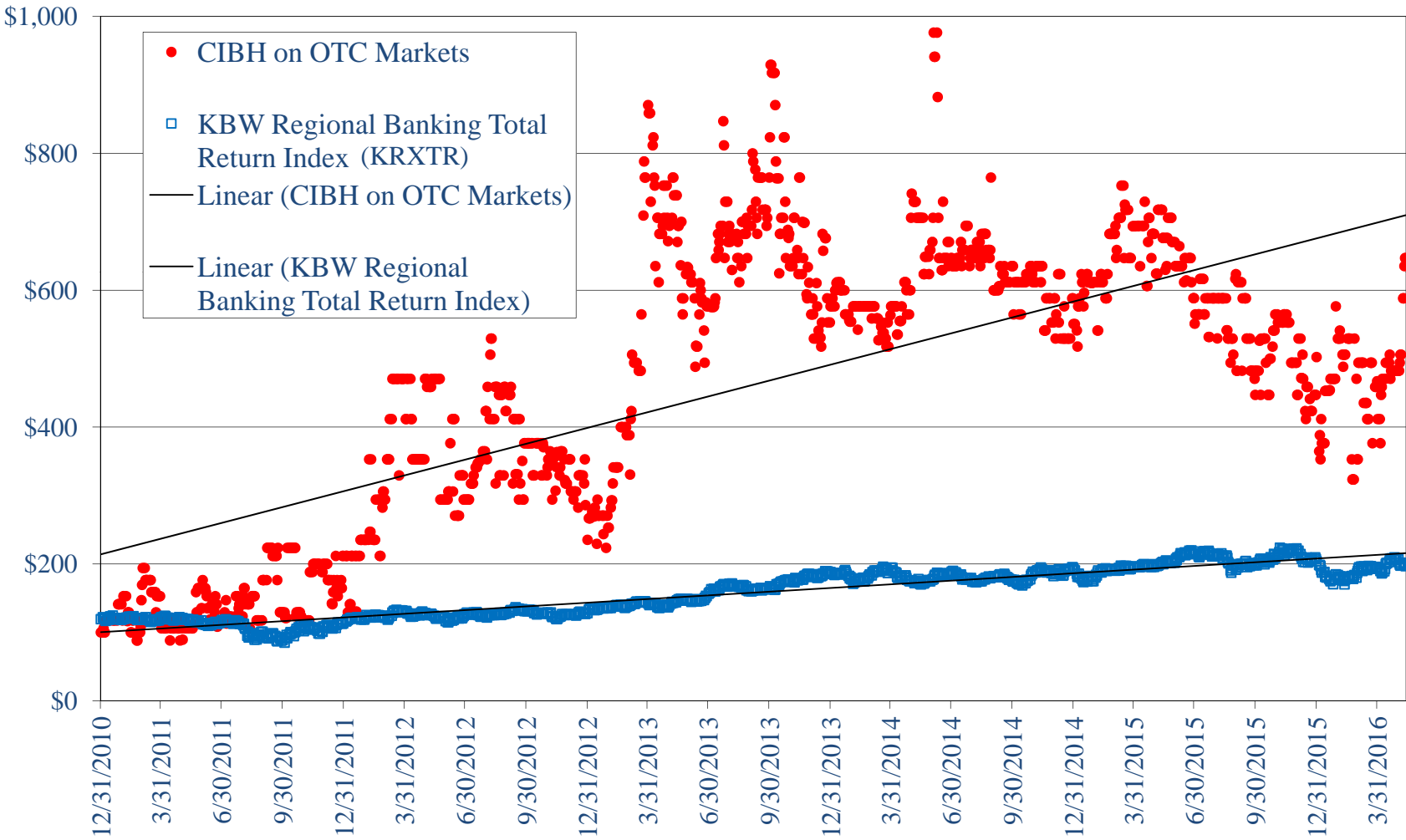
(1) Last Stock Price.

(2) Based on traded volumes and last price per day for period.

(3) Total Return based on Last Stock Price for CIBH as reported in OTC Markets.

Source: Bloomberg, L.P.

# \$100 INVESTMENT IN CIBH AND KRXTR - AT CALENDAR YEAR END 5 YEARS AGO 12/31/2010



# JOHN P. HICKEY, JR.

## CIB Marine Bancshares, Inc.

<b>Director</b>	May 2007 – Present
<b>Chairman</b>	February 2009 – October 2015
<b>President &amp; CEO</b>	March 2007 – August 2010/January 2011
<b>President &amp; CEO</b>	January 2015 – October 2015 (interim basis)

## Marine Bank & CIBM Bank

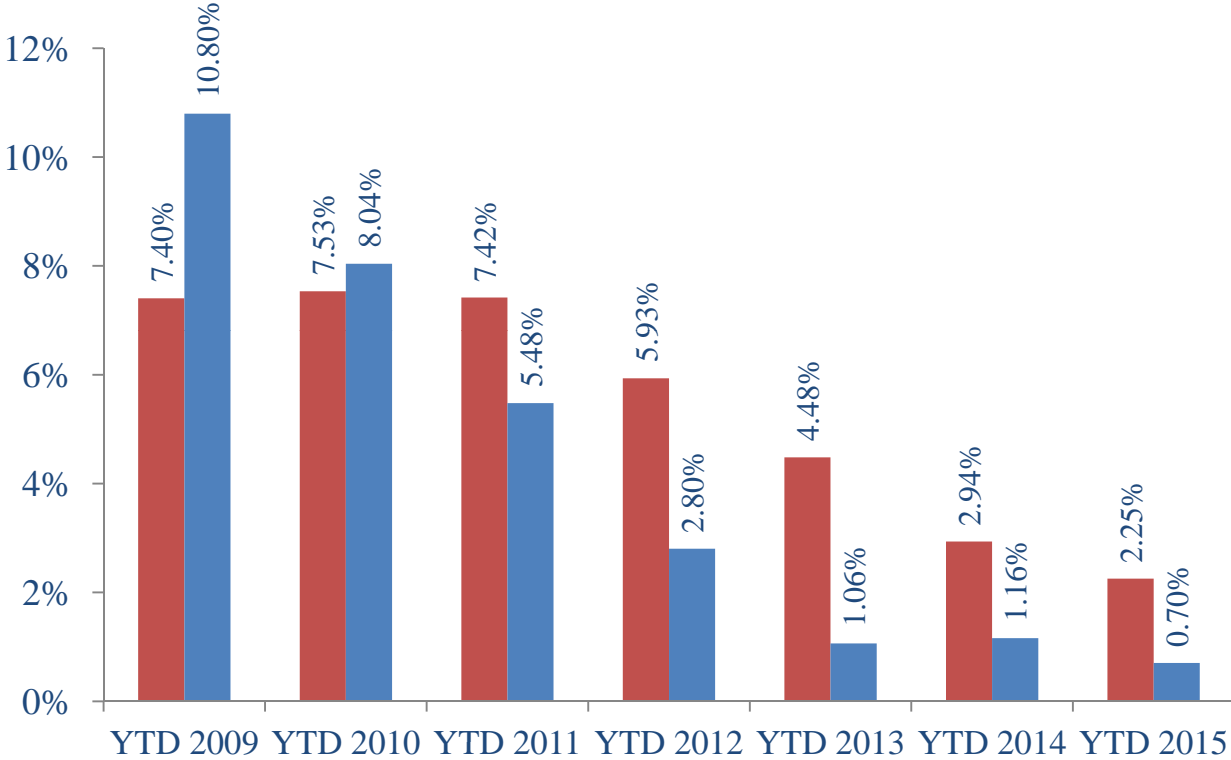
<b>Director</b>	April 2006 – Present
<b>Chairman</b>	February 2009 – October 2015
<b>President &amp; CEO</b>	April 2006 – January 2011
<b>President &amp; CEO</b>	January 2015 – October 2015 (interim basis)



**MANAGEMENT PRESENTATION  
TO  
SHAREHOLDERS**

*J. Brian Chaffin  
President & CEO*

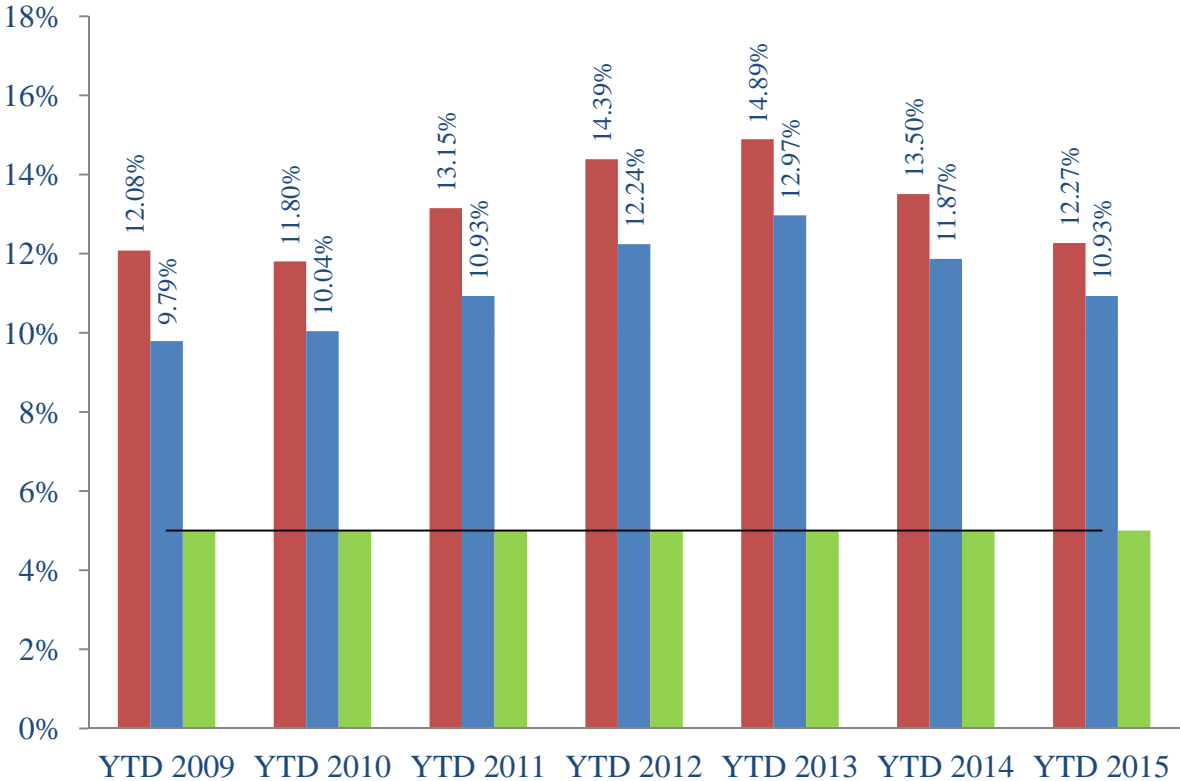
# ASSET QUALITY



■ (Nonperforming Assets+Restructured Lns+90Day Past Due Lns) / Total Assets

■ Nonaccrual Lns / Total Lns

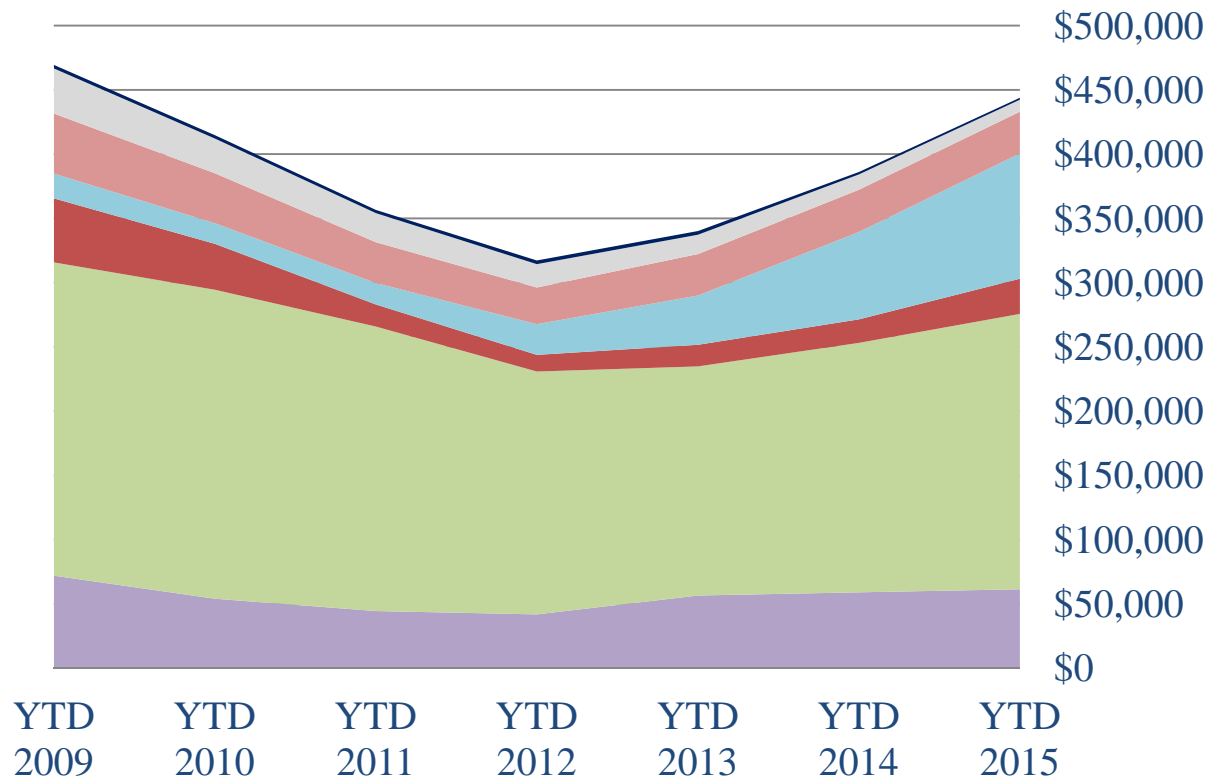
# CAPITAL RATIOS



■ CIBM Leverage Ratio      ■ CIBM Bank Leverage Ratio  
■ Well Capitalized Level      — Linear (Well Capitalized Level)



# LOANS (000s)



- Commercial
- Construction and Development
- Home Equity
- Other Consumer
- Commercial Real Estate
- Residential Real Estate
- Purchased Home Equity Pools

## OTHER 2015 ACTIVITY

- Addition of Wheaton, IL branch; OREO write-downs; parent company expenses; and expense reduction plan.
- Increased net interest income; lower net interest margin.
- Avenue Mortgage growth.
- \$43 Million deposit growth; Avenue Bank branch; Acceleration Banking.

# EARNINGS IMPROVEMENT STRATEGIES

- Expense Reduction.
- Revenue Growth.

# EXPENSE REDUCTION PLAN

- Benchmarking for department level staffing.
- Consolidate two non-bank branch offices into other existing locations.
- \$1.1 Million savings; effective 2nd half of 2016.

# REVENUE GROWTH

- Continue strong commercial loan growth
- Grow Avenue Mortgage
- SBA 7a lending
- Other SBA related activities
- Limited trust powers
- Retail banking

**CIB MARINE BANCSHARES, INC.**  
**Selected Unaudited Consolidated Financial Data**

	At or for the		
	Quarters Ended		
	March 31, 2016	December 31, 2015	March 31, 2015
	(Dollars in thousands, except share and per share data)		
<b>Selected Statement of Operations Data</b>			
Interest and dividend income	\$ 5,176	\$ 4,874	\$ 4,460
Interest expense	735	654	571
Net interest income	4,441	4,220	3,889
Provision for (reversal of) loan losses	61	215	86
Net interest income after provision for (reversal of) loan losses	4,380	4,005	3,803
Noninterest income (1)	2,053	592	1,376
Noninterest expense	5,481	5,386	5,153
Income (loss) before income taxes	952	(789)	26
Income tax expense	0	6	0
Net income (loss)	\$ 952	\$ (795)	\$ 26
<b>Common Share Data</b>			
Basic net income (loss) per share	\$ 0.05	\$ (0.04)	\$ 0.00
Diluted net income (loss) per share	0.03	(0.04)	0.00
Weighted average shares outstanding - basic	18,127,892	18,127,892	18,127,892
Weighted average shares outstanding - diluted	35,631,892	18,127,892	35,631,892

(1) Noninterest income includes gains and losses on securities

**CIBM BANK**  
**Selected Unaudited Consolidated Financial Data**

	At or for the		
	Quarters Ended		
	March 31, 2016	December 31, 2015	March 31, 2015
	(Dollars in thousands, except share and per share data)		
<b>Selected Statement of Operations Data</b>			
Net interest income	4,448	4,195	3,885
Provision for (reversal of) loan losses	63	227	88
Net interest income after provision for (reversal of) loan losses	4,385	3,968	3,797
Noninterest income (1)	1,515	590	1,375
Noninterest expense	5,238	5,151	4,983
Income (loss) before income taxes	662	(593)	189
Income tax expense	0	6	0
Net income (loss)	\$ 662	\$ (599)	\$ 189

(1) Noninterest income includes gains and losses on securities

**CIB MARINE BANCSHARES, INC.**  
**Selected Unaudited Consolidated Financial Data**

	At or for the Quarters Ended		
	March 31, 2016	December 31, 2015	March 31, 2015

(Dollars in thousands, except share and per share data)

**Asset Quality Ratios:**

Nonaccrual loans to loans (9)	0.81%	0.70%	1.55%
Nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing to total loans (9)	1.64%	1.96%	2.63%
Nonperforming assets, restructured loans and loans 90 days or more past due and still accruing to total assets (9)	1.94%	2.25%	2.95%
Allowance for loan losses to total loans	1.75%	1.81%	1.96%
Allowance for loan losses to nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing (9)	106.74%	92.25%	74.66%
Net charge-offs (recoveries) annualized to average loans	-0.10%	0.03%	0.06%

(9) Excludes loans held for sale.



**CIB MARINE BANCSHARES, INC.**  
**Selected Unaudited Consolidated Financial Data**

	At or for the Quarters Ended		
	March 31, 2016	December 31, 2015	March 31, 2015
	(Dollars in thousands, except share and per share data)		
<b>Financial Condition Data</b>			
Total assets	\$ 597,089	\$ 571,233	\$ 522,346
Loans	470,424	445,050	386,588
Allowance for loan losses	(8,235)	(8,064)	(7,586)
Investment securities	97,474	94,702	96,696
Deposits	467,334	443,571	407,247
Borrowings	57,929	58,883	43,753
Stockholders' equity	67,475	65,586	68,068

# EARNINGS IMPROVEMENT Q1 2016

- Increase net interest income from fourth quarter 2015 loan growth.
- Modest increase in non-interest income from Avenue Mortgage.
- Minimal impact from expense reduction plan.
- No SBA related lending activities in the first quarter.
- First quarter \$430,000 gain from sale of OREO net of other write-downs on consolidated basis.
- First quarter \$95,000 net loss from sale of OREO and other write-downs at subsidiary CIBM Bank.
- Without \$95,000 net loss CIBM Bank earnings would have been \$755,000.

# AVENUE MORTGAGE ACQUISITION

- Acquired Avenue in September 2013.
- Pre-acquisition residential loan portfolio around \$30 million; at end of Q1 2016 around \$110 million.
- Nearly \$400 million loans sold to investors since acquisition.
- Residential loan portfolio ARMs and fixed rate up to 15 years.
- Lower risk and, correspondingly, lower product net interest spread.
- Diversifies loan portfolio.

# AVENUE MORTGAGE EXPANSION

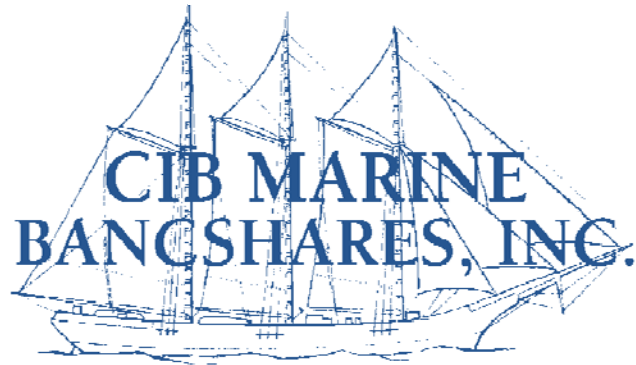
- Added 20 new mortgage loan officers and 5 support staff at the end of 2015.
- Footprint in western metro Chicago area and Indianapolis, a good fit.
- No acquisition costs.
- Short hiring timeline achieved with leadership from David Pendley and support from Avenue, IT, HR and new hires.
- Began impacting pipeline mid-February.
- Acquired FHA Direct Endorsement credentials.
- Increased “purchase money” loans in pipeline.
- Improved efficiency, margins and profitability.

# EARNINGS OUTLOOK <sup>(1)</sup>

	<b>2015</b> (actual)	<b>2016</b> (forecast)	<b>2017</b> (forecast)
	(Dollars in millions)		
Total Assets	\$ 570	\$ 615 to 640	\$ 635 to 670
Net Income, after tax (2)	(605)	2.6 to 3.8	3.1 to 4.5
Earnings per share			
Basic	\$ -0.03	\$ 0.14 to 0.21	\$ 0.17 to 0.25
Diluted	-0.03	0.07 to 0.11	0.09 to 0.13

- (1) The provision of an earnings outlook at this time does not represent a commitment to provide updates or variance analysis in the future.
- (2) Net Income includes minimal tax still applicable after utilization of NOLs to reduce tax liabilities. The forecast assumes, for presentation here, no changes in the DTA, which was \$44.3 million at December 31, 2015, carried net of its valuation allowance at \$0.

*Note: Management's earnings forecast is reflected as a range to better reflect the scope of our planning. Earnings outlook and management forecast are forward looking statements. Please see Slide #4.*



# SHAREHOLDERS' QUESTIONS & COMMENTS

