

# ANNUAL SHAREHOLDER MEETING

*April 26, 2018*

		Previous Close (April 25, 2018)
S&P 500 Index	INX	\$2,639.40
Dow Jones Industrial Average Index	INDU	\$24,083.83
KBW Regional Banking Total Return Index	KRXTR	\$179.92
CIB Marine Bancshares, Inc.	CIBH	\$1.46

*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, execution, credit, market, security (including cyber), 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>Charles E. Baker</b>	Retired Partner of Ernst & Young, LLP
<b>Willard Bunn III</b>	Managing Director of Colonnade Advisors, LLC
<b>J. Brian Chaffin</b>	President & CEO of CIB Marine Bancshares & CIBM Bank
<b>Mark A. Elste</b>	Chairman of the Boards of CIB Marine Bancshares, Inc. and CIBM Bank
<b>Mark D. Henderson</b>	Chief Information Officer of University of Illinois – Urbana/Champaign
<b>John P. Hickey, Jr.</b>	Retired President, CEO & Chairman of CIB Marine Bancshares, Inc. & CIBM Bank
<b>Gary L. Longman</b>	Retired President & CEO of Sunny Ridge Family Center and retired partner of KPMG LLP
<b>Charles D. Mires</b>	Retired Director of Fixed Income & Alternative Strategies of a private investment management firm
<b>Steven C. Palmitier</b>	President & COO of North American Company for Life and Health Insurance and Midland National Life Insurance Company
<b>Ronald E. Rhoades</b>	President and CEO of Plastic Container Corporation

# **CROWE HORWATH LLP**

- Mark Taylor & Brian Sterwald

# **GODFREY & KAHN**

- Patrick Murphy

# **COMPUTERSHARE**

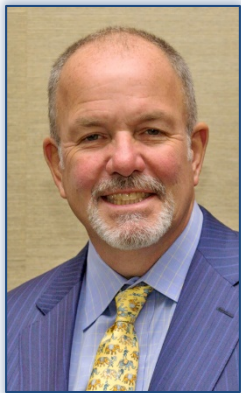
- Andrew Waford

# EXECUTIVE 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 A. Maughan</b>	Mortgage Banking Director of CIBM Bank
<b>Joseph M. Arie</b>	Director of Government Guaranteed Lending of CIBM Bank
<b>Mark V. Wilmington</b>	Director of Retail Banking of CIBM Bank
<b>Joanne M. P. Blaesing</b>	Director of Community Development of CIBM Bank
<b>Lee W. Abner</b>	Director of Technology Services of CIBM Bank

# PROPOSAL I: ELECTION OF DIRECTORS

## Nominated Directors



**Mark Elste**



**Mark Henderson**



**Charles Mires**



**Ronald Rhoades**

*Elected directors will serve until 2020.*

# PROPOSAL II: SECOND AMENDMENT TO ARTICLES OF INCORPORATION

Vote Results*	
For:	96.27%
Against:	2.55%
Abstain:	1.18%

\*Voting percentages are as of 5:00PM (Central), April 25, 2018, and do not include votes cast subsequently or at the Annual Meeting of Shareholders. Final voting results will be published at [www.cibmarine.com](http://www.cibmarine.com).



# PROPOSAL III: THIRD AMENDMENT TO ARTICLES OF INCORPORATION

Vote Results*	
For:	74.94%
Against:	24.02%
Abstain:	1.04%

\*Voting percentages are as of 5:00PM (Central), April 25, 2018, and do not include votes cast subsequently or at the Annual Meeting of Shareholders. Final voting results will be published at [www.cibmarine.com](http://www.cibmarine.com).

# PROPOSAL IV: RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

## Crowe Horwath LLP

Vote Results*	
For:	98.51%
Against:	1.16%
Abstain:	0.33%

\*Voting percentages are as of 5:00PM (Central), April 25, 2018, and do not include votes cast subsequently or at the Annual Meeting of Shareholders. Final voting results will be published at [www.cibmarine.com](http://www.cibmarine.com).

**MANAGEMENT'S PRESENTATION  
TO  
SHAREHOLDERS**

*J. Brian Chaffin  
President & CEO*

# 2017 RESULTS VS. STATED OUTLOOK RANGE

	2017 Actual	Range
Pre-Tax Earnings	\$4.3 million	\$3.1 to \$4.5 million
Total Assets	\$662 million	\$635 to \$670 million
Pre-Tax Return on Average Assets	0.66%	0.50% to 0.70%
Pre-Tax EPS		
- Basic	\$0.24	\$0.17 to \$0.25
- Diluted	\$0.12	\$0.09 to \$0.13

# NON-CORE BANKING ACTIVITY

	2017	2016	Net
	(\$ in millions)		
Pre-Tax Earnings	\$4.3	\$4.1	\$0.2
NLSR*	\$0.0	\$1.5	\$(1.5)
Gain(Loss) on OREO	\$(0.1)	\$0.9	\$(1.0)
Less SubTotal	\$(0.1)	\$2.4	\$(2.5)
Adj. Pre-Tax Earnings	\$4.4	\$1.7	\$2.7

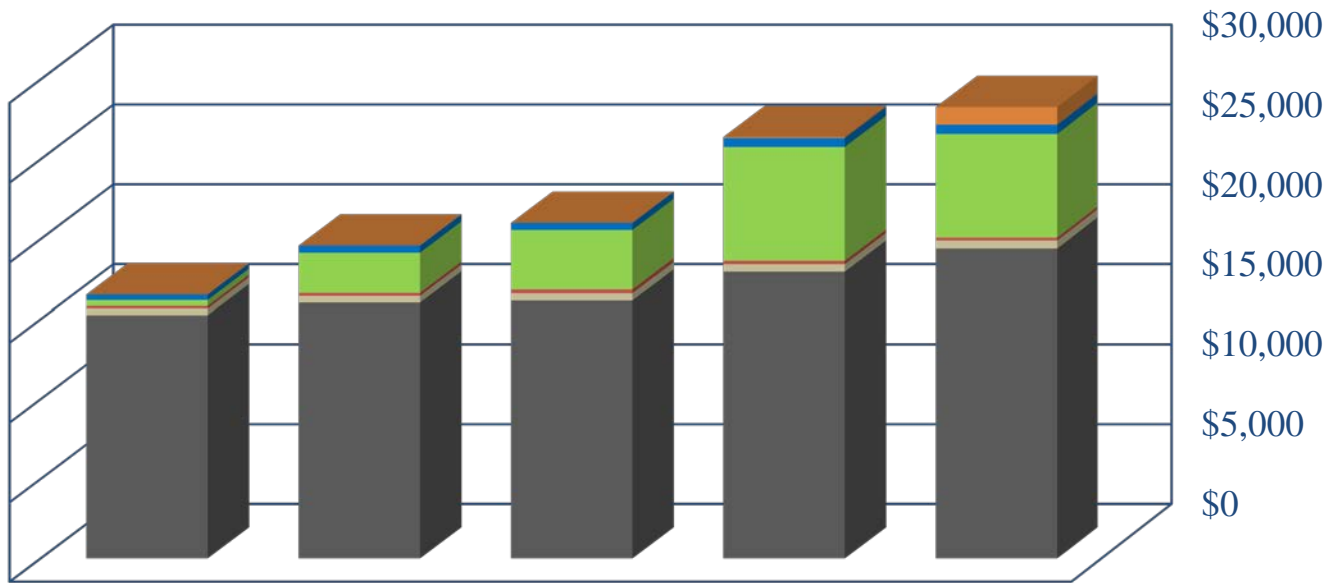
*\*Net Litigation Settlement Recovery*

# DEFERRED TAX ASSETS

	2017 (\$ in millions)
Net Deferred Tax Assets	\$22.6
Change in Valuation Allowance	\$24.4
Income Tax Expense	\$1.7

# REVENUE GROWTH

Banking Revenues (000s)

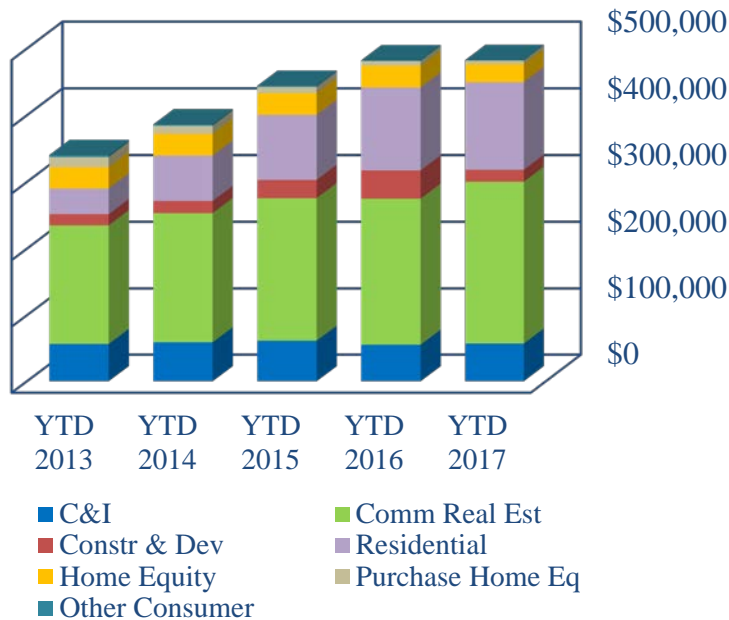


YTD 2013    YTD 2014    YTD 2015    YTD 2016    YTD 2017

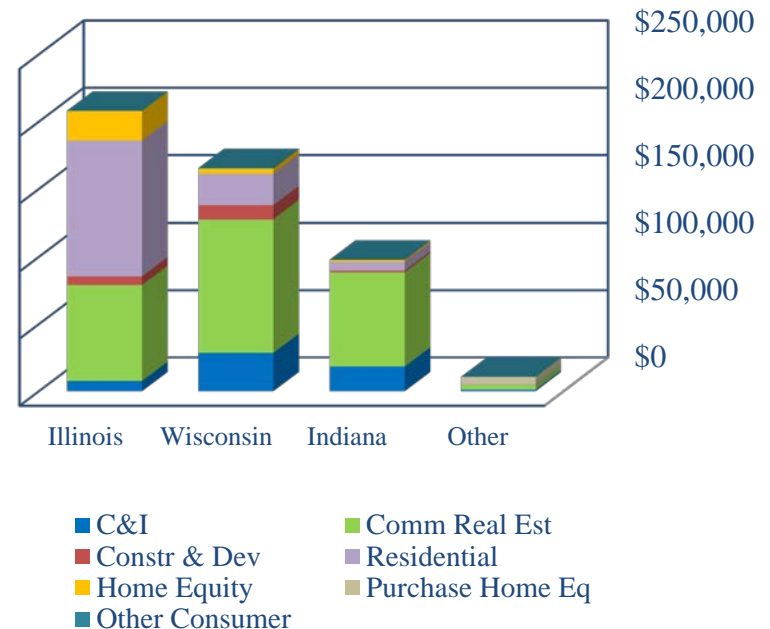
- Net interest income
- Deposit service charges
- Other service fees
- Mortgage banking revenue, net
- Other income
- SBA Gain on Sale

# LOAN PORTFOLIO SEGMENTS & GEOGRAPHIC DISTRIBUTION

Loan Portfolio Segment Growth (000s)



Loan Geographic Distribution (000s)

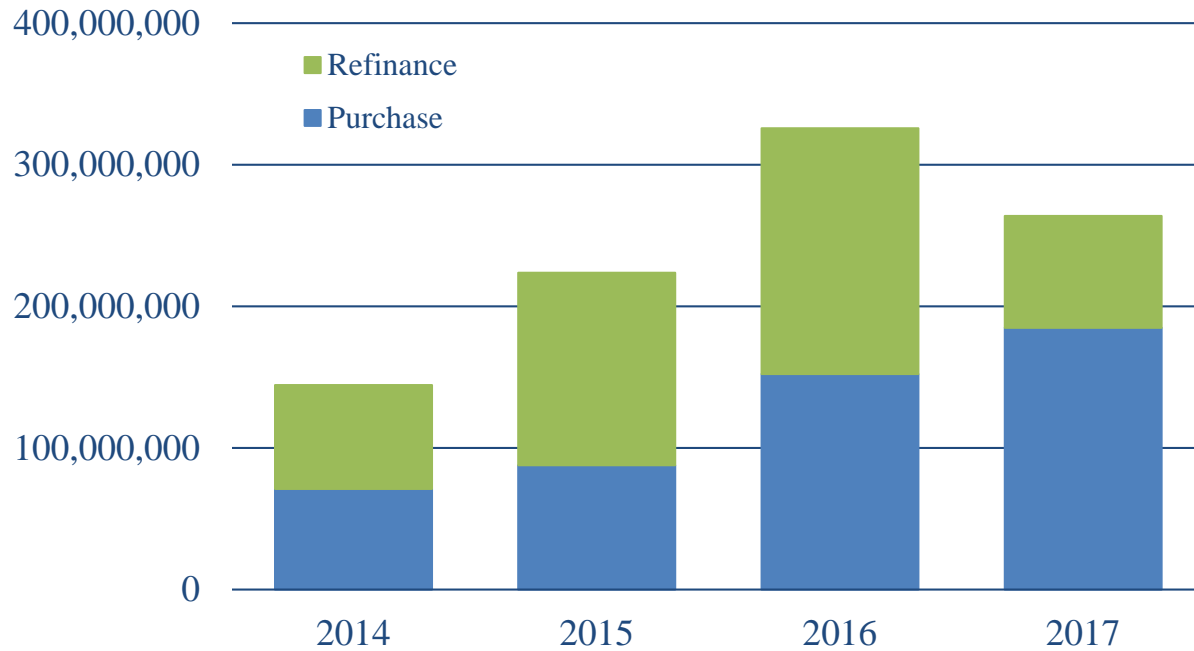




# MORTGAGE BANKING

## Volume & Mix

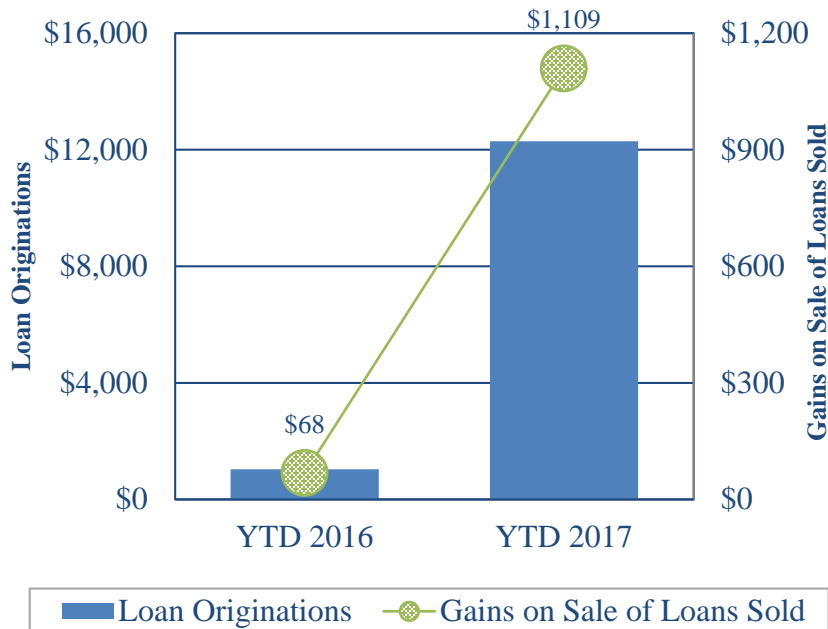
Mortgage Loan Mix and Volume



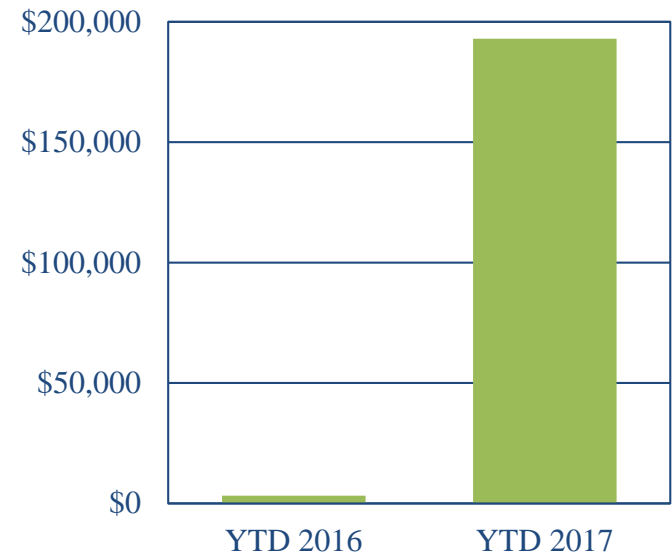
# GOVERNMENT GUARANTEED LENDING

## SBA Loan Activity

SBA 7(a) Loan Activity (000s)



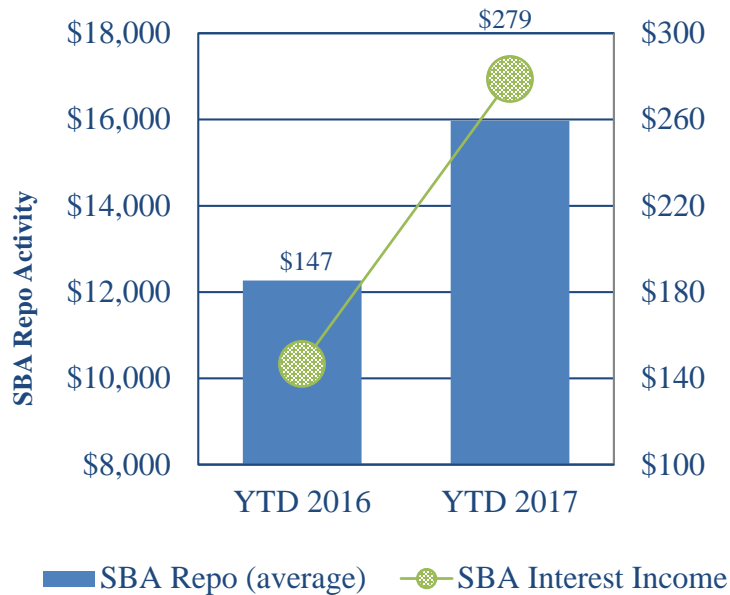
SBA 7(a) Loan Interest Income



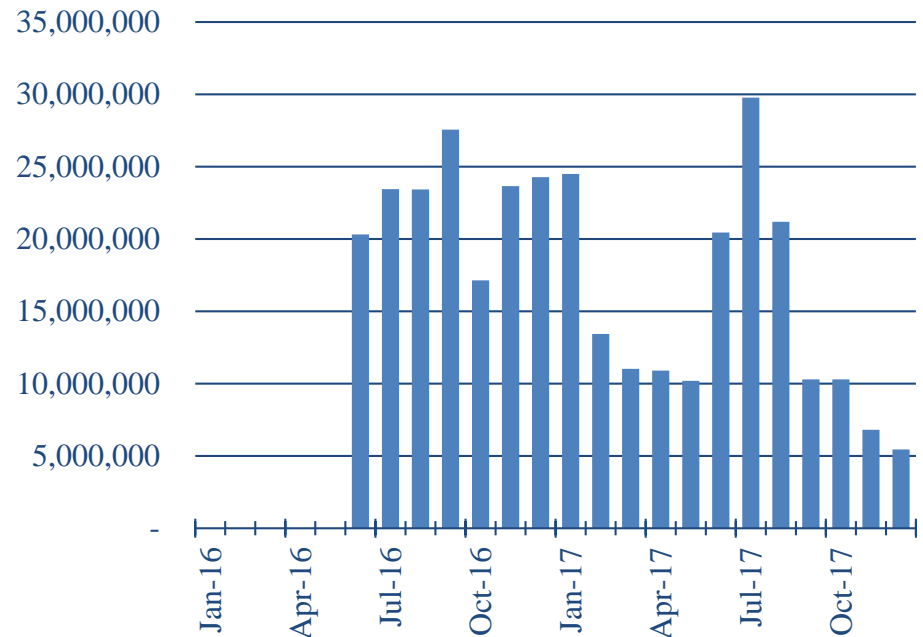
# TRUST DEPARTMENT

## SBA Repo Activity

SBA Repo Activity (000s)

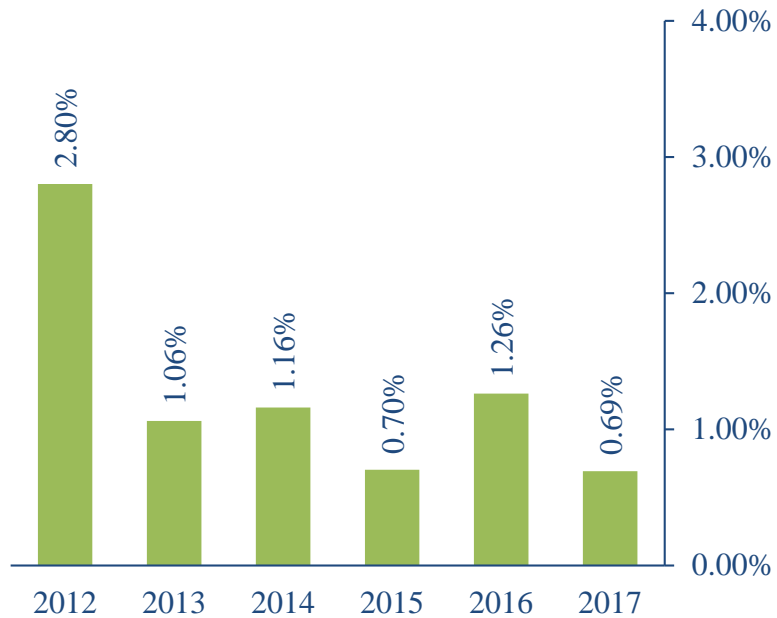


SBA Reverse Repo Balances at End of Month

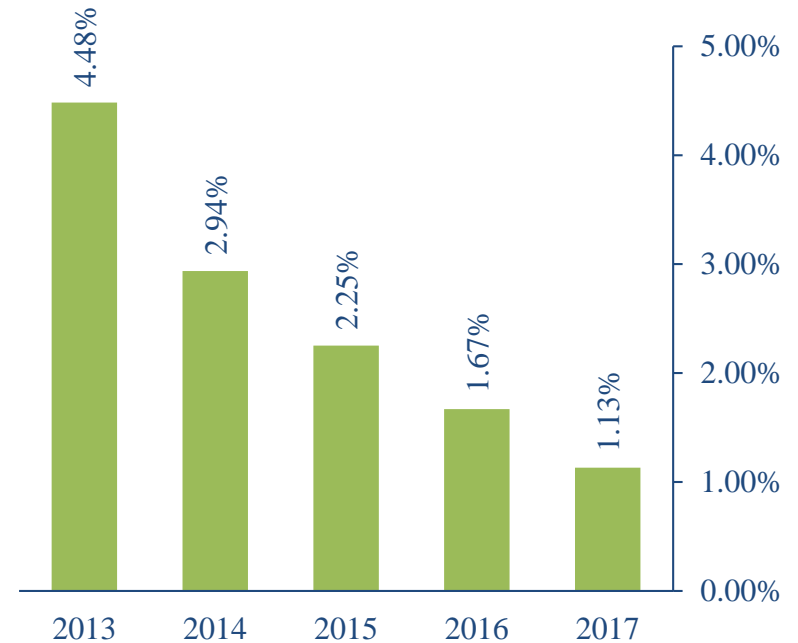


# CREDIT ADMINISTRATION

Non-Accrual Loans / Total Loans

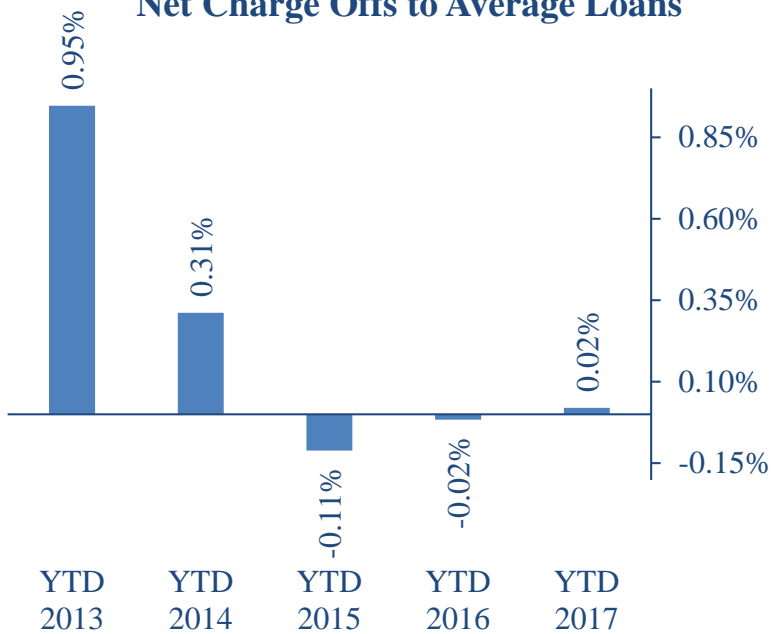


Non-Performing Assets / Total Assets

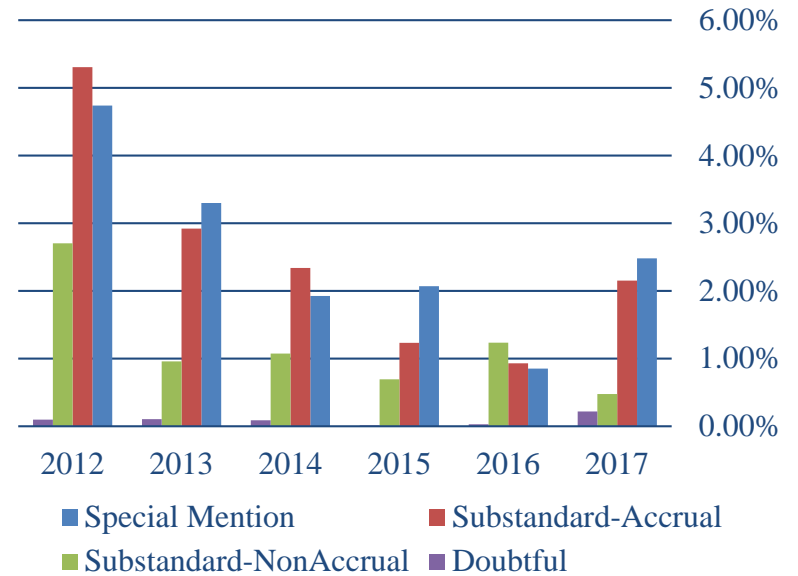


# CREDIT ADMINISTRATION

Net Charge Offs to Average Loans



Loan Classifications / Total Loans



# SERVING OUR COMMUNITIES

## Financial Education Services

Financial literacy education including budget and credit coaching

First time homebuyer seminars

Down payment assistance programs

Volunteer Income Tax Assistance (VITA) Program

## Volunteer Service Hours & Donations

The Salvation Army	Danville, IL and Indianapolis, IN
Big Brothers/Big Sisters	Indianapolis, IN
Ronald McDonald House	Milwaukee, WI
The County Court Appointed Special Advocates Program	Peoria, IL
Neighborhood House	Peoria, IL
Lead4Life	Champaign, IL
One Winter Night	Champaign, IL
Realist Women's Council of Illinois	Chicago, IL
Dearborn Real Estate Board	Chicago, IL
Home Sweet Home Ministries	Bloomington, IL
United Way	All Markets

# FIRST QUARTER 2018

	First Quarter	2018	2017
Pre-Tax Net Income		\$1.0 million	\$0.9 million
Pre-Tax ROAA <sup>(1)</sup>		0.62%	0.56%
Net Interest Margin		3.20%	3.02%
Non-Interest Income		\$1.9 million	\$1.9 million
Non-Performing Asset Ratio		0.85%	1.77%

*(1) ROAA is return on average assets.*

# EARNINGS OUTLOOK

	2016 Actual	2017 Actual	2017 Outlook	2018 Outlook
			(\$ millions)	
Pre-Tax Earnings	\$4.1	\$4.3	\$3.1 - \$4.5	\$3.5 - \$5.2

## Key Elements

- Moderating loan growth near-term due to competition on credit terms.
- Continue hiring of revenue producing professionals in traditional banking space.
- Maintain and grow net interest margins.
- Grow non-interest income business.
  - Recruit in-market mortgage lenders.
  - Continue to develop SBA 7(a) lending business.
- Selective capital budget expenditures for improved client experience, security, branch improvement and technology based efficiency/control investments.



# CHAIRMAN'S PRESENTATION

*Mark A. Elste*

# STOCK PERFORMANCE

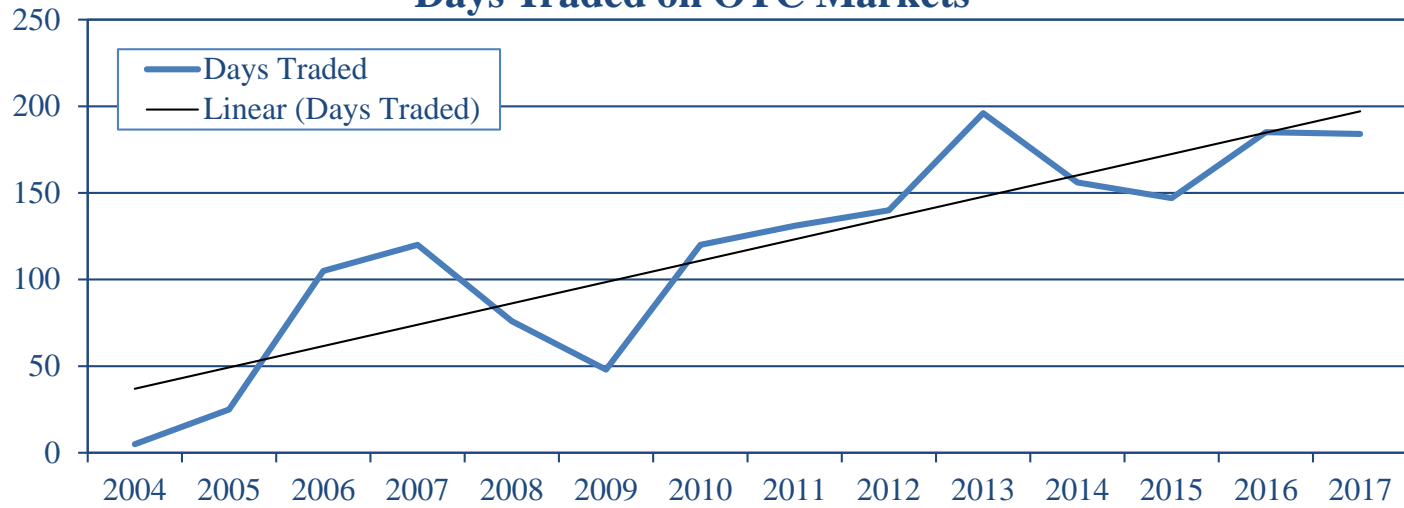
Period	Ending Price per Share (1)	Traded Stock Volume YTD	Volume Weighted Average Price YTD (1)	Average Annual Total Return Since 12/31/2009 (2)	Average Annual Total Return Since 12/31/2012 (2)	Average Annual Total Return since 12/31/17 (2)
12/31/2009	\$0.11	862,997	\$0.15			
12/31/2010	\$0.09	1,878,293	\$0.23	-23%		
12/31/2011	\$0.18	2,243,872	\$0.12	28%		
12/31/2012	\$0.20	1,950,703	\$0.27	22%		
12/31/2013	\$0.49	3,930,733	\$0.53	45%	145%	
12/31/2014	\$0.47	2,011,497	\$0.53	34%	53%	
12/31/2015	\$0.43	1,543,421	\$0.47	25%	29%	
12/31/2016	\$1.08	2,850,724	\$0.81	39%	52%	
12/31/2017	\$1.42	2,293,694	\$1.34	38%	48%	
3/29/18	\$1.66	209,015	\$1.65	39%	50%	91%

(1) Last stock price as reported on OTC Markets (OTCQB).

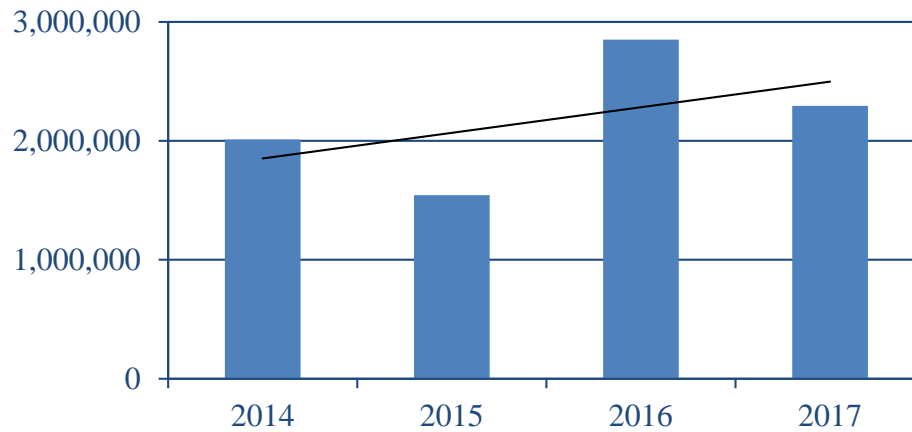
(2) Total return based on last stock price for CIBH as reported on OTC Markets (OTCQB).

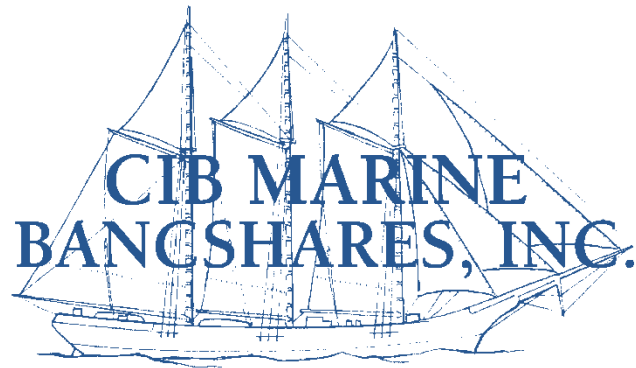
Source: Bloomberg, L.P.

### Days Traded on OTC Markets



### CIBH Traded Volume on OTC Markets





# SHAREHOLDERS' QUESTIONS & COMMENTS

# DIRECTOR & MANAGEMENT STOCK OWNERSHIP

	Shares Held	% of Outstanding
<b>Directors and Executive Management:</b>	1,164,382	6.41%
<b>Directors and all management*:</b>	1,632,205	8.98%

*as of 03/31/18*

\* Includes restricted stock and stock owned outright, but may not include shares owned by management that are held in nominee name.

