



**CIB Marine Bancshares, Inc.
19601 W. Bluemound Road
Brookfield, Wisconsin 53045**

March 26, 2020

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders of CIB Marine Bancshares, Inc. to be held at 1:00 p.m., local time, on Thursday, April 30, 2020. Due to concerns for the health and safety of our shareholders, directors, and staff, meeting participants are strongly encouraged to attend the meeting via teleconference this year. Because attendance by teleconference does not constitute attendance for purposes of determining whether a quorum exists, it is important for you to vote your shares by proxy before the date of the Annual Meeting. Instructions for attending the meeting are attached on the following page. Shareholders may attend the meeting in person at the Sheraton Milwaukee Brookfield Hotel, 375 South Moorland Road, Brookfield, Wisconsin 53005, but should understand that personal attendance is subject to public health directives, not recommended, and at your own risk.

All shareholders of record of CIB Marine's common stock at the close of business on March 11, 2020, will be entitled to vote at the Annual Meeting.

The accompanying Notice of Annual Meeting of Shareholders and Proxy Statement discuss the business to be acted upon at the meeting. We have also enclosed a Proxy Card, a copy of our audited consolidated financial statements as of and for the year ended December 31, 2019, and our 2019 Annual Report.

As in the past, attendees will be required to register in advance if they intend to attend the Annual Meeting in person. Please refer to page 3 of the accompanying Proxy Statement for further information concerning attendance at the Annual Meeting.

We plan to address questions from shareholders during the presentation by management. Questions must be submitted in advance by sending them to ShareholderRelations@cibmarine.com or by mail to CIB Marine Bancshares, Inc.; Attn: Shareholder Relations; 19601 W. Bluemound Road, Brookfield, Wisconsin 53045. All questions must be received no later than the close of business April 23, 2020, to be addressed by management at the Annual Meeting.

On behalf of the Board of Directors, officers, and employees of CIB Marine, we would like to thank you for your continued support and your attention to this important matter.

Sincerely,

CIB Marine Bancshares, Inc.

A handwritten signature in black ink, appearing to read 'J. Brian Chaffin', is written over a white background.

J. Brian Chaffin
President and Chief Executive Officer

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR
THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 30, 2020**

The Proxy Statement, 2019 audited consolidated financial statements, and 2019 Annual Report are also available at www.cibmarine.com.

FOR THE HEALTH AND WELL-BEING OF OUR SHAREHOLDERS

Given the COVID-19 coronavirus outbreak at the time of mailing this Proxy Statement, shareholders are encouraged to attend this year's Annual Meeting via teleconference as attendance in person may subject the shareholder to unnecessary risk. Management and the Board of Directors of the Company will attend the meeting via teleconference, with the exception of essential personnel. Shareholders may register to attend the meeting in person and will be admitted, subject to public health directives. However, those in attendance agree to accept the increased health risks as a consequence of their attendance.

TELECONFERENCE INSTRUCTIONS

In order to access the teleconference of the Annual Meeting, please dial (800) 367-2403 (domestic) and provide Confirmation Code #4508056 to the greeter. **Please note that listening to the teleconference of the Annual Meeting will not constitute attendance at the meeting for purposes of determining a quorum. In addition, you will not be able to vote via teleconference.** Accordingly, if you intend to participate in the teleconference, it is important for you to return your completed Proxy Card to us in advance of the Annual Meeting in order for your attendance and vote to be counted.

CIB MARINE BANCSHARES, INC.
19601 W. Bluemound Road
Brookfield, WI 53045
(262) 695-6010

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON APRIL 30, 2020**

Dear Shareholder:

The 2020 Annual Meeting of Shareholders (“Annual Meeting”) of CIB Marine Bancshares, Inc. (the “Company”) will be held at the Sheraton Milwaukee Brookfield Hotel, 375 South Moorland Road, Brookfield, Wisconsin 53005 on Thursday, April 30, 2020, at 1:00 p.m., local time. The meeting is being held for the following purposes:

1. To elect three directors to serve on the Board of Directors of the Company until the 2023 annual meeting of shareholders and until their successors are elected and qualified;
2. To approve a fourth amendment (the “Fourth Amendment”) to the Company’s Amended and Restated Articles of Incorporation, as previously amended (the “Articles of Incorporation”), to authorize the Board of Directors to effect a 1:15 reverse stock split of the Company’s common shares;
3. To approve a fifth amendment (the “Fifth Amendment”) to the Articles of Incorporation to make certain changes to the rights and preferences of the Company’s 7 Percent Fixed Rate Noncumulative Nonconvertible Perpetual Preferred Stock, Series A (“Series A Preferred”) and its 7 Percent Fixed Rate Noncumulative Convertible Perpetual Preferred Stock, Series B (“Series B Preferred” and, together with the Series A Preferred, the “Preferred Stock”), subject to the approval of the requisite number of shares of Series A Preferred and Series B Preferred;
4. To ratify the appointment of Crowe LLP as the Company’s independent registered public accounting firm for the year ending December 31, 2020; and
5. To transact any other business that may properly come before the Annual Meeting and any adjournment or postponement thereof.

The Company’s Board of Directors recommends that you vote **FOR** the election of the director nominees named in Proposal 1; **FOR** the Fourth Amendment to authorize the Board of Directors to effect the reverse stock split as presented in Proposal 2; **FOR** the Fifth Amendment to effect changes to the rights and preferences of our Preferred Stock as presented in Proposal 3; and **FOR** the ratification of the appointment of Crowe LLP as the Company’s independent registered public accounting firm as presented in Proposal 4 of the enclosed Proxy Statement. We urge you to read the entire Proxy Statement carefully.

Only shareholders of record of the Company’s common stock at the close of business on March 11, 2020, are entitled to notice of and to vote at the Annual Meeting and at any adjournment or postponement thereof. To gain admission to the Annual Meeting, you will need to register with the Company prior to close of business on Thursday, April 23, 2020, and demonstrate that you are a shareholder of the Company. All shareholders will be required to present valid, government-issued picture identification at the meeting. If your shares are registered in your name, your name will be compared to the list of registered shareholders to verify your share ownership. If your shares are registered in the name of your broker or bank, you will need to bring evidence of your share ownership, such as your most recent brokerage account statement or a legal proxy from your broker. If you do not have valid picture identification and proof that you own shares of the Company’s common stock, you will not be admitted to the Annual Meeting. Please arrive in advance of the start of the meeting to allow time for identity verification.

Your vote is important. Whether or not you plan to attend the Annual Meeting, please act promptly to vote your shares. You may vote your shares by completing, signing, and dating the enclosed Proxy Card and returning it in the postage paid envelope provided. You may also vote your shares by telephone or through the internet by following the instructions set forth on the Proxy Card. Your right to vote in person at the Annual Meeting is not affected by returning the Proxy Card, or voting by telephone or through the internet. **Your prompt action will aid the Company in reducing the expense of proxy solicitation.**

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read "Daniel J. Rasmussen", written in a cursive style.

Daniel J. Rasmussen

Chief Administrative Officer, General Counsel and Secretary

CIB MARINE BANCSHARES, INC.

19601 W. Bluemound Road
Brookfield, WI 53045
(262) 695-6010

Proxy Statement for Annual Meeting of Shareholders

The Board of Directors of CIB Marine Bancshares, Inc. is soliciting your proxy to vote at the Annual Meeting of Shareholders to be held on Thursday, April 30, 2020, at 1:00 p.m., local time, and any adjournment or postponement of that meeting. The Annual Meeting will be held at the Sheraton Milwaukee Brookfield Hotel, 375 South Moorland Road, Brookfield, Wisconsin 53005. This Proxy Statement and the accompanying Proxy Card and Notice of Meeting was first mailed on or about March 26, 2020, to all shareholders of record as of March 11, 2020 (the “Record Date”). The only voting securities of the Company are shares of the Company’s common stock, \$1.00 par value per share (the “Common Stock”), of which there were 19,461,822 shares outstanding as of the Record Date (excluding treasury stock, but including 521,087 shares of restricted Common Stock). Each share of Common Stock, restricted or unrestricted, is entitled to one vote. The Company needs a majority of the shares of Common Stock outstanding on the Record Date present, in person or by proxy, to hold the Annual Meeting.

In this Proxy Statement, we refer to CIB Marine Bancshares, Inc. as the “Company,” “CIB Marine,” “we,” “us” or “our” and the Board of Directors as the “Board.”

Our audited consolidated financial statements for the year ended December 31, 2019 (“2019 Financial Statements”) accompany this Proxy Statement. We have also enclosed a copy of our 2019 Annual Report. These documents are also available on our website at www.cibmarine.com.

THE PROXY PROCESS AND SHAREHOLDER VOTING

Why am I receiving this Proxy Statement and Proxy Card?

You are receiving this Proxy Statement and Proxy Card from us because you own shares of our Common Stock. This Proxy Statement describes issues on which we would like you, as a shareholder, to vote. It also gives you information on these issues so that you can make an informed decision.

When you sign the enclosed Proxy Card, you appoint the proxy holder as your representative at the Annual Meeting. The proxy holder will vote your shares as you have instructed on the Proxy Card, thereby ensuring that your shares will be voted whether or not you attend the Annual Meeting in person. Even if you plan to attend the Annual Meeting in person, we request that you complete, sign, and return your Proxy Card in advance of the meeting so that your vote will be counted in the event your plans change.

If you have signed and returned the Proxy Card and an issue comes up for a vote at the Annual Meeting that is not identified on the card, the proxy holder will vote your shares, under your proxy, in accordance with his or her best judgment.

What matters will be voted on at the Annual Meeting?

You are being asked to vote on: (i) the election of three directors, whose terms, if elected, will expire at the 2023 Annual Meeting of Shareholders and once their successors are elected and qualified; (ii) a fourth amendment (the “Fourth Amendment”) to our Amended and Restated Articles of Incorporation, as previously amended (the “Articles of Incorporation”), to authorize the Board of Directors to effect a 1:15 reverse split of the Company’s Common Stock; (iii) a fifth amendment (the “Fifth Amendment”) to our Articles of Incorporation to make certain changes to the rights and preferences of the Company’s 7 Percent Fixed Rate Noncumulative Nonconvertible Perpetual Preferred Stock, Series A (“Series A Preferred”) and its 7 Percent Fixed Rate Noncumulative Convertible Perpetual Preferred Stock, Series B (“Series B

Preferred” and, together with the Series A Preferred, the “Preferred Stock”), subject to the approval of the requisite number of shares of Series A Preferred and Series B Preferred; and (iv) ratification of the appointment of Crowe LLP as our independent registered public accounting firm for the year ending December 31, 2020, each as more fully described in this Proxy Statement.

How do I vote?

You may vote your shares by proxy by any of the following methods: by mail, by telephone, or by internet. To vote by mail, complete and sign the enclosed Proxy Card and mail it in the enclosed pre-addressed envelope. No postage is required if mailed in the United States. If you mark your Proxy Card to indicate how you want your shares voted, your shares will be voted as you instruct. If you sign and return your Proxy Card but do not mark the card to provide voting instructions, the shares represented by your Proxy Card will be voted “FOR” the three nominees for director named in this Proxy Statement; “FOR” the Fourth Amendment to authorize our Board to effect the reverse split of our Common Stock; “FOR” the Fifth Amendment to make certain changes to the rights and preferences of our Preferred Stock; and “FOR” the ratification of Crowe LLP as our independent registered public accounting firm. To vote your shares by telephone, please call the toll-free number set forth on the Proxy Card. To vote your shares by internet, use the internet site provided on the Proxy Card. Please have your Proxy Card available for reference if you vote by telephone or internet.

Subject to the health and safety warnings provided herein, if you want to vote in person, you may register and attend the Annual Meeting. We will distribute written ballots to anyone who wants to vote, or to change their prior vote, at the Annual Meeting. Please note, however, that if your shares are held in the name of your broker (or in what is usually referred to as “street name”), you will need to arrange to obtain a proxy from your broker in order to vote in person at the Annual Meeting.

What does it mean if I receive more than one Proxy Card?

If you receive more than one Proxy Card from us, it means that you have multiple holdings reflected in our stock transfer records and/or in accounts with stockbrokers. Please sign and return **all** Proxy Cards to ensure that all your shares are voted.

If I hold shares in the name of a broker, who votes my shares?

If you received this Proxy Statement from your broker, your broker should have given you instructions to direct it how to vote your shares. It will then be your broker’s responsibility to vote your shares in the manner you direct.

Under the rules of various national and regional securities exchanges, brokers may generally exercise their discretion to vote only on routine matters if you do not instruct them how to vote on such matters. Therefore, we encourage you to provide directions to your broker as to how you want your shares voted on the matters to be brought before the Annual Meeting. You should do this by carefully following the instructions your broker gives you concerning its procedures. This will ensure that your shares will be voted at the Annual Meeting.

What if I change my mind after I return my proxy?

If you hold your shares in your own name, you may revoke your proxy and change your vote at any time before the polls close at the meeting. You may do this by:

- signing another Proxy Card with a later date and returning that proxy to us;
- voting by telephone or through the internet on a later date;
- sending notice to us that you are revoking your proxy; or
- voting in person at the Annual Meeting.

You should send any later-dated Proxy Card or notice of revocation to: CIB Marine Bancshares, Inc., 19601 W. Bluemound Road, Brookfield, Wisconsin 53045, Attention: Daniel J. Rasmussen, Secretary. All items mailed to us must be received by us no later than the close of business April 27, 2020, to be effective for the Annual Meeting.

If your shares are registered in the name of your broker and you want to revoke your proxy, you will need to contact your broker to do so.

How many votes do we need to hold the Annual Meeting?

A majority of the shares of Common Stock outstanding and entitled to vote as of the Record Date must be present in person or by proxy at the Annual Meeting in order to conduct business at the meeting. Shares are counted as present at the Annual Meeting if the shareholder either is present and votes in person at the meeting, or has properly submitted a signed Proxy Card or telephone or internet proxy. The inspectors of election appointed for the Annual Meeting will determine whether or not a quorum is present. The inspectors of election will treat abstentions and broker non-votes as present and entitled to vote for purposes of determining the presence of a quorum. A broker non-vote occurs when a broker holding shares for a beneficial owner does not have authority to vote the shares and has not received instructions from the beneficial owner as to how the beneficial owner would like the shares to be voted.

How many votes are required to approve the proposal?

The three individuals receiving the highest number of votes cast “FOR” their election will be elected as our directors. The Fourth Amendment to authorize the Board to effect the stock split, the Fifth Amendment to make changes to the rights and preferences of our Preferred Stock, and the ratification of the appointment of Crowe LLP as our independent registered public accounting firm will each be approved if the number of votes cast “FOR” such proposal exceeds the number of votes cast “AGAINST” it; *provided, however*, that the Fifth Amendment to make changes to the rights and preferences of our Preferred Stock is further subject to the approval of the requisite number of shares of our Series A Preferred and Series B Preferred.

Abstentions and broker non-votes will not count as votes “FOR” or “AGAINST” the proposal for the election of directors, the Fourth Amendment to authorize the Board to effect the reverse stock split, the Fifth Amendment to make changes to the rights and preferences of our Preferred Stock, or the ratification of the appointment of Crowe LLP, and will not affect the outcome of those votes.

What options do I have for voting on the proposal?

You may vote “FOR” or “WITHHOLD” for each nominee for director. You may vote “FOR,” “AGAINST” or “ABSTAIN” on the Fourth Amendment to authorize the Board to effect the reverse stock split, the Fifth Amendment to make changes to the rights and preferences of our Preferred Stock, and the appointment of Crowe LLP as our independent registered public accounting firm.

How are votes counted?

Voting results will be tabulated and certified by our transfer agent and inspector of election: Computershare Trust Company N.A.

How do I register to attend the Annual Meeting?

Shareholders are encouraged to attend via teleconference. Subject to the health and safety warnings provided herein, if a shareholder wants to attend the meeting in person, they must register with our Investor Relations Department by Thursday, April 23, 2020, by contacting Ms. Elizabeth Neighbors at (262) 695-6010 or Elizabeth.Neighbors@cibmarine.com. Please include your name, phone number, and email address in your response. If you register via email, you will receive a confirmation email acknowledging

your registration. Shareholders of record who have not registered their attendance in advance will not be admitted.

Who should I call if I have any questions?

If you have any questions about the Annual Meeting or general shareholder questions, please contact our Investor Relations Manager, Ms. Elizabeth Neighbors, at (262) 695-6010 or Elizabeth.Neighbors@cibmarine.com.

PROPOSAL 1 – ELECTION OF DIRECTORS

Our Board of Directors currently consists of twelve members, and is divided into three classes of four directors each. One of our current directors, Willard Bunn, is retiring from the Board of Directors as of the Annual Meeting and, as such, is not standing for reelection. The Board of Directors would very much like to thank Mr. Bunn for his many years of invaluable service to the Company. Following the Annual Meeting, the Board of Directors will consist of eleven members divided into three classes: two classes of four directors each and a third class with three directors.

Our directors are generally elected to serve for a three-year period, or a shorter period if the director is elected to fill a vacancy, and until their respective successors have been elected and qualified. Three directors will be elected at the Annual Meeting and will serve until the 2023 annual meeting of shareholders and until their successors have been elected and qualified.

The Board has nominated Gina M. Cocking, Gary L. Longman, and Steven C. Palmitier, to serve as directors. Each nominee is currently serving as a director and has consented to serve for a new three-year term. There are no family relationships between any of the directors, nominees or executive officers. We do not anticipate that any nominee will be unable or unwilling to stand for election, but if that happens, your proxy will be voted for another person nominated by the Board.

The Board of Directors recommends that you vote “FOR” the election of each of the nominees named above. Proxies solicited by our Board will be voted “FOR” these nominees unless otherwise instructed.

Information Regarding Nominees

Nominees for Election at the Annual Meeting to Serve Until the 2023 Annual Meeting of Shareholders:

Name and Age	Serving Since	Principal Occupation
Gina M. Cocking (49)	2019	Chief Executive Officer and Managing Director of investment banking firm, Colonnade Advisors, LLC.
Gary L. Longman (71)	2004	Retired President & CEO of child welfare agency, Sunny Ridge Family Center; retired partner of accounting, tax and advisory firm, KPMG LLP.
Steven C. Palmitier (64)	2017	President & Chief Operating Officer of North American Company for Life and Health Insurance and Midland National Life Insurance Company.

Information Regarding Continuing Directors

Continuing Directors Whose Terms Will Expire at the 2021 Annual Meeting of Shareholders:

Name and Age	Serving Since	Principal Occupation
Mark A. Elste (65)	2011	Chairman of the Boards of CIB Marine Bancshares, Inc. and CIBM Bank.
Mark D. Henderson (60)	2017	Chief Information Officer and Vice Chancellor of University of Pittsburgh.
Charles D. Mires (59)	2010	Retired Director of Fixed Income & Alternative Strategies for private investment management firm and trust company.
Ronald E. Rhoades (65)	2010	Chairman, President and CEO of plastic manufacturer, Plastic Container Corporation.

Continuing Directors Whose Terms Will Expire at the 2022 Annual Meeting of Shareholders:

Name and Age	Serving Since	Principal Occupation
Charles E. Baker (75)	2008	Retired partner of accounting, tax and advisory services firm, Ernst & Young LLP.
J. Brian Chaffin (62)	2015	President & CEO of CIB Marine Bancshares, Inc. and CIBM Bank.
JoAnn M. Cotter (58)	2019	Retired partner of accounting, tax and advisory firm, Wipfli LLP.
John P. Hickey, Jr. (72)	2007	Retired President, CEO & Chairman of CIB Marine Bancshares, Inc. and CIBM Bank.

PROPOSAL 2 – FOURTH AMENDMENT TO ARTICLES OF INCORPORATION TO PERMIT REVERSE SPLIT OF COMMON SHARES

General

On March 12, 2020, our Board approved a Fourth Amendment to the Company's Articles of Incorporation that would effect a reverse split of our Common Stock of 1:15, subject to shareholder approval. The proposed Fourth Amendment is attached as **Exhibit A** to this proxy statement. Under the proposed amendment, each fifteen (15) outstanding shares of our Common Stock would be combined and converted into one share of Common Stock. The effectiveness of the Fourth Amendment will be determined by the Board pursuant to the Wisconsin Business Corporation Law following the Annual Meeting. The reverse stock split should not have any economic effect on our common or preferred shareholders, except to the extent the reverse stock split would result in fractional shares, as discussed further below.

Reasons for the Reverse Stock Split

Our Common Stock is currently listed on the Over-the-Counter market (symbol: CIBH) and, while the trading price has increased over time, it continues to trade below \$2.00 per share. The Board believes that the proposed reverse stock split would be beneficial for the following reasons:

- **Increase the price of our Common Stock to a level more attractive to investors.** A reverse stock

split could make our Common Stock more attractive to a broader range of investors, including professional investors and the general investing public. In addition, many professional investors have internal policies and practices prohibiting them from making investments in lower-priced securities. The Board believes that the anticipated increased stock price resulting from the reverse stock split may generate additional interest and trading in our Common Stock, promote greater liquidity for our shareholders, and possibly result in a broader market for our Common Stock than currently exists.

- **Increase the available number of authorized shares.** The reverse stock split would also have the effect of increasing the number of authorized shares available for issuance by the Company. The Board believes that this will benefit the Company by providing it with additional opportunities for raising capital and may also provide additional flexibility for carrying out various corporate purposes that may require the use of additional shares of Common Stock.

Board Discretion to Implement the Reverse Stock Split

If the common shareholders approve this proposal, the Board would affect a reverse stock split only upon its determination that it is in the best interests of the Company and its shareholders at that time. If the Board were to affect a reverse stock split, it would set the timing for such a split. No further action on the part of shareholders would be required to either implement or abandon the reverse stock split. If shareholders approve the proposal, and the Board determines to implement the reverse stock split, we would communicate to the public, prior to the effective date of the reverse stock split, additional details regarding the reverse stock split. Even if shareholders approve this reverse stock split proposal, the Board may, in its discretion, determine that implementation of a reverse stock split is not in the best interests of the Company or its shareholders. In such case, we would not implement the reverse stock split.

Effect on Existing Shares of Common Stock

The proposed reverse stock split would affect all shareholders uniformly and would not affect any shareholder's percentage ownership interest in the Company, except to the extent that the reverse stock split results in any shareholders owning a fractional share, as described below.

Effect on Restricted Stock and Shares Reserved for Issuance under Restricted Stock Plan

The number of shares available for issuance pursuant to our 2016 Restricted Stock Plan would be adjusted proportionately as a result of the reverse stock split.

Effect on Shares Issuable upon Conversion of Series B Preferred

Pursuant to our Articles of Incorporation, in the event of any stock dividend, stock split or reverse split, or similar corporate transaction having the effect of changing the number of shares of Common Stock into a greater or lesser number of shares, the number of shares of Common Stock issuable upon a Conversion Event (as defined in the Articles of Incorporation) will be adjusted proportionately. As such, the reverse split will not have a dilutive effect on the rights of holders of our Series B Preferred.

Effect on Authorized but Unissued Shares of Common Stock

Currently, the Company is authorized to issue up to a total of 75,000,000 shares of Common Stock. As of March 11, 2020, 19,461,822 shares of our Common Stock were issued and outstanding, excluding treasury stock and including 521,087 shares of restricted Common Stock, and 1,000,186 were remaining reserved for future issuance under our 2016 Restricted Stock Plan. Accordingly, 20,462,008 of the 75,000,000 authorized shares of our Common Stock are currently issued and outstanding or reserved, while 54,537,992 of the authorized shares of our Common Stock including treasury stock remain available for future issuance (including upon conversion of Series B Preferred Shares, if required conditions are met).

Implementation of the reverse stock split would not change the total authorized number of shares of our Common Stock. Accordingly, the number of shares of Common Stock available for issuance following implementation of the reverse stock split will increase to the extent the reverse stock split reduces the outstanding number of shares of our Common Stock. Although we do not have any immediate plans to offer securities, the future issuance of Common Stock would result in the dilution of the percentage ownership in the Company of current holders of our Common Stock, which could be significant.

Effect on Par Value

The reverse stock split will not change the par value of our Common Stock.

Payment for Fractional Shares

Whether shares are held in street name or directly, fractional shares of Common Stock will not be issued to shareholders. Instead, shareholders will receive cash for their fractional shares. For example, if a shareholder holds one hundred (100) shares on a pre-split basis, ninety (90) of such shares would be combined and converted into six (6) shares on a post-split basis and such shareholder would receive cash for ten (10) pre-split shares.

The amount of cash to be paid for fractional shares will be equal to the product obtained by multiplying:

- the closing sales price of our Common Stock on the effective date of the reverse stock split as reported on the OTC market; by
- the amount of the fractional share.

Any shareholder that holds a number of our shares that is less than fifteen (15) will only receive cash as a result of the payment of fractional shares in lieu of any fractional share interests.

Mechanics of the Reverse Stock Split

If this Proposal 2 is approved by our common shareholders at the Annual Meeting and thereafter the Board of Directors determines to implement the reverse stock split, our shareholders will be notified that the reverse stock split has been affected. The mechanics of the reverse stock split will differ depending upon whether shares are held beneficially in street name or whether they are registered directly in a shareholder's name, and whether the shares are held in certificated or book-entry form.

- If a shareholder's shares are registered directly in the shareholder's name and are held in book-entry form, the shareholder's existing pre-split book-entry shares will be automatically converted into the appropriate number of post-split shares.
- If a shareholder's shares are held in certificated form, whether directly or through a broker, bank or other nominee, the shareholder of record will receive a transmittal letter asking such shareholder to surrender certificates representing pre-split shares in exchange for post-split shares issued in book-entry form only, unless such shareholder specifically requests a physical certificate to be issued. No new book-entry shares or certificates will be issued to the shareholder of record until the outstanding certificate(s) together with a properly executed letter of transmittal are delivered in accordance with the instructions contained in such transmittal letter.
- Under Wisconsin law, the reverse stock split will operate only at the record holder level. As a result, shareholders that hold their shares through a broker, bank or other nominee will not automatically receive cash for fractional shares that would otherwise result from the reverse stock split. To determine the reverse stock split's effect on any shares you hold in street name, you should contact your broker, bank or other nominee.

We estimate that our aggregate expenses relating to the reverse stock split will not be material.

Accounting Consequences

The reverse stock split will not affect total shareholders' equity on the Company's balance sheet, except for the immaterial impact associated with the retirement of fractional shares as discussed above. However, because the par value of our Common Stock will not change, the components that make up total shareholders' equity (stated capital and additional paid-in capital) will change by offsetting amounts.

U.S. Federal Income Tax Consequences

The following discussion summarizes certain material U.S. federal income tax consequences relating to the participation in the reverse stock split by a U.S. shareholder. This discussion is based on the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), final, temporary and proposed U.S. Treasury regulations promulgated thereunder and current administrative rulings and judicial decisions, all as in effect as of the date hereof. All of these authorities may be subject to differing interpretations or repealed, revoked or modified, possibly with retroactive effect, which could materially alter the tax consequences set forth herein

There can be no assurance that the IRS will not take a contrary position to the tax consequences described herein or that such position will not be sustained by a court. No ruling from the IRS has been obtained with respect to the U.S. federal income tax consequences of the reverse stock split.

This discussion is for general information only and is not tax advice. All shareholders should consult their own tax advisors with respect to the U.S. federal, state, local and non-U.S. tax consequences of the reverse stock split on them.

Based on the assumption that the reverse stock split will constitute a tax-free reorganization within the meaning of Section 368(a)(1)(E) of the Code (i.e. deemed exchange of existing shares for newly-issued shares), and subject to the limitations and qualifications set forth in this discussion, the following U.S. federal income tax consequences will result from the reverse stock split:

- Subject to the discussion below regarding the treatment of cash paid in lieu of fractional shares, a shareholder will not recognize gain or loss on the deemed exchange of shares pursuant to the reverse stock split;
- the aggregate tax basis of the shares deemed received by a shareholder in the reverse stock split will be equal to the aggregate tax basis of the shares deemed surrendered in exchange therefor; and
- the holding period of the shares received by a shareholder in the reverse stock split will include the holding period of the shares deemed surrendered therefor.

Cash Received in the Reverse Stock Split in Lieu of Fractional Shares

A shareholder who receives cash in lieu of fractional shares in the reverse stock split should recognize capital gain or loss equal to the difference between the amount of the cash received in lieu of fractional shares and the portion of the shareholder's adjusted tax basis allocable to the fractional shares unless the distribution of cash is treated as having the effect of a distribution or dividend, in which case the gain will be treated as dividend income to the extent of the Company's current accumulated earnings and profits as calculated for U.S. federal income tax purposes. Shareholders are urged to consult their own tax advisors to determine whether a shareholder's receipt of cash has the effect of a distribution or a dividend.

Vote Required for Approval

The Fourth Amendment to authorize the Board to effect the reverse stock split will be approved if the number of shares cast "FOR" the proposal exceeds the number of shares cast "AGAINST" it. Any broker non-votes will not be counted as votes cast "FOR" or "AGAINST" the proposal and will have no effect on the outcome of the vote.

Board Recommendation

The Board of Directors recommends that the shareholders vote **FOR** the approval of the reverse stock split.

PROPOSAL 3 – FIFTH AMENDMENT TO ARTICLES OF INCORPORATION TO EXTEND CHANGES TO RIGHTS AND PREFERENCES OF PREFERRED STOCK

General

At the annual meeting of the shareholders held on April 26, 2018, the Company’s common shareholders approved a Second Amendment (the “Second Amendment”) to its Articles of Incorporation to permit the Company to engage in certain voluntary repurchases of shares of its Series A Preferred and Series B Preferred, including in certain modified Dutch auctions, and thereby provide liquidity opportunities for holders of the Preferred Stock. The Second Amendment was previously approved by holders of its Preferred Stock at a Special Meeting of Preferred Shareholders held on March 14, 2018, and the Second Amendment was filed with the Wisconsin Department of Financial Institutions in April 2018. Pursuant to the Second Amendment, certain provisions contained therein were to “spring back” after June 30, 2020, such that they would revert back to their pre-amendment status after such date.

Reasons for the Fifth Amendment to Amended and Restated Articles of Incorporation

The Company is proposing the Fifth Amendment to make permanent the changes to the rights and preferences of the Preferred Stock that permit the Company to engage in certain voluntary repurchases of shares of Preferred Stock, in order to provide continued liquidity opportunities for such shareholders, as well as to provide continued opportunities for the Company to simplify its capital structure.

Summary of the Fifth Amendment

The proposed Fifth Amendment is attached as Exhibit B to this proxy statement. The proposed changes to the Articles of Incorporation contained in the Fifth Amendment are summarized below:

1. Effective June 30, 2020, the provisions of the Second Amendment that removed the requirement for the Company to declare and pay (or to set aside for the benefit of the holders of Series A Preferred and Series B Preferred) all accrued and unpaid dividends on such shares for the immediately preceding four (4) consecutive quarterly dividend periods prior to any repurchase, redemption or other acquisition for consideration of any shares of the Series A Preferred or Series B Preferred will expire in accordance with the terms of the Second Amendment. The Company is proposing to permanently remove this provision from the Articles of Incorporation to give it more flexibility to be able to repurchase shares of Series A Preferred and Series B Preferred as the Board determines to be in the best interest of the Company’s shareholders.
2. Effective June 30, 2020, the provisions of the Second Amendment that removed the requirement that any redemption of less than all of the Series A Preferred or Series B Preferred must be effected on a pro rata basis, as well as that all shares of Series A Preferred must be redeemed or repurchased before any shares of Series B Preferred may be repurchased or redeemed, will expire in accordance with the terms of the Second Amendment. The Company is proposing to permanently remove this provision from the Articles of Incorporation to give it more flexibility to be able to repurchase shares of Series A Preferred and Series B Preferred as the Board determines to be in the best interest of the Company’s shareholders.

Certain of the provisions of the Second Amendment that are scheduled to expire on June 30, 2020, will not be affected by the Fifth Amendment and, as such, will “spring back” on June 30, 2020, regardless of whether the Fifth Amendment is approved by the common and preferred shareholders of the Company. The

provisions of the Second Amendment that will expire on June 30, 2020, regardless of whether the Fifth Amendment is approved are as follows:

1. The provision that obligated the Company, under certain conditions, to engage in a series of modified Dutch auction tender offers; and
2. The provision that would terminate the conversion rights of the Series B Preferred in the event that the Company repurchased all shares tendered by holders of Preferred Stock in conjunction with one of the modified Dutch auctions that constitute Qualified Offers, as such term is defined in the Second Amendment.

Vote Required for Approval

The Fifth Amendment to make changes to the rights and preferences of the Preferred Stock will be approved if the number of shares cast “FOR” the proposal exceeds the number of shares cast “AGAINST” it. Any broker non-votes will not be counted as votes cast “FOR” or “AGAINST” the proposal and will have no effect on the outcome of the vote.

Board Recommendation

The Board of Directors recommends that the shareholders vote **FOR** the approval of the Fifth Amendment to effect changes to the rights and preferences of our Preferred Stock.

PROPOSAL 4 – RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our independent registered public accounting firm for the year ended December 31, 2019, was Crowe LLP. Our Audit Committee has selected Crowe LLP as our independent registered public accounting firm for the year ending December 31, 2020. Although our shareholders are not required to vote on the appointment of our independent registered public accounting firm, we are presenting this selection to you for ratification.

The Board of Directors recommends that you vote “FOR” ratification of Crowe LLP as our independent registered accounting firm for the year ended December 31, 2020. Proxies solicited by our Board will, unless otherwise directed, be voted to ratify the Board’s appointment of Crowe LLP as our independent registered public accounting firm for the year ended December 31, 2020.

OTHER PROPOSED ACTION

We currently do not intend to bring any other business before the Annual Meeting and there are no matters which qualify under the requirements of our By-Laws to be brought before the Annual Meeting except as specified in the Notice of Annual Meeting. However, as to any other business that may properly come before the Annual Meeting, it is intended that proxies, in the form enclosed, will be voted in respect thereof in accordance with the judgment of the persons voting such proxies.

This Proxy Statement, our 2019 Financial Statements, and our 2019 Annual Report are also available without charge on our website at www.cibmarine.com.

This Proxy Statement is provided to you at the direction of our Board of Directors.

Daniel J. Rasmussen
Chief Administrative Officer,
General Counsel and Secretary

EXHIBIT A

FOURTH AMENDMENT TO

AMENDED AND RESTATED

ARTICLES OF INCORPORATION

CIB MARINE BANCSHARES, INC.

BE IT RESOLVED, that Article 4 of the Amended and Restated Articles of Incorporation of CIB Marine Bancshares, Inc. (the “Corporation”), as amended, be, and it hereby is amended and restated in its entirety as follows:

“The total number of shares of all classes of capital stock which the Corporation has the authority to issue is eighty million (80,000,000) shares, which are divided into two classes as follows:

- (a) five million (5,000,000) shares of capital stock designated as “Preferred Stock,” with a par value of \$1.00 per share; and
- (b) seventy-five million (75,000,000) shares of capital stock designated as “Common Stock,” with a par value of \$1.00 per share (the “Common Stock”).

Upon the filing and effectiveness (the “Effective Time”) pursuant to the Wisconsin Business Corporation Law of this Fourth Amendment to the Amended and Restated Articles of Incorporation of the Corporation, each fifteen (15) shares of Common Stock either issued and outstanding or held by the Corporation in treasury stock immediately prior to the Effective Time shall, automatically and without any action on the part of the respective holders thereof, be combined and converted into one (1) share of Common Stock (the “Reverse Stock Split”). No fractional shares shall be issued in connection with the Reverse Stock Split. Shareholders who otherwise would be entitled to receive fractional shares of Common Stock shall be entitled to receive cash (without interest or deduction) from the Corporation’s transfer agent in lieu of such fractional share interests upon the submission of a transmission letter by a shareholder holding the shares in book-entry form and, where shares are held in certificated form, upon the surrender of the shareholder’s Old Certificates (as defined below), in an amount equal to the product obtained by multiplying (a) the closing price per share of the Common Stock as reported on the OTC Market as of the close of the date of the Effective Time, by (b) the fraction of one share owned by the shareholder. Each certificate that immediately prior to the Effective Time represented shares of Common Stock (“Old Certificates”), shall thereafter represent that number of shares of Common Stock into which the shares of Common Stock represented by the Old Certificate shall have been combined, subject to the elimination of fractional share interests as described above.

EXHIBIT B
FIFTH AMENDMENT TO
AMENDED AND RESTATED
ARTICLES OF INCORPORATION
CIB MARINE BANCSHARES, INC.

BE IT RESOLVED, that the Amended and Restated Articles of Incorporation of CIB Marine Bancshares, Inc. (the “Corporation”), as amended (“Articles of Incorporation”), be, and they hereby are, amended by deleting Section 5.4(e)(iv) in its entirety and replacing it with the following:

“(iv) So long as any share of Series A Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than: (1) dividends payable solely in shares of Common Stock, or (2) dividends of “rights” issued solely in conjunction with any Section 382 shareholder rights plan as may be adopted by the Corporation from time to time) or parity Stock (subject in the case of Parity Stock to Subsection (e)(v) below), and no Common Stock, Junior Stock or Parity Stock shall be, directly or indirectly, purchased redeemed or otherwise acquired for consideration by the Corporation or any of its subsidiaries. The foregoing limitation shall not apply, however, to (I) redemptions purchases or other acquisitions of shares of Common Stock or other Junior Stock in connection with the administration of any employee benefit plan in the ordinary course of business and consistent with past practice; (II) the acquisition by the Corporation or any of its subsidiaries of record ownership in Junior Stock or Parity Stock for the beneficial ownership of any other persons (other than the Corporation or any of its subsidiaries), including as trustees or custodians; (III) the exchange or conversion of Junior Stock for or into other Junior Stock or of Parity Stock for or into other Parity Stock (with the same or lesser aggregate liquidation amount) or Junior Stock, in each case, solely to the extent required pursuant to binding contractual agreements entered into prior to the Original Issue Date or any subsequent agreement for the accelerated exercise, settlement or exchange thereof for Common Stock; or (IV) repurchases of shares of Series A Preferred Stock or Series B Convertible Preferred Stock permitted by Section 5.4(g)(i) below.”

BE IT FURTHER RESOLVED, that the Articles of Incorporation are further amended by adding the following sentence to the end of Section 5.4(g)(i):

“Nothing in this Section 5.4(g)(i), however, nor in Section 5.4(e)(iv), shall prevent the Corporation from entering into non-mandatory repurchases of shares of either Series A Preferred Stock or Series B Convertible Preferred Stock at any time, regardless of whether any other shares of Series A Preferred Stock or Series B Convertible Preferred Stock remain outstanding at the time of any such repurchase.”

BE IT FURTHER RESOLVED, that the Articles of Incorporation are further amended by striking the first sentence of Section 5.4(g)(iv) in its entirety, reading:

“In case of any redemption of part of the shares of Series A Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or in such other

manner as the Board of Directors or a duly authorized committee thereof may determine to be fair and equitable.”

BE IT FURTHER RESOLVED, that the Articles of Incorporation are further amended by striking the words “*pro rata*” from the first sentence of Section 5.4(g)(v).

BE IT FURTHER RESOLVED, that the Articles of Incorporation are further amended by deleting Section 5.5(e)(iv) in its entirety and replacing it with the following:

“(iv) So long as any share of Series B Convertible Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than: (1) dividends payable solely in shares of Common Stock, or (2) dividends of “rights” issued solely in conjunction with any Section 382 shareholder rights plan as may be adopted by the Corporation from time to time) or parity Stock (subject in the case of Parity Stock to Subsection (e)(v) below), and no Common Stock, Junior Stock or Parity Stock shall be, directly or indirectly, purchased, redeemed or otherwise acquired for consideration by the Corporation or any of its subsidiaries. The foregoing limitation shall not apply, however, to (I) redemptions, purchases or other acquisitions of shares of Common Stock or other Junior Stock in connection with the administration of any employee benefit plan in the ordinary course of business and consistent with past practice; (II) the acquisition by the Corporation or any of its subsidiaries of record ownership in Junior Stock or Parity Stock for the beneficial ownership of any other persons (other than the Corporation or any of its subsidiaries), including as trustees or custodians; (III) the exchange or conversion of Junior Stock for or into other Junior Stock or of Parity Stock for or into other Parity Stock (with the same or lesser aggregate liquidation amount) or Junior Stock, in each case, solely to the extent required pursuant to binding contractual agreements entered into prior to the Original Issue Date or any subsequent agreement for the accelerated exercise, settlement or exchange thereof for Common Stock; or (IV) repurchases of shares of Series A Preferred Stock or Series B Convertible Preferred Stock permitted by Section 5.5(g)(i) below.”

BE IT FURTHER RESOLVED, that the Articles of Incorporation are further amended by adding the following sentence to the end of Section 5.5(g)(i):

“Nothing in this Section 5.5(g)(i), however, nor in Section 5.5(e)(iv), shall prevent the Corporation from entering into non-mandatory repurchases of shares of either Series A Preferred Stock or Series B Convertible Preferred Stock at any time, regardless of whether any other shares of Series A Preferred Stock or Series B Convertible Preferred Stock remain outstanding at the time of any such repurchase.”

BE IT FURTHER RESOLVED, that the Articles of Incorporation are further amended by striking the first sentence of Section 5.5(g)(iv) in its entirety, reading:

“In case of any redemption of part of the shares of Series B Convertible Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or in such other manner as the Board of Directors or a duly authorized committee thereof may determine to be fair and equitable.”

BE IT FURTHER RESOLVED, that the Articles of Incorporation are further amended by striking the words “*pro rata*” from the first sentence of Section 5.5(g)(v).