



FOR IMMEDIATE RELEASE
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CIB MARINE BANCSHARES, INC. ANNOUNCES 2018 SECOND QUARTER RESULTS

WAUKESHA, Wis. – CIB Marine Bancshares, Inc. (the “Company” or “CIBM”) (OTCQB: CIBH), the holding company of CIBM Bank (the “Bank”), today announces its results of operations and financial condition for the second quarter of 2018. Pre-tax net income for the quarter was \$1.1 million compared to \$1.0 million for the same period in 2017, and for the six months ending June 30, 2018, it was \$2.1 million compared to \$1.9 million for the same period in 2017.

A summary of financial results for the quarter and six months ended June 30, 2018, is attached. Select highlights include:

- Pre-tax net income for subsidiary CIBM Bank was \$1.4 million for the quarter compared to \$1.3 million for the same period in 2017, and \$2.6 million for the six months ending June 30, 2018, compared to \$2.3 million for the same period in 2017. All key revenue areas – net interest income, net mortgage banking revenue, and gains on sale of SBA loans – are up in 2018 compared to 2017.
- The net interest margin was reported at 3.18% for the six months ending June 30, 2018, compared to 3.06% for the same period in 2017. Net interest income was up \$0.4 million year to date compared to the same period of 2017.
- Non-interest income improved \$0.4 million for the six months ending June 30, 2018, compared to the same period in 2017, reflecting higher net mortgage banking revenues and gains on sale of SBA loans.
- Non-interest expenses were higher by \$0.9 million for the six months ending June 30, 2018, compared to the same period in 2017, due primarily to higher compensation expenses related to higher salary, commissions and benefits, and higher professional fees related to the recent amendment to the Articles of Incorporation and activities associated with the solicitation of offers for the repurchase of preferred shares by the Company.
- Non-performing assets to total assets was 0.94% at June 30, 2018, compared to 1.13% at December 31, 2017, and 1.51% at June 30, 2017, reflecting lower non-accrual loans and other real estate owned.

- Book and tangible book value per share of common stock improved to \$2.10 and \$2.58, respectively, for June 30, 2018, compared to \$2.04 and \$2.53 at December 31, 2017.

J. Brian Chaffin, CIB Marine's President and CEO, commented, "Our second quarter results reflect improved revenues in all areas as we continue to make progress in all of our strategic growth areas."

Mr. Chaffin added, "Mortgage loan production and SBA loan closings are higher in 2018 compared to 2017. Our loan portfolio was up \$15 million for the second quarter of 2018 and level for the year, despite moderated growth due to heightened price and term competition. Asset quality ratios continue to reflect lower levels of loan quality issues and our loan loss reserves at 1.65% compares well to other commercial banks of similar size and mix."

CIB Marine Bancshares, Inc. owns and operates CIBM Bank, an Illinois chartered commercial bank, headquartered in Champaign, Illinois, which operates as "Marine Bank" in its Indiana and Wisconsin markets; "Central Illinois Bank" in its central Illinois market; and "Avenue Bank" in its Chicagoland market. The Avenue Mortgage Division of the bank, headquartered in Naperville, Illinois, serves all CIBM Bank markets. CIBM Bank operates eleven banking branches and six mortgage lending offices. More information on the Company is available at www.cibmarine.com, including recent shareholder letters, links to regulatory financial reports, and audited financial statements.

FORWARD-LOOKING STATEMENTS

CIB Marine has made statements in this release 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 elsewhere in this Earnings Release and 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 contained or incorporated by reference in this document. 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.

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CIB MARINE BANCSHARES, INC.
Selected Unaudited Consolidated Financial Data

	At or for the							
	Quarters Ended					6 Months Ended		
	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	June 30, 2018	June 30, 2017	
	(Dollars in thousands, except share and per share data)							
Selected Statement of Operations Data								
Interest and dividend income	\$ 6,387	\$ 6,009	\$ 6,177	\$ 6,056	\$ 5,732	\$ 12,396	\$ 11,294	
Interest expense	1,406	1,185	1,121	1,140	973	2,591	1,865	
Net interest income	4,981	4,824	5,056	4,916	4,759	9,805	9,429	
Provision for (reversal of) loan losses	149	(126)	(218)	149	47	23	275	
Net interest income after provision for (reversal of) loan losses	4,832	4,950	5,274	4,767	4,712	9,782	9,154	
Noninterest income (1)	2,986	1,871	2,015	2,257	2,611	4,857	4,458	
Noninterest expense	6,737	5,824	6,070	5,865	6,279	12,561	11,680	
Income before income taxes	1,081	997	1,219	1,159	1,044	2,078	1,932	
Income tax expense (benefit)	246	300	(22,689)	25	20	546	20	
Net income	\$ 835	\$ 697	\$ 23,908	\$ 1,134	\$ 1,024	\$ 1,532	\$ 1,912	
Common Share Data								
Basic net income per share	\$ 0.05	\$ 0.04	\$ 1.32	\$ 0.06	\$ 0.06	\$ 0.08	\$ 0.11	
Diluted net income per share	0.02	0.02	0.65	0.03	0.03	0.04	0.05	
Dividend	0	0	0	0	0	0	0	
Tangible book value per share (2)	2.58	2.54	2.53	1.23	1.16	2.58	1.16	
Book value per share (2)	2.10	2.06	2.04	0.75	0.68	2.10	0.68	
Financial Condition Data								
Total assets	\$ 694,812	\$ 663,580	\$ 662,394	\$ 640,340	\$ 650,051	\$ 694,812	\$ 650,051	
Loans	488,762	472,746	483,611	490,089	488,289	488,762	488,289	
Allowance for loan losses	(8,055)	(7,331)	(7,701)	(7,905)	(7,653)	(8,055)	(7,653)	
Investment securities	119,571	115,596	114,801	112,670	111,160	119,571	111,160	
Deposits	517,452	484,258	478,633	479,285	493,364	517,452	493,364	
Borrowings	76,427	79,227	84,217	84,903	82,025	76,427	82,025	
Stockholders' equity	97,313	97,407	97,066	73,556	72,279	97,313	72,279	
Financial Ratios and Other Data								
Performance Ratios:								
Net interest margin (3)	3.15%	3.20%	3.25%	3.07%	3.09%	3.18%	3.06%	
Net interest spread (4)	2.92%	2.99%	3.05%	2.88%	2.92%	2.96%	2.89%	
Noninterest income to average assets (5)	1.77%	1.15%	1.26%	1.37%	1.65%	1.47%	1.40%	
Noninterest expense to average assets	3.99%	3.63%	3.79%	3.55%	3.96%	3.82%	3.68%	
Efficiency ratio (6)	84.56%	87.28%	85.84%	81.76%	85.20%	85.80%	84.11%	
Earnings on average assets (7)	0.49%	0.43%	14.93%	0.69%	0.65%	0.47%	0.60%	
Earnings on average equity (8)	3.41%	2.89%	124.19%	6.11%	5.71%	3.15%	5.41%	
Asset Quality Ratios:								
Nonaccrual loans to loans (9)	0.53%	0.19%	0.69%	0.99%	0.99%	0.53%	0.99%	
Nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing to total loans (9)	0.82%	0.53%	1.02%	1.30%	1.36%	0.82%	1.36%	
Nonperforming assets, restructured loans and loans 90 days or more past due and still accruing to total assets (9)	0.94%	0.85%	1.13%	1.49%	1.51%	0.94%	1.51%	
Allowance for loan losses to total loans	1.65%	1.55%	1.59%	1.61%	1.57%	1.65%	1.57%	
Allowance for loan losses to nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing (9)	200.97%	294.77%	156.68%	124.21%	115.15%	200.97%	115.15%	
Net charge-offs (recoveries) annualized to average loans	-0.48%	0.21%	-0.01%	-0.08%	-0.03%	-0.14%	0.09%	
Capital Ratios:								
Total equity to total assets	14.01%	14.68%	14.65%	11.49%	11.12%	14.01%	11.12%	
Total risk-based capital ratio	16.65%	16.91%	16.62%	16.05%	15.93%	16.65%	15.93%	
Tier 1 risk-based capital ratio	15.39%	15.66%	15.36%	14.80%	14.68%	15.39%	14.68%	
Leverage capital ratio	11.72%	12.16%	12.39%	11.41%	11.56%	11.72%	11.56%	
Other Data:								
Number of employees (full-time equivalent)	184	184	183	179	181	184	181	
Number of banking facilities	11	11	11	11	11	11	11	

(1) Noninterest income includes gains and losses on securities.

(2) Tangible book value per share is the shareholder equity less the carry value of the preferred stock and less the goodwill and intangible assets, divided by the total shares of common outstanding. Book value per share is the shareholder equity less the liquidation preference of the preferred stock, divided by the total shares of common outstanding.

(3) Net interest margin is the ratio of net interest income to average interest-earning assets.

(4) Net interest spread is the yield on average interest-earning assets less the rate on average interest-bearing liabilities.

(5) Noninterest income to average assets excludes gains and losses on securities.

(6) The efficiency ratio is noninterest expense divided by the sum of net interest income plus noninterest income, excluding gains and losses on securities.

(7) Earnings on average assets are net income divided by average total assets.

(8) Earnings on average equity are net income divided by average common equity.

(9) Excludes loans held for sale.

CIB MARINE BANCSHARES, INC.
Summary Consolidated Balance Sheets (Unaudited)

	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
(Dollars in thousands)					
Assets					
Cash and due from banks	\$ 9,752	\$ 10,829	\$ 14,371	\$ 9,569	\$ 10,462
Reverse repurchase agreements	28,403	23,032	5,449	10,289	20,440
Securities available for sale	119,571	115,596	114,801	112,670	111,160
Loans Held for Sale	15,407	6,689	11,070	7,164	9,166
Loans	480,707	465,415	475,910	482,184	480,636
All other assets	40,972	42,019	40,793	18,464	18,187
Total Assets	\$ 694,812	\$ 663,580	\$ 662,394	\$ 640,340	\$ 650,051
Liabilities and Stockholders' Equity					
Deposits	\$ 517,452	\$ 484,258	\$ 478,633	\$ 479,285	\$ 493,364
Short-term borrowings	76,427	79,227	84,217	84,903	82,025
All other liabilities	3,620	2,688	2,478	2,596	2,383
Total liabilities	597,499	566,173	565,328	566,784	577,772
Stockholders' Equity					
Total stockholders' equity	97,313	97,407	97,066	73,556	72,279
Total liabilities and stockholders' equity	\$ 694,812	\$ 663,580	\$ 662,394	\$ 640,340	\$ 650,051

CIB MARINE BANCSHARES, INC.
Summary Consolidated Statements of Operations (Unaudited)

	At or for the					6 Months Ended	
	Quarters Ended					June 30,	June 30,
	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	2018	2017
(Dollars in thousands)							
Interest Income	\$ 6,387	\$ 6,009	\$ 6,177	\$ 6,056	\$ 5,732	\$ 12,396	\$ 11,294
Interest Expense	1,406	1,185	1,121	1,140	973	2,591	1,865
Net interest income	4,981	4,824	5,056	4,916	4,759	9,805	9,429
Provision for (reversal of) loan losses	149	(126)	(218)	149	47	23	275
Net interest income after provision for (reversal of) loan losses	4,832	4,950	5,274	4,767	4,712	9,782	9,154
Noninterest Income	2,986	1,871	2,015	2,257	2,611	4,857	4,458
Compensation and employee benefits	4,682	4,056	4,015	4,099	4,333	8,738	8,038
Occupancy and premises	759	728	722	706	700	1,487	1,380
Other expenses	1,296	1,040	1,333	1,060	1,246	2,336	2,262
Total noninterest expense	6,737	5,824	6,070	5,865	6,279	12,561	11,680
Income from operations before income taxes	1,081	997	1,219	1,159	1,044	2,078	1,932
Income tax expense (benefit)	246	300	(22,689)	25	20	546	20
Net income	835	697	23,908	1,134	1,024	1,532	1,912
Preferred stock dividend	0	0	0	0	0	0	0
Net income allocated to common stockholders	\$ 835	\$ 697	\$ 23,908	\$ 1,134	\$ 1,024	\$ 1,532	\$ 1,912