



July 9, 2013

Dear Shareholder,

CIB Marine Bancshares, Inc. (OTCQB: CIBH) is pleased to announce that its wholly owned subsidiary, CIBM Bank, has entered into a definitive agreement to acquire certain assets and liabilities of Avenue Mortgage Corporation (“Avenue”) of Naperville, Illinois, which will be operated as a division of the bank upon consummation of the transaction.

As I discussed at our Annual Shareholder Meeting in May 2013, CIB Marine has sought to acquire a mortgage lending company as an important component of the Company’s drive to improve its performance and build value. We believe that mortgage lending represents a business that will bolster our retail banking presence in each of our markets and the acquisition of Avenue’s employees, in addition to its pipeline and infrastructure, will allow us to execute our strategy with a strong manager and experienced staff.

Avenue is an Illinois mortgage banking company that was founded by its current President & CEO, David Pendley, more than 20 years ago. It operates primarily in the suburban Chicago market and, as of December 31, 2012, had total assets of approximately \$9.0 million. Mr. Pendley and his staff have been able to successfully and profitably navigate Avenue through all types of market environments as mortgage banking firm dedicated to strong customer service and high quality loan production, averaging around \$200 million in loan originations a year.

The transaction requires regulatory approval and satisfaction of standard acquisition conditions, but we are excited to be entering into this transaction with a consistently profitable, high quality loan producing partner like Avenue. During the coming months we will focus on preparations for closing of the purchase and integration of Avenue into the bank. We are energized by this new opportunity and look forward to the challenges that lay ahead.

Sincerely,

A handwritten signature in black ink, appearing to read "Chuck Ponicki". The signature is written in a cursive, flowing style.

Chuck Ponicki  
President and Chief Executive Officer

---

*“Community Banking – The Way It Used To Be”*

Phone: (262) 695-6010 • Fax: (262) 695-6014  
1930 West Bluemound Road • Suite D • Waukesha, WI 53186

## FORWARD-LOOKING STATEMENTS

CIB Marine has made statements in this Shareholder Letter that 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.

Shareholders should note that many factors, some of which are discussed elsewhere in this Shareholder Letter and in other documents made available by the Company, 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, 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.