

CIB Marine Bancshares, Inc. (OTCQB: CIBH). This report provides additional detailed financial information for the quarter and nine months ended September 30, 2015. Please see our Shareholder Letter dated November 5, 2015, located at www.cibmarine.com for a summary description of our financial results.

CIB MARINE BANCSHARES, INC.
Net Interest Income (unaudited)

| | 2015 | | | 2014 | | |
|---|-----------------|----------------------|--------------------|-----------------|----------------------|--------------------|
| | Average Balance | Interest Earned/Paid | Average Yield/Cost | Average Balance | Interest Earned/Paid | Average Yield/Cost |
| (Dollars in thousands) | | | | | | |
| Quarter Ended September 30, | | | | | | |
| Interest-earning assets | | | | | | |
| Securities (1) | \$89,636 | \$553 | 2.47% | \$96,419 | \$609 | 2.53% |
| Loans held for sale (1) | 7,799 | 58 | 2.98 | 4,428 | 52 | 4.66 |
| Loans (1)(2) | 406,331 | 4,044 | 3.95 | 367,257 | 3,981 | 4.30 |
| Federal funds sold, reverse repos and interest-earning due from banks | 3,486 | 2 | 0.23 | 2,542 | 1 | 0.16 |
| Total interest-earning assets | 507,252 | 4,657 | 3.65 | 470,646 | 4,643 | 3.92 |
| Noninterest-earning assets | 17,552 | | | 17,076 | | |
| Total assets | \$524,804 | | | \$487,722 | | |
| Interest-bearing liabilities | | | | | | |
| Interest-bearing deposits | \$340,315 | \$583 | 0.68% | \$312,201 | \$513 | 0.65% |
| Borrowed funds | 44,070 | 12 | 0.11 | 35,010 | 13 | 0.15 |
| Total interest-bearing liabilities | 384,385 | 596 | 0.62 | 347,211 | 526 | 0.60 |
| Noninterest-earning liabilities: | | | | | | |
| Noninterest-bearing demand deposits | 70,071 | | | 71,328 | | |
| Accrued interest and other liabilities | 2,391 | | | 1,715 | | |
| Preferred equity | 51,000 | | | 51,000 | | |
| Common equity | 16,957 | | | 16,468 | | |
| Total stockholders' equity | 67,957 | | | 67,468 | | |
| Total liabilities and stockholders' equity | \$524,804 | | | \$487,722 | | |
| Net interest-earning assets, interest income and net interest spread (1)(3) | \$122,867 | \$4,062 | 3.03% | \$123,435 | \$4,117 | 3.32% |
| Net interest margin (1)(4) | | | 3.18% | | | 3.47% |
| Ratio of average interest-earning assets to average interest-bearing liabilities | 1.32 | | | 1.36 | | |
| (Dollars in thousands) | | | | | | |
| Nine Months Ended September 30, | | | | | | |
| Interest-earning assets | | | | | | |
| Securities (1) | \$91,007 | \$1,660 | 2.43% | \$97,267 | \$1,948 | 2.67% |
| Loans held for sale (1) | 10,157 | 264 | 3.48 | 2,992 | 109 | 4.87 |
| Loans (1)(2) | 394,366 | 11,724 | 3.97 | 355,369 | 11,477 | 4.32 |
| Federal funds sold, reverse repos and interest-earning due from banks | 4,090 | 8 | 0.26 | 2,960 | 5 | 0.23 |
| Total interest-earning assets | 499,620 | 13,656 | 3.65 | 458,588 | 13,539 | 3.95 |
| Noninterest-earning assets | 17,455 | | | 18,434 | | |
| Total assets | \$517,075 | | | \$477,022 | | |
| Interest-bearing liabilities | | | | | | |
| Interest-bearing deposits | \$333,100 | \$1,687 | 0.68% | \$315,079 | \$1,545 | 0.66% |
| Borrowed funds | 41,706 | 36 | 0.12 | 24,749 | 27 | 0.15 |
| Total interest-bearing liabilities | 374,806 | 1,723 | 0.61 | 339,828 | 1,572 | 0.62 |
| Noninterest-earning liabilities: | | | | | | |
| Noninterest-bearing demand deposits | 71,327 | | | 68,493 | | |
| Accrued interest and other liabilities | 2,662 | | | 1,601 | | |
| Preferred equity | 51,000 | | | 51,000 | | |
| Common equity | 17,280 | | | 16,100 | | |
| Total stockholders' equity | 68,280 | | | 67,100 | | |
| Total liabilities and stockholders' equity | \$517,075 | | | \$477,022 | | |
| Net interest-earning assets, interest income and net interest spread (1)(3) | \$124,814 | \$11,933 | 3.04% | \$118,760 | \$11,967 | 3.33% |
| Net interest margin (1)(4) | | | 3.19% | | | 3.49% |
| Ratio of average interest-earning assets to average interest-bearing liabilities | 1.33 | | | 1.35 | | |

(1) Balance totals include respective nonaccrual assets.

(2) Interest earned on loans includes a nominal amount of amortized loan costs for all periods presented.

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

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

CIB Marine's net interest margin decreased 29 basis points from 3.47% for the third quarter of 2014 to 3.18% for the third quarter of 2015. The net interest margin declined due to a 27 basis point decline in yields on interest-earning assets compared to 2 basis points increase in the average cost of interest-bearing liabilities. CIB Marine's net interest margin decreased 30 basis points from 3.49% for the nine months ended September 30, 2014 to 3.19% for the nine months ended September 30, 2015. The net interest margin declined due to a 30 basis point decline in yields on interest-earning assets compared to 1 basis point decrease in the average cost of interest-bearing liabilities. Loan and securities yields declined due to the continued low interest rate environment and market forces. In addition, CIB Marine continues to hedge certain larger and longer term loans with interest rate swaps, reducing future interest rate risk but also reducing the current earning asset yields as fixed rate loans are effectively converted to floating rate loans with the same credit spread, but a shorter term, hence lower rate index. The result is a lower effective coupon so long as short-term rates stay low. When short-term rates increase the effective coupon on the hedged loans will increase.

CIB MARINE BANCSHARES, INC.
Loans and Allowance for Loan and Losses

| | Loan Portfolio Segments (unaudited) | | | | | |
|------------------------------|--|-------------------|--------------------------|-------------------|---------------------------|-------------------|
| | September 30, 2015 | | December 31, 2014 | | September 30, 2014 | |
| | Amount | % of Total | Amount | % of Total | Amount | % of Total |
| | (Dollars in thousands) | | | | | |
| Commercial | \$58,874 | 14.2% | \$58,972 | 15.3% | \$63,225 | 16.4% |
| Commercial real estate | 199,717 | 48.3 | 194,225 | 50.3 | 190,625 | 49.5 |
| Construction and development | 20,337 | 5.0 | 18,293 | 4.7 | 23,443 | 6.1 |
| Residential real estate | 88,970 | 21.5 | 67,951 | 17.6 | 59,192 | 15.4 |
| Home equity | 34,124 | 8.2 | 32,820 | 8.5 | 33,039 | 8.6 |
| Purchased home equity pools | 9,924 | 2.4 | 11,962 | 3.1 | 13,079 | 3.4 |
| Other consumer | 1,660 | 0.4 | 1,905 | 0.5 | 2,190 | 0.6 |
| Gross loans | 413,606 | 100.0% | 386,128 | 100.0% | 384,793 | 100.0% |
| Deferred loan costs | 1,037 | | 1,165 | | 1,076 | |
| Loans | 414,643 | | 387,293 | | 385,869 | |
| Allowance for loan losses | (7,883) | | (7,556) | | (8,516) | |
| Loans, net | \$406,760 | | \$379,737 | | \$377,353 | |

| | Nonperforming Assets and Selected Asset Quality Ratios (unaudited) | | |
|---|---|--------------------------|---------------------------|
| | September 30, 2015 | December 31, 2014 | September 30, 2014 |
| | (Dollars in thousands) | | |
| Nonperforming assets | | | |
| Nonaccrual loans: | | | |
| Commercial | \$1,168 | \$494 | \$771 |
| Commercial real estate | 692 | 2,065 | 2,925 |
| Construction and development | — | 805 | 805 |
| Residential real estate | 591 | 481 | 626 |
| Home equity | 665 | 652 | 722 |
| Other consumer | — | — | — |
| Loans held for sale | 3,116 | 4,497 | 5,849 |
| Total nonaccrual loans | 3,116 | 4,497 | 5,849 |
| Other real estate owned | 4,698 | 5,367 | 5,696 |
| Total nonperforming assets | \$7,814 | \$9,864 | \$11,545 |
| Restructured loans accruing | | | |
| Commercial | \$33 | \$— | \$— |
| Commercial real estate | 2,267 | 3,381 | 3,195 |
| Residential real estate | 122 | 231 | 233 |
| Home equity | 1,044 | 861 | 821 |
| Purchased home equity pools | 392 | 400 | 403 |
| Other consumer | — | — | 1 |
| | \$3,858 | \$4,873 | \$4,653 |
| 90 days or more past due still accruing | | | |
| Other consumer | \$— | \$— | \$199 |
| | \$— | \$— | \$199 |

| Ratios | | | |
|--|-------|-------|-------|
| Nonaccrual loans to total loans (1) | 0.75% | 1.16% | 1.52% |
| Other real estate owned to total assets | 0.88 | 1.07 | 1.14 |
| Nonperforming assets to total assets (1) | 1.47 | 1.97 | 2.30 |
| Nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing to total loans (1) | 1.68 | 2.42 | 2.77 |
| Nonperforming assets, restructured loans and 90 days or more past due and still accruing loans to total assets (1) | 2.20 | 2.94 | 3.27 |

(1) Excludes loans held for sale from nonaccrual loans, nonperforming assets, restructured loans accruing and 90 days or more past due and still accruing loans.

Allowance for Loan Losses (unaudited)

| | Commercial | Commercial Real Estate | Construction and Development | Residential Real Estate | Home Equity | Purchased Home Equity Pools | Other Consumer | Total |
|---|----------------|---------------------------|------------------------------------|----------------------------|----------------|-----------------------------------|-------------------|----------------|
| (Dollars in thousands) | | | | | | | | |
| Quarter ended September 30, 2015 | | | | | | | | |
| Balance at beginning of period | \$1,389 | \$3,912 | \$404 | \$662 | \$747 | \$514 | \$42 | \$7,670 |
| Provision for (reversal of) loan losses | 187 | (399) | 72 | (15) | (30) | (149) | (3) | (337) |
| Charge-offs | — | (29) | — | — | (2) | — | (1) | (32) |
| Recoveries | 6 | 417 | — | 37 | 24 | 98 | — | 582 |
| Balance at end of period | \$1,582 | \$3,901 | \$476 | \$684 | \$739 | \$463 | \$38 | \$7,883 |
| Quarter ended September 30, 2014 | | | | | | | | |
| Balance at beginning of period | \$1,126 | \$4,209 | \$481 | \$548 | \$876 | \$835 | \$48 | \$8,123 |
| Provision for (reversal of) loan losses | 275 | 14 | 94 | (215) | (55) | 24 | 74 | 211 |
| Charge-offs | — | — | (17) | (181) | (28) | (76) | — | (302) |
| Recoveries | 6 | 11 | — | 375 | 35 | 57 | — | 484 |
| Balance at end of period | \$1,407 | \$4,234 | \$558 | \$527 | \$828 | \$840 | \$122 | \$8,516 |
| Nine month ended September 30, 2015 | | | | | | | | |
| Balance at beginning of period | \$1,023 | \$3,724 | \$429 | \$581 | \$913 | \$845 | \$41 | \$7,556 |
| Provision for (reversal of) loan losses | 605 | (221) | 47 | 76 | (214) | (447) | — | (154) |
| Charge-offs | (63) | (31) | — | (10) | (74) | (102) | (4) | (284) |
| Recoveries | 17 | 429 | — | 37 | 114 | 167 | 1 | 765 |
| Balance at end of period | \$1,582 | \$3,901 | \$476 | \$684 | \$739 | \$463 | \$38 | \$7,883 |
| Nine months ended September 30, 2014 | | | | | | | | |
| Balance at beginning of period | \$1,125 | \$4,195 | \$473 | \$440 | \$834 | \$1,186 | \$55 | \$8,308 |
| Provision for (reversal of) loan losses | 185 | (2) | 101 | (109) | 40 | 72 | 85 | 372 |
| Charge-offs | (2) | (8) | (19) | (181) | (169) | (554) | (21) | (954) |
| Recoveries | 99 | 49 | 3 | 377 | 123 | 136 | 3 | 790 |
| Balance at end of period | \$1,407 | \$4,234 | \$558 | \$527 | \$828 | \$840 | \$122 | \$8,516 |

Nonaccrual loan volumes decreased \$1.4 million over the prior year end due primarily to one commercial credit relationship and decreased \$2.7 million from September 30, 2014, to September 30, 2015. OREO balances declined \$0.7 million over the prior year end and declined by \$1.0 million from September 30, 2014, to September 30, 2015.

Provision reversal for the third quarter of 2015 was \$337,000 compared to provision expense of \$211,000 for the same period of 2014. Charge-offs for the third quarter of 2015 were \$32,000 compared to \$302,000 during the same period of 2014. Total recoveries were \$582,000 for the third quarter of 2015 compared to \$484,000 for the same period in 2014. For the nine months ended September 30, 2015 compared to the same period in 2014, provision reversal was \$154,000 and provision expense was \$372,000, respectively; charge-offs were \$284,000 compared to \$954,000, respectively; and recoveries were \$765,000 compared to \$790,000, respectively. There can be no certainty as to whether CIB Marine will experience improved credit quality or recoveries during future quarters so as to permit it to record further reversals of the provision for any of the portfolio segments.

The allowance for loan losses has decreased from \$8.5 million at September 30, 2014, to \$7.9 million at September 30, 2015. The allowance for loan losses to total loans declined from 2.21% to 1.90% from September 30, 2014, to September 30, 2015. The reduction has primarily been the result of ongoing improved loan asset quality.

Past Due Accruing Loans (unaudited)

| | 30-59 Days Past Due | 60-89 Days Past Due | Greater Than 89 Days Past Due | Total Past Due | Loans Not Past Due | Total |
|-------------------------------------|--------------------------------|--------------------------------|--|---------------------------|-------------------------------|------------------|
| (Dollars in thousands) | | | | | | |
| <u>At September 30, 2015</u> | | | | | | |
| Commercial | \$— | \$— | \$— | \$— | \$57,706 | \$57,706 |
| Commercial real estate | 86 | 1,896 | — | 1,982 | 197,043 | 199,025 |
| Construction and development | 395 | — | — | 395 | 19,942 | 20,337 |
| Residential real estate | 258 | 89 | — | 347 | 88,032 | 88,379 |
| Home equity | 361 | 44 | — | 405 | 33,054 | 33,459 |
| Purchased home equity pools | 82 | 61 | — | 143 | 9,781 | 9,924 |
| Other consumer | 24 | — | — | 24 | 1,636 | 1,660 |
| Deferred loan costs | 3 | 5 | — | 8 | 1,029 | 1,037 |
| Total | \$1,209 | \$2,095 | \$— | \$3,304 | \$408,223 | \$411,527 |
| <u>At December 30, 2014</u> | | | | | | |
| Commercial | \$200 | \$— | \$— | \$200 | \$58,278 | \$58,478 |
| Commercial real estate | 232 | 74 | — | 306 | 191,854 | 192,160 |
| Construction and development | 68 | — | — | 68 | 17,420 | 17,488 |
| Residential real estate | 92 | 309 | — | 401 | 67,069 | 67,470 |
| Home equity | 496 | 301 | — | 797 | 31,371 | 32,168 |
| Purchased home equity pools | 44 | 44 | — | 88 | 11,874 | 11,962 |
| Other consumer | — | 100 | — | 100 | 1,805 | 1,905 |
| Deferred loan costs | 4 | 3 | — | 7 | 1,158 | 1,165 |
| Total | \$1,136 | \$831 | \$— | \$1,967 | \$380,829 | \$382,796 |
| <u>At September 30, 2014</u> | | | | | | |
| Commercial | \$3,969 | \$— | \$— | \$3,969 | \$58,485 | \$62,454 |
| Commercial real estate | 6,438 | 8 | — | 6,446 | 181,254 | 187,700 |
| Construction and development | — | — | — | — | 22,638 | 22,638 |
| Residential real estate | 300 | 81 | — | 381 | 58,185 | 58,566 |
| Home equity | 63 | — | — | 63 | 32,254 | 32,317 |
| Purchased home equity pools | 242 | 335 | — | 577 | 12,502 | 13,079 |
| Other consumer | — | 100 | 199 | 299 | 1,891 | 2,190 |
| Deferred loan costs | 31 | 1 | 1 | 33 | 1,043 | 1,076 |
| Total | \$11,043 | \$525 | \$200 | \$11,768 | \$368,252 | \$380,020 |

Accruing past due loans increased \$1.3 million from December 31, 2014, to September 30, 2015, and decreased \$8.5 million from September 30, 2014, to September 30, 2015.

CIB MARINE BANCSHARES, INC.
Capital (unaudited)

| | Actual | | For Capital Adequacy Purposes | | To Be Well Capitalized Under Prompt Corrective Provisions | |
|--|----------|--------|-------------------------------|-------|---|--------|
| | Amount | Ratio | Amount | Ratio | Amount | Ratio |
| (Dollars in thousands) | | | | | | |
| September 30, 2015 (1) | | | | | | |
| Total capital to risk-weighted assets | | | | | | |
| CIB Marine Bancshares, Inc. | \$73,956 | 16.57% | \$35,706 | 8.00% | | |
| CIBM Bank | 66,217 | 14.89 | 35,565 | 8.00 | \$44,456 | 10.00% |
| Tier 1 capital to risk-weighted assets | | | | | | |
| CIB Marine Bancshares, Inc. | \$68,349 | 15.31% | \$26,779 | 6.00% | | |
| CIBM Bank | 60,632 | 13.64 | 26,674 | 6.00 | \$35,565 | 8.00% |
| Tier 1 leverage to average assets | | | | | | |
| CIB Marine Bancshares, Inc. | \$68,349 | 13.01% | \$21,017 | 4.00% | | |
| CIBM Bank | 60,632 | 11.57 | 20,954 | 4.00 | \$26,193 | 5.00% |
| Common equity Tier 1 (2) | | | | | | |
| CIBM Bank | \$60,632 | 13.64% | \$20,005 | 4.50% | \$28,897 | 6.50% |
| December 31, 2014 | | | | | | |
| Total capital to risk-weighted assets | | | | | | |
| CIB Marine Bancshares, Inc. | \$73,423 | 17.21% | \$34,140 | 8.00% | | |
| CIBM Bank | 64,995 | 15.28 | 34,024 | 8.00 | \$42,530 | 10.00% |
| Tier 1 capital to risk-weighted assets | | | | | | |
| CIB Marine Bancshares, Inc. | \$68,062 | 15.95% | \$17,070 | 4.00% | | |
| CIBM Bank | 59,651 | 14.03 | 17,012 | 4.00 | \$25,518 | 6.00% |
| Tier 1 leverage to average assets | | | | | | |
| CIB Marine Bancshares, Inc. | \$68,062 | 13.50% | \$20,159 | 4.00% | | |
| CIBM Bank | 59,651 | 11.87 | 20,099 | 4.00 | \$25,123 | 5.00% |

- (1) Under the new capital regulation implemented January 1, 2015, referred to as Basel III, a capital conservation buffer of 2.5%, comprised of Common Equity Tier 1 ("CET1"), is established above the regulatory minimum capital requirements. The capital conservation buffer will be phased in between January 1, 2016 and year end 2018, becoming fully effective on January 1, 2019. Non-compliance with the capital conservation buffer can result in limitations of certain types of compensation for executive and equivalent officers. In addition, CIBM Bank made the one-time accumulated other comprehensive income opt-out election on the first Call Report filed after January 1, 2015, which allows community banks under \$250 billion a one-time opt-out election to remove the impact of certain unrealized capital gains and losses (e.g., unrealized securities gains and losses) from the calculation of capital. The election cannot be changed in future periods.
- (2) CIB Marine is a Small Bank Holding Company under Appendix C of Part 225 of the Federal Reserve regulation and, as a result the CET1 is not applicable to CIB Marine. CET1 is applicable to CIBM Bank.