

2018 SPECIAL MEETING OF PREFERRED SHAREHOLDERS

CHAIRMAN'S PRESENTATION

(Mark Elste)

Before proceeding with a discussion of the preferred stock repurchase plan, I would like to take a moment to recognize those individuals with me today.

I am joined by the Company's CEO, Brian Chaffin, and his executive team, along with members of the Company's Board. Also participating are members of the Company's consultants, which includes its outside counsel and its investment banker. These individuals are participating in person or telephonically.

I would also like to take a moment, on behalf of the Board of Directors, to thank and congratulate your Chief Executive Officer, Brian Chaffin, along with his management team and the entire professional staff of the bank, for their efforts and the tremendous gains they have made the past 24 months. Without them and their efforts, I would not be standing before you today to make this presentation. They are dedicated professionals that enabled the process I will now discuss.

A little more than two years ago, the Board established aggressive performance goals for the organization over the near and long-term. At the time, having just emerged from a myriad of regulatory restrictions, those goals may have seemed unattainable. The Board set a clear direction for the organization and Brian was able to keep his team in place and focused on results. For their efforts, all of the shareholders of the Company, common and preferred, have been rewarded.

Based on trades reported on the OTCQB market under the symbol CIBH, at its lowest point, in 2009, the Company's common stock traded at less than \$0.01 per share. On January 31, 2018, the common stock traded on OTCQB at \$1.75 per share – a nine-year high point for the shares.

As we have discussed many times, preferred shareholders have raised concerns over the last few years about the liquidity of the preferred stock, both Series A and B. Creating a non-mandatory liquidity opportunity for the preferred shareholders was something the Board determined was important to pursue – if it could be done in a manner that was in the best interest of the Company's shareholders as a whole.

Despite diligent efforts by the Company in the past, the ownership structure of the preferred stock – the vast majority of which is held in investment trusts with complicated voting requirements – made negotiation and agreement with a majority of preferred shareholders very difficult and, at some points, nearly impossible.

In early 2017, after all other reasonable options had been tried and had failed due to lack of preferred shareholder voting support, the Board decided to take a new approach to this issue and go directly to the common shareholders with a proposed amendment to the Amended and Restated Articles of Incorporation that would permit it to embark on a preferred stock repurchase plan. The Company needed to demonstrate to the preferred shareholders that the common shareholders would support the amendment and repurchase plan, and that this plan was the preferred shareholders' best opportunity for the sought after liquidity. Accordingly, a proposed amendment to the Company's Amended and Restated Articles of Incorporation was presented to the common shareholders at the 2017 Annual Shareholder Meeting.

What we had hoped for was exactly the reaction we received. The common shareholders voted

overwhelmingly for the proposed amendment (approximately 92% in favor). Once common shareholders had spoken with one clear voice, it was incumbent on the preferred shareholders to take action to approve an Article amendment and a plan that would permit the Company to engage in non-mandatory preferred stock repurchases.

One of the things we liked most about the original proposal the Company put forward to the common shareholders in 2017 was its simplicity. It was straightforward. The Articles would be amended to permit the Company to repurchase preferred stock on a non-mandatory, non-pro rata basis, most likely over a number of years with the amount and price of annual purchases determined by the Board and paid for largely with corporate earnings.

While we felt that proposal was fair to all preferred shareholders, certain preferred shareholders were concerned that it did not provide adequate incentives for the Company to repurchase shares as quickly as possible. Based on earnings levels at that time, it appeared as if it would be six years or more before the Company would repurchase all outstanding preferred shares. Preferred shareholders representing the required majority vote wanted to create such an incentive for the Company in the Article amendment.

The preferred shareholders who reached out to the Company proposed a two-prong approach to incentivize the Company to repurchase as many shares of preferred stock as possible in the shortest amount of time:

- First, they proposed that the amendment to the Articles would only be effective for three years. After three years, the Articles would “spring-back” to substantially as they were immediately before the amendment, thereby limiting the Company to a three-year window to conduct the repurchase program. The amendment contemplated that the Company would accomplish such repurchases through a series of up to three modified Dutch auctions, which I will discuss further in a moment.
- Second, they proposed that if the Company repurchased all preferred shares offered to it at or below a predetermined “qualified bid” price during any modified Dutch auction offer period, then the conversion rights with respect to any Series B preferred shares that were not tendered and remained outstanding after such offer period would be terminated.

Recall that the Series B preferred shares are, at the option of the holder, convertible into approximately 17.5 million shares of Company common stock upon consummation of a merger transaction in which the Company is not the surviving entity. At our current outstanding common stock levels, that would represent a post-conversion ownership interest of approximately 49% of all common stock.

The Board evaluated this proposal and determined that there was the potential for significant benefit to both the common and preferred shareholders in this revised structure. That modified plan was reflected in the Article amendment put before you at today’s Special Meeting of Preferred Shareholders. With the results announced earlier, we are pleased to say that we have obtained the necessary vote of the preferred shareholders to amend the Articles of Incorporation and to proceed with the next steps in the process.

The next step after this meeting will be to solicit the ratification and approval of the modified amendments to the Articles of Incorporation by our common shareholders. We will include this item in the proxy to be voted upon by the common shareholders at the Annual Meeting of Shareholders on April 26, 2018. The proposal submitted for ratification and approval by the common shareholders will be identical in all respects to the Article amendment approved by the preferred shareholders today.

The common shareholders will also vote upon a separate Article amendment to increase the number of authorized common shares to permit the Company to engage in capital raising activities in support of the preferred stock repurchase plan.

Upon approval of these Article amendments by the common shareholders, the Company will proceed with the solicitation of the preferred shareholders to participate in a non-mandatory, non-pro rata, modified Dutch auction to sell their preferred shares to the Company at a price or prices determined by the preferred shareholder. This will be the first in a series of up to three such Dutch auctions – although the Article amendment provides that if the Company acquires all of the qualifying preferred stock tenders in any of the modified Dutch auctions, it would not be obligated to undertake any of the remaining such auctions.

Perhaps the most important thing for our preferred shareholders to understand about the modified Dutch auction process is that there are no mandatory repurchases in this process. The preferred shareholders are not compelled to sell their shares, and the Company is not obligated to buy any of the preferred stock tendered.

Preferred shareholders will be able to offer stock to the Company at a price they deem acceptable, but the Company has no obligation to buy it. The Company has agreed to use its best efforts to try to buy at least one-third of the outstanding preferred stock during each offer period, but the repurchase of preferred stock must be in the best interests of the Company and our shareholders as a whole. If the preferred stock tenders are all at prices that are not accretive and do not build value in the Company, the Company will not buy those shares. The term “Qualified Offer” does not necessarily mean that it is at a price that the Company will pay. Some preferred shareholders may offer their shares at that “Qualified Offer” price, which is their right, but shareholders who want to liquidate their shares need to understand that the Company will not overpay for the preferred stock. The Company will not engage in transactions or repurchases that are dilutive or detrimental to the Company and its shareholders, as determined in the sole discretion of the Board.

If, however, the Company does repurchase all “Qualified Offer” preferred shares in any given offer period, then the convertibility of all remaining untendered Series B preferred stock outstanding will be terminated. In effect, the remaining Series B shares, at that point, will have rights identical to the remaining untendered Series A preferred shares.

So how will the Board make a determination to repurchase preferred stock at a given price? How will it decide if a given repurchase is accretive or dilutive to the Company? It is a more complicated process than you might expect. In fact, it is more or less like threading a needle in some regards. There are a number of complicating factors that the Board will need to evaluate in making that determination, not the least of which is the potential impact on the Company’s deferred tax assets. The Board will need to assure itself that any repurchase it engages in (particularly with respect to the Series B convertible preferred stock) either (a) will not result in putting our deferred tax assets at risk under IRS requirements, or (b) even if the transaction has a potential for negative impact, the tender price must be sufficiently low to compensate the Company for the loss in value of the deferred tax assets.

Another thing the Company will need to evaluate is the cost of capital. What are the terms and conditions investors will require in order to fund the Company’s repurchase of preferred shares?

Another consideration is how many shares of preferred stock are tendered for repurchase in any given modified Dutch auction over the course of the next three years? At what prices? What is the breakdown of those tenders between Series A and Series B shares?

What are the capital raising terms if all preferred shares offered can be repurchased and the Series B convertibility eliminated? What are the terms for a capital raise if only a portion of tendered shares are repurchased - in other words, the B Series shares retain their conversion rights? Will investors be interested in purchasing our common stock if the convertibility rights of the Series B shares are not terminated?

As mentioned a moment ago, what is the impact of the capital raising activity and the retirement of the Series B preferred shares on the Company's valuable deferred tax assets? This is one of the more complicated aspects of the repurchase decision, as, depending upon the number of shares of Series B preferred stock that are being repurchased, or whether the conversion rights with respect to any remaining Series B preferred shares are eliminated, the transaction has the potential to result in a "change in control" as defined under Section 382 of the Internal Revenue Code, which would result in a significant impairment to the Company's deferred tax assets. And, to be abundantly clear on this issue, that tax deferred asset saved the Company from having to pay seven figures of taxes in 2016 and 2017, and has the capacity to do the same for more than ten years into the future, at comparable earnings.

These are just some of the factors that will determine how much, if any, preferred stock the Company can or will repurchase.

The most motivated preferred shareholders, those submitting the lowest priced tender offers, will be in a stronger position than those who are making a protective tender by submitting at or near the "Qualified Offer" threshold. Until all the facts are known, it is difficult to predict any specific outcome, but common sense would indicate that bids tendered at or near the "Qualified Offer" amount will be more difficult to pass the test of being accretive to the Company's bottom line.

The Board will evaluate the tender offers submitted and, with the advice and counsel of its professional advisors, make a determination of what repurchases, if any, are in the best interests of the Company and its shareholders. We remain optimistic that attractive repurchase offers will be submitted and capital-raising efforts will be successful, but neither can be assured.

The whole point behind a modified Dutch auction is that each and every preferred shareholder is free to submit their shares for repurchase by the Company at a price at which they are willing to sell them. The Company will start by evaluating the lowest cost share presentations and redeem those shares before considering the redemption of more expensively tendered shares. In fact, with respect to any particular tendering shareholder, the Company is obligated by the Article amendment to repurchase their shares in the order from the lowest tendered price to the highest tendered price.

In this manner, a true "arm's length" transaction framework is engendered where willing sellers and the Company, as buyer, can agree on what becomes a market "clearing" price for that transaction.

We look forward to the opportunity this important first step presents, but it is only a first step. We will keep our shareholders informed as we proceed through this process and welcome your input. We are committed to pursuing our repurchase goals in a mutually beneficial manner and appreciate you working with us toward that goal.

Ladies and gentlemen, we wish to thank you for your participation in today's Special Meeting. Good day to you all and thank you for being a preferred shareholder of CIB Marine.

FORWARD-LOOKING STATEMENTS

CIB Marine has made statements in this document 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. Stockholders should note that many factors, some of which are discussed elsewhere in these documents 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 these documents. 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.