
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

March 25, 2011

CIB Marine Bancshares, Inc.

(Exact name of registrant as specified in its charter)

Wisconsin

000-24149

37-1203599

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

1930 West Bluemound Road, Suite D,
Waukesha, Wisconsin

53186

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

262-695-6010

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On March 25, 2011, CIB Marine Bancshares, Inc. issued a press release announcing its financial results for the year ended December 31, 2010. A copy of the press release is attached as Exhibit 99.1 and incorporated herein by reference. In addition, on March 25, 2011, CIB Marine mailed a letter to its common shareholders announcing the same, a copy of which is attached at Exhibit 99.2 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

Exhibit 99.1 - Press release dated March 25, 2011.

Exhibit 99.2 - Shareholder letter dated March 25, 2011.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CIB Marine Bancshares, Inc.

March 25, 2011

By: *Charles J. Ponicki*

Name: Charles J. Ponicki

Title: President & CEO

Exhibit Index

Exhibit No.	Description
99.1	Press release dated March 25, 2011.
99.2	Shareholder letter dated March 25, 2011.



FOR IMMEDIATE RELEASE
March 25, 2011

FOR INFORMATION CONTACT:
Evan N. Zeppos
(414) 276-6237 or (414) 491-6610

CIB MARINE BANCSHARES ANNOUNCES 2010 FINANCIAL RESULTS

Company sees improvement in operating results amid challenging economy

WAUKESHA, Wis. – Bank holding company CIB Marine Bancshares, Inc. (PINKSHEETS: CIBH.PK) today announced its 2010 financial results, showing a net loss of \$17.3 million for the year. In 2009, after the company successfully completed a pre-packaged plan of reorganization, the bank recorded net income of \$13.7 million and net loss before extraordinary net gains of \$40.8 million. The company had recorded an extraordinary gain of \$54.5 million in 2009 as a result of the restructuring.

“The year 2010 showed some improvements in our operating results, despite continued weak real estate markets and a poor business economy,” said Chuck Ponicki, President and CEO of CIB Marine Bancshares, Inc. “The company took a number of actions to reduce operating expenses and improve net interest margins. Additionally, CIB Marine Bancshares, Inc., managed its balance sheet and provided additional capital resources to its subsidiary, CIBM Bank, in order to achieve a Tier 1 capital ratio of 10.04%.”

“Our progress in 2010 was slow, but steady, and we still have much work to do to enhance our balance sheet and restore profitability. As a result, we have announced we are closing our Scottsdale, Arizona office. This action, to be completed in the second quarter of this year, will allow us to focus on providing excellent service to our new and existing customers in our core banking markets in the Midwest. As we begin 2011 we have seen some recent improvements in the economy, but weak real estate markets continue to be a drag on the banking system in general, and us included. Nonetheless, we are focused on three major activities – improving credit quality, maintaining capital, and enhancing earnings,” Ponicki said.

Ponicki said the 2010 financial results include:

- A decline in nonaccrual loans to \$34.5 million at December 31, 2010, from \$57.9 million at the end of 2009.
- A decrease in total noninterest expense of 23%, or \$7.0 million, during 2010 after a reduction of \$8.9 million during 2009.
- The closing of two banking offices and reduction of 20 full time equivalent positions.
- Net loss per share of \$0.95 for 2010 compared to net income per share of \$0.75 for 2009 and a net loss per share of \$2.24 for 2009 before extraordinary net gains.
- Consolidated Tier 1 Capital of \$73.4 million, or 11.80% of average assets at December 31, 2010, compared to \$90.9 million and 12.08% at the close of 2009.
- Book value per share of \$0.48 at the end of 2010 compared to \$1.36 at the end of 2009.
- Total assets of \$589 million at December 31, 2010, compared to \$710 million at the prior year’s end, largely reflecting declines in securities and loans. As a result, the subsidiary bank reduced its higher cost

time deposits by \$126 million.

CIB Marine Bancshares, Inc. is the holding company for CIBM Bank, which operates 15 banking offices in Central Illinois, Wisconsin, Indiana and Arizona. More information on the company is available at www.cibmarine.com.

This statement contains forward-looking information. Actual results could differ materially from those indicated by such information. Information regarding risk factors and other cautionary information is available in Item 1A of CIB Marine's Annual Report on Form 10-K for the period ended December 31, 2010.

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March 25, 2011

Dear Shareholder,

On behalf of the Board of Directors of CIB Marine Bancshares, Inc. ("CIB Marine" or the "Company"), I would like to take this opportunity to introduce myself, and to provide you with an update on recent developments.

As you may know, Mr. John P. Hickey, Jr. resigned as CEO of CIB Marine and our subsidiary, CIBM Bank, effective January 31, 2011. Following receipt of all necessary regulatory approvals, I have succeeded Mr. Hickey as President and CEO of both CIB Marine and CIBM Bank. Mr. Hickey continues to assist CIB Marine and its subsidiaries on various matters, including serving as Chairman of the Boards of CIB Marine and CIBM Bank, and as a member of CIB Marine's Executive Loan Committee.

2010 Financial Results

Today, we filed our Annual Report on Form 10-K with the Securities and Exchange Commission (SEC) for the fiscal year ended December 31, 2010. The Form 10-K provides information which will be important to our shareholders about our 2010 financial results (highlights are provided below in this letter) and addresses a number of significant issues facing our company. We encourage you to review the Form 10-K on our website at www.cibmarine.com.

Net loss for 2010 was \$17.3 million for the year, an improvement from the \$40.8 million net loss before extraordinary net gains during 2009. During 2009, we recorded an extraordinary gain of \$54.5 million resulting from the successful completion of a pre-packaged plan of reorganization. Net loss per share was \$0.95 for 2010 compared to net income per share of \$0.75 for 2009 and net loss per share of \$2.24 for 2009 before extraordinary net gains. Book value per share was \$0.48 at the end of 2010 compared to \$1.36 at the end of 2009.

In 2009, we achieved a critical milestone of reorganizing and eliminating our trust preferred debt in exchange for preferred shares. In addition, 2009 was notable for deteriorated market conditions and their negative impact on the Company. The year 2010 showed some improvements in our operating results, despite continued weak real estate markets and a poor business economy. We took a number of actions to reduce operating expenses and improve net interest margins. Additionally, we managed our balance sheet and provided additional capital resources to our subsidiary, CIBM Bank, in order to achieve a Tier 1 capital ratio of 10.04% and maintain compliance with the capital requirements of CIBM Bank's Consent Order.

Important factors that contributed to our results in 2010 were:

- Net interest income improved significantly from \$15.5 million in 2009 to \$21.0 million in 2010, reflecting the elimination of our trust preferred debt and improved funding costs at CIBM Bank. The net interest margin improved from 1.90% during 2009 to 3.21% during 2010 despite the continued elevated levels of short-term lower yielding liquid assets and non-accrual loans at CIBM Bank.
- Although credit quality continues to be a challenge due to deteriorated real estate market conditions and high levels of unemployment in the economy, our nonaccrual loans (including those held for sale) decreased from \$57.9 million at year end 2009 to \$34.5 million at year end 2010. Also, other real estate owned increased from \$0.8 million to \$5.3 million, respectively, and performing restructured loans increased from \$0.8 million to \$5.5 million, respectively, over the same time period. To address the continued credit quality issues, loan loss provision expense during 2010 was \$15.3 million compared to \$27.4 million during 2009.
- Noninterest income decreased \$0.4 million from \$1.5 million for the year ended December 31, 2009, to \$1.1 million for the year ended December 31, 2010. The decrease was primarily due to a \$0.4 million decrease in gain on sale of securities, a \$0.2 million increase in OTTI expense and a \$0.1 million decrease in deposit service charges, all offset by a \$0.3 million increase in gain on sale of assets.

- Noninterest expense decreased \$7.0 million, or 22.6%, from \$31.0 million in 2009, to \$24.0 million in 2010. The decrease was primarily the result of the following:
 - Compensation and employee benefits decreased \$2.8 million, or 21.4%, during 2010 compared to 2009, primarily due to decreased payroll expense, bonuses, group health insurance and a reversal of stock option expense. The total number of full-time equivalent employees decreased from 165 at December 31, 2009, to 145 at December 31, 2010.
 - Professional services costs decreased \$1.8 million, or 46.1%, during 2010 compared to 2009 primarily due to the completion of the restructuring during 2009, which resulted in lower legal and accounting costs during 2010.
 - Write down of assets was \$1.8 million for 2010, primarily as a result of \$0.4 million in write downs of OREO, \$1.2 million in write downs of loans held for sale, and \$0.2 million in write downs of fixed assets related to branch closures.
 - While total deposits at CIBM Bank were down in 2010, assessment rates for FDIC insurance premiums were up, which resulted in FDIC insurance premiums of \$1.9 million during 2010, compared to \$1.8 million during 2009.

Our progress in 2010 was slow, but steady, and we still have much work to do to enhance our balance sheet and restore profitability. As a result we have announced we are closing our Scottsdale, Arizona office. This action, to be completed in the second quarter of this year, will allow us to focus on providing excellent service to our new and existing customers in our core banking markets in the Midwest. As we begin 2011 we have seen some recent improvements in the economy, but weak real estate markets continue to be a drag on the banking system in general, and us included. Nonetheless, we are focused on three major activities – improving credit quality, maintaining capital, and enhancing earnings.

2011 Annual Meeting

We have scheduled our annual meeting of shareholders for 1:00pm on May 26, 2011, at the Milwaukee Athletic Club. Additional information regarding the annual meeting, including the proxy statement and shareholder proxy card for voting, is forthcoming.

Sincerely,



Chuck Ponicki
President and CEO

This letter contains forward-looking information. Actual results could differ materially from those indicated by such information. Information regarding risk factors and other cautionary information is available in Item 1A of CIB Marine's Annual Report on Form 10-K for the period ended December 31, 2010.