



FOR IMMEDIATE RELEASE
October 10, 2017

FOR INFORMATION CONTACT:
J. Brian Chaffin, President & CEO
(217) 355-0900
brian.chaffin@cibmbank.com

CIB MARINE BANCSHARES, INC. ANNOUNCES 2017 THIRD 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 third quarter of 2017. *Net income for the quarter was \$1.1 million, or \$0.06 basic earnings per share and \$0.03 diluted earnings per share, and for the nine months ending September 30, 2017, \$3.0 million, or \$0.17 basic and \$0.08 diluted earnings per share.*

A summary of financial results for the quarter is attached. Select highlights include:

- Return on average assets was 0.69% for the quarter and 0.63% for the nine months ending September 30, 2017, compared to 0.55% and 0.67% for the same periods in 2016.
- Book and tangible book value per share of common stock improved to \$0.75 and \$1.23, respectively, for September 30, 2017, compared to \$0.56 and \$1.04 from one year prior.
- Net income for subsidiary CIBM Bank was \$1.3 million for the quarter and \$3.6 million for the nine month period ending September 30, 2017, compared to net income of \$1.0 million and \$3.1 million for the same periods of 2016; reflecting improved performance.
- Net interest income of \$4.9 million for the quarter is an increase of \$0.4 million from the same quarter of 2016, and net interest income of \$14.3 million for the nine months ending September 30, 2017, is an increase of \$0.9 million from the same period of 2016. The growth primarily reflects \$40 million of higher average interest-earning asset balances in 2017.
- Noninterest income of \$2.3 million for the quarter is a decrease of \$0.4 million from the same quarter of 2016 and noninterest income of \$6.7 million for the nine months ending September 30, 2017, is a decrease of \$0.8 million from the same period of 2016. The results primarily reflect lower net mortgage banking revenue this year due to reduced refinancing activity.
- In addition, during 2017, year to date noninterest income reflects gains on sale of SBA loans at \$0.8 million compared to \$0.1 million during the same period of 2016; and during 2017 year to date net gain on sale of assets and write-downs related to collection activities have been nominal but were \$0.9 million in the 2016 year to date period. This reflects improved earnings related to core business activities.
- Non-performing assets to total assets fell to 1.49% at September 30, 2017, from 1.67% at December 31, 2016, due to lower non-accrual loans.

- Non-accrual loans to total loans declined to 0.99% at September 30, 2017, from 1.26% at December 31, 2016, due to collection related activity.

J. Brian Chaffin, CIB Marine's President and CEO, commented, "We are pleased with the positive impact increased earning assets and net interest income have had on our operating results. The growth and development of our SBA lending business has added some additional noninterest income that has more than offset the softer revenues from our residential lending business this year, in part caused by higher interest rates. At the same time, our noninterest expenses year to date are approximately \$0.1 million lower than last year."

Mr. Chaffin added, "One of CIB Marine's key initiatives in 2017 has been increased involvement in our communities. We have committed substantial resources to support local business and residential housing credit needs through the addition of new programs, products and key staff. We look forward to further growth in this area as we continue to be a force for positive change in the social and economic vitality of the communities we live and work in."

CIB Marine Bancshares, Inc. is the holding company for CIBM Bank, which operates 11 banking offices in Illinois, Wisconsin, and Indiana and 4 separate mortgage loan offices in Illinois, Wisconsin and Indiana. More information on the Company is available at www.cibmarine.com, including recent shareholder letters, links to regulatory financial reports, and audited financial statements.

Notice that Preferred Dividend has not been declared: Pursuant to Sections 5.4(e)(v) and 5.5(e)(v) of the Company's Articles of Incorporation, notice is hereby given that the Board of Directors of the Company has not declared a dividend on its Series A Preferred Stock or its Series B Convertible Preferred Stock for the period ended September 30, 2017 and, accordingly, no dividend will be paid to preferred shareholders for such Dividend Period.

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, 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.

CIB MARINE BANCSHARES, INC.
Selected Unaudited Consolidated Financial Data

| | At or for the | | | | | | | |
|---|-----------------------|------------------|-------------------|----------------------|-----------------------|-----------------------|-----------------------|--|
| | Quarters Ended | | | | | Nine Months Ended | | |
| | September 30, 2017 | June 30, 2017 | March 31, 2017 | December 31, 2016 | September 30, 2016 | September 30, 2017 | September 30, 2016 | |
| (Dollars in thousands, except share and per share data) | | | | | | | | |
| Selected Statement of Operations Data | | | | | | | | |
| Interest and dividend income | \$ 6,056 | \$ 5,732 | \$ 5,562 | \$ 5,273 | \$ 5,286 | \$ 17,350 | \$ 15,676 | |
| Interest expense | 1,140 | 973 | 892 | 793 | 740 | 3,005 | 2,204 | |
| Net interest income | 4,916 | 4,759 | 4,670 | 4,480 | 4,546 | 14,345 | 13,472 | |
| Provision for (reversal of) loan losses | 149 | 47 | 228 | (796) | 69 | 424 | 248 | |
| Net interest income after provision for (reversal of) loan losses | 4,767 | 4,712 | 4,442 | 5,276 | 4,477 | 13,921 | 13,224 | |
| Noninterest income (1) | 2,257 | 2,611 | 1,847 | 1,908 | 2,651 | 6,715 | 7,492 | |
| Noninterest expense | 5,865 | 6,279 | 5,401 | 6,127 | 6,220 | 17,545 | 17,652 | |
| Income before income taxes | 1,159 | 1,044 | 888 | 1,057 | 908 | 3,091 | 3,064 | |
| Income tax expense | 25 | 20 | 0 | (5) | 40 | 45 | 55 | |
| Net income | \$ 1,134 | \$ 1,024 | \$ 888 | \$ 1,062 | \$ 868 | \$ 3,046 | \$ 3,009 | |
| Common Share Data | | | | | | | | |
| Basic net income per share | \$ 0.06 | \$ 0.06 | \$ 0.05 | \$ 0.06 | \$ 0.05 | \$ 0.17 | \$ 0.17 | |
| Diluted net income per share | 0.03 | 0.03 | 0.02 | 0.03 | 0.02 | 0.08 | 0.08 | |
| Dividend | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Tangible book value per share (2) | 1.23 | 1.16 | 1.08 | 1.01 | 1.04 | 1.23 | 1.04 | |
| Book value per share (2) | 0.75 | 0.68 | 0.60 | 0.53 | 0.56 | 0.75 | 0.56 | |
| Weighted average shares outstanding - basic | 18,161,989 | 18,153,029 | 18,127,892 | 18,127,892 | 18,127,892 | 18,145,505 | 18,127,892 | |
| Weighted average shares outstanding - diluted | 36,512,804 | 36,516,207 | 36,193,353 | 36,082,522 | 35,818,022 | 36,407,957 | 35,694,388 | |
| Financial Condition Data | | | | | | | | |
| Total assets | \$ 640,340 | \$ 650,051 | \$ 631,160 | \$ 653,559 | \$ 632,628 | \$ 640,340 | \$ 632,628 | |
| Loans | 490,089 | 488,289 | 483,501 | 483,518 | 466,057 | 490,089 | 466,057 | |
| Allowance for loan losses | (7,905) | (7,653) | (7,567) | (7,592) | (8,549) | (7,905) | (8,549) | |
| Investment securities | 112,670 | 111,160 | 111,745 | 112,072 | 103,853 | 112,670 | 103,853 | |
| Deposits | 479,285 | 493,364 | 497,144 | 483,097 | 476,428 | 479,285 | 476,428 | |
| Borrowings | 84,903 | 82,025 | 60,837 | 96,944 | 81,636 | 84,903 | 81,636 | |
| Stockholders' equity | 73,556 | 72,279 | 70,819 | 69,523 | 70,094 | 73,556 | 70,094 | |
| Financial Ratios and Other Data | | | | | | | | |
| Performance Ratios: | | | | | | | | |
| Net interest margin (3) | 3.07% | 3.09% | 3.02% | 2.84% | 2.95% | 3.06% | 3.07% | |
| Net interest spread (4) | 2.88% | 2.92% | 2.87% | 2.70% | 2.80% | 2.89% | 2.92% | |
| Noninterest income to average assets (5) | 1.37% | 1.65% | 1.16% | 1.18% | 1.68% | 1.39% | 1.66% | |
| Noninterest expense to average assets | 3.55% | 3.96% | 3.40% | 3.79% | 3.93% | 3.64% | 3.91% | |
| Efficiency ratio (6) | 81.76% | 85.20% | 82.88% | 95.91% | 86.42% | 83.31% | 84.20% | |
| Earnings on average assets (7) | 0.69% | 0.65% | 0.56% | 0.66% | 0.55% | 0.63% | 0.67% | |
| Earnings on average equity (8) | 6.11% | 5.71% | 5.10% | 5.93% | 4.89% | 5.65% | 5.86% | |
| Asset Quality Ratios: | | | | | | | | |
| Nonaccrual loans to loans (9) | 0.99% | 0.99% | 1.32% | 1.26% | 1.16% | 0.99% | 1.16% | |
| Nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing to total loans (9) | 1.30% | 1.36% | 1.65% | 1.60% | 1.58% | 1.30% | 1.58% | |
| Nonperforming assets, restructured loans and loans 90 days or more past due and still accruing to total assets (9) | 1.49% | 1.51% | 1.77% | 1.67% | 1.32% | 1.49% | 1.32% | |
| Allowance for loan losses to total loans | 1.61% | 1.57% | 1.57% | 1.57% | 1.83% | 1.61% | 1.83% | |
| Allowance for loan losses to nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing (9) | 124.21% | 72.81% | 94.67% | 97.99% | 116.08% | 124.21% | 116.08% | |
| Net charge-offs (recoveries) annualized to average loans | -0.08% | -0.03% | 0.21% | 0.14% | -0.22% | 0.03% | -0.07% | |
| Capital Ratios: | | | | | | | | |
| Total equity to total assets | 11.49% | 11.12% | 11.02% | 10.64% | 11.08% | 11.49% | 11.08% | |
| Total risk-based capital ratio | 16.05% | 15.93% | 15.90% | 15.40% | 15.69% | 16.05% | 15.69% | |
| Tier 1 risk-based capital ratio | 14.43% | 14.68% | 14.65% | 14.15% | 14.43% | 14.43% | 14.43% | |
| Leverage capital ratio | 11.41% | 11.56% | 11.21% | 11.14% | 11.20% | 11.41% | 11.20% | |
| Other Data: | | | | | | | | |
| Number of employees (full-time equivalent) | 179 | 181 | 181 | 171 | 169 | 179 | 169 | |
| 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.
Consolidated Balance Sheets (unaudited)

| | September 30, 2017 | June 30, 2017 | March 31, 2017 | December 31, 2016 | September 30, 2016 |
|---|-----------------------|------------------|-------------------|----------------------|-----------------------|
| (Dollars in thousands, except share data) | | | | | |
| Assets | | | | | |
| Cash and due from banks | \$ 9,569 | \$ 10,462 | \$ 12,773 | \$ 10,291 | \$ 11,427 |
| Reverse repurchase agreements | 10,289 | 20,440 | 11,019 | 24,275 | 27,560 |
| Securities available for sale | 112,670 | 111,160 | 111,745 | 112,072 | 103,853 |
| Loans held for sale | 7,164 | 9,166 | 2,448 | 11,469 | 15,875 |
| Loans | 490,089 | 488,289 | 483,501 | 483,518 | 466,057 |
| Allowance for loan losses | (7,905) | (7,653) | (7,567) | (7,592) | (8,549) |
| Net loans | 482,184 | 480,636 | 475,934 | 475,926 | 457,508 |
| Federal Home Loan Bank Stock | 3,128 | 2,948 | 2,070 | 3,803 | 3,803 |
| Premises and equipment, net | 4,371 | 4,309 | 4,369 | 4,427 | 4,256 |
| Accrued interest receivable | 1,507 | 1,386 | 1,377 | 1,382 | 1,289 |
| Other real estate owned, net | 3,153 | 3,153 | 3,153 | 3,159 | 982 |
| Bank owned life insurance | 4,468 | 4,441 | 4,414 | 4,389 | 4,363 |
| Goodwill and other intangible assets | 204 | 209 | 215 | 221 | 226 |
| Other assets | 1,633 | 1,741 | 1,643 | 2,145 | 1,486 |
| Total Assets | \$ 640,340 | \$ 650,051 | \$ 631,160 | \$ 653,559 | \$ 632,628 |
| Liabilities and Stockholders' Equity | | | | | |
| Deposits: | | | | | |
| Noninterest-bearing demand | \$ 72,875 | \$ 79,888 | \$ 76,088 | \$ 77,154 | \$ 87,216 |
| Interest-bearing demand | 31,756 | 31,961 | 33,027 | 33,832 | 29,821 |
| Savings | 174,174 | 183,608 | 192,175 | 176,435 | 169,390 |
| Time | 200,480 | 197,907 | 195,854 | 195,676 | 190,001 |
| Total deposits | 479,285 | 493,364 | 497,144 | 483,097 | 476,428 |
| Short-term borrowings | 84,903 | 82,025 | 60,837 | 96,944 | 81,636 |
| Accrued interest payable | 404 | 358 | 327 | 349 | 319 |
| Other liabilities | 2,192 | 2,025 | 2,033 | 3,646 | 4,151 |
| Total liabilities | 566,784 | 577,772 | 560,341 | 584,036 | 562,534 |
| Stockholders' Equity | | | | | |
| Preferred stock, \$1 par value; 5,000,000 authorized shares; 7% fixed rate noncumulative perpetual issued-55,624 shares of series A and 4,376 shares of series B; convertible; aggregate liquidation preference- \$60,000 | 51,000 | 51,000 | 51,000 | 51,000 | 51,000 |
| Common stock, \$1 par value; 50,000,000 authorized shares; 18,383,891 issued shares; 18,172,844 outstanding shares | 18,384 | 18,384 | 18,346 | 18,346 | 18,346 |
| Capital surplus | 158,713 | 158,640 | 158,602 | 158,552 | 158,510 |
| Accumulated deficit | (152,471) | (153,605) | (154,629) | (155,517) | (156,579) |
| Accumulated other comprehensive loss, net | (1,537) | (1,611) | (1,971) | (2,329) | (654) |
| Treasury stock 221,902 shares at cost | (533) | (529) | (529) | (529) | (529) |
| Total stockholders' equity | 73,556 | 72,279 | 70,819 | 69,523 | 70,094 |
| Total liabilities and stockholders' equity | \$ 640,340 | \$ 650,051 | \$ 631,160 | \$ 653,559 | \$ 632,628 |

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

| | At or for the | | | | | Nine Months Ended | |
|---|------------------------|------------------|-------------------|----------------------|-----------------------|-------------------|---------------|
| | Quarters Ended | | | | | September 30, | September 30, |
| | September 30, 2017 | June 30, 2017 | March 31, 2017 | December 31, 2016 | September 30, 2016 | 2017 | 2016 |
| | (Dollars in thousands) | | | | | | |
| Interest Income | | | | | | | |
| Loans | \$ 5,188 | \$ 4,997 | \$ 4,826 | \$ 4,493 | \$ 4,540 | \$ 15,011 | \$ 13,747 |
| Loans held for sale | 104 | 79 | 46 | 141 | 153 | 229 | 331 |
| Securities | 640 | 598 | 611 | 563 | 513 | 1,849 | 1,508 |
| Other investments | 124 | 58 | 79 | 76 | 80 | 261 | 90 |
| Total interest income | 6,056 | 5,732 | 5,562 | 5,273 | 5,286 | 17,350 | 15,676 |
| Interest Expense | | | | | | | |
| Deposits | 871 | 817 | 749 | 697 | 659 | 2,437 | 2,056 |
| Short-term borrowings | 269 | 156 | 143 | 96 | 81 | 568 | 148 |
| Total interest expense | 1,140 | 973 | 892 | 793 | 740 | 3,005 | 2,204 |
| Net interest income | 4,916 | 4,759 | 4,670 | 4,480 | 4,546 | 14,345 | 13,472 |
| Provision for (reversal of) loan losses | 149 | 47 | 228 | (796) | 69 | 424 | 248 |
| Net interest income after provision for (reversal of) loan losses | 4,767 | 4,712 | 4,442 | 5,276 | 4,477 | 13,921 | 13,224 |
| Noninterest Income | | | | | | | |
| Deposit service charges | 132 | 129 | 113 | 121 | 125 | 374 | 349 |
| Other service fees | 45 | 54 | 46 | 45 | 47 | 145 | 166 |
| Mortgage Banking revenue, net | 1,821 | 2,027 | 1,142 | 1,414 | 2,285 | 4,990 | 5,723 |
| Other income | 127 | 127 | 97 | 136 | 206 | 351 | 419 |
| Net gains on sale of securities | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net gains (losses) on sale of assets and (writedowns) | 132 | 274 | 449 | 192 | (12) | 855 | 835 |
| Total noninterest income | 2,257 | 2,611 | 1,847 | 1,908 | 2,651 | 6,715 | 7,492 |
| Noninterest Expense | | | | | | | |
| Compensation and employee benefits | 4,099 | 4,333 | 3,705 | 4,228 | 4,426 | 12,137 | 12,193 |
| Equipment | 320 | 319 | 290 | 305 | 277 | 929 | 843 |
| Occupancy and premises | 386 | 381 | 390 | 390 | 377 | 1,157 | 1,201 |
| Data Processing | 168 | 136 | 140 | 123 | 185 | 444 | 490 |
| Federal deposit insurance | 55 | 81 | 87 | 92 | 105 | 223 | 317 |
| Professional services | 158 | 130 | 200 | 156 | 157 | 488 | 619 |
| Telephone and data communication | 87 | 88 | 81 | 90 | 92 | 256 | 300 |
| Insurance | 60 | 96 | 59 | 60 | 60 | 215 | 170 |
| Other expense | 532 | 715 | 449 | 683 | 541 | 1,696 | 1,519 |
| Total noninterest expense | 5,865 | 6,279 | 5,401 | 6,127 | 6,220 | 17,545 | 17,652 |
| Income from operations before income taxes | 1,159 | 1,044 | 888 | 1,057 | 908 | 3,091 | 3,064 |
| Income tax expense | 25 | 20 | 0 | (5) | 40 | 45 | 55 |
| Net income | 1,134 | 1,024 | 888 | 1,062 | 868 | 3,046 | 3,009 |
| Preferred stock dividend | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net income allocated to common stockholders | \$ 1,134 | \$ 1,024 | \$ 888 | \$ 1,062 | \$ 868 | \$ 3,046 | \$ 3,009 |