
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):

May 2, 2005

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.)

N27 W24025 Paul Court, Pewaukee,
Wisconsin

53072

(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.

The registrant issued a shareholder letter dated May 2, 2005, a copy of which is furnished herewith as Exhibit 99.1 to this Current Report on Form 8-K.

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.

May 2, 2005

By: Stanley J. Calderon

Name: Stanley J. Calderon

Title: President & Chief Executive Officer

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Shareholder Letter dated May 2, 2005
99.2	Forward Looking Statements

EXHIBIT 99.1

May 2, 2005

Dear Shareholder,

The purpose of this letter is to provide an update on the progress of your company since our last communication to you dated December 30, 2004. With the completion of the sale of our Chicago banking subsidiary on November 30, 2004, the company has significantly strengthened its overall capital and liquidity position. Our priority for 2005 and beyond is to return the company to profitability by focusing on our primary mission of serving the communities of our five remaining banks. Although great strides have been made, we will continue to work to improve the quality of our loan portfolio and strengthen our credit culture and processes.

The following are updates on key issues and developments:

Status of the Audits

As you know, the completion of our audit for 2003 has been substantially delayed while we completed our independent investigation and also completed other activities required as a result of the sale of the Chicago banking subsidiary. Our best estimate is that the audit for 2003 will be completed by late spring or early summer, with the 2004 audit to begin once the 2003 audit is completed. Upon conclusion of the audits, we will hold the annual meeting of shareholders.

2004 Financial Results

Our estimate of the company's results of operations (unaudited) for 2004 is that we incurred a net loss of approximately \$18 million which includes a gain on the sale of the Chicago banking subsidiary of approximately \$15 million. This compares to our current estimated net loss for 2003 of approximately \$140 million. Our total assets as of December 31, 2004 were an estimated \$1.4 billion and our estimated book value per share as of December 31, 2004 is \$5.09. Nonperforming assets are estimated to be \$57 million at December 31, 2004 as compared to \$196 million at December 31, 2003, of which \$135 million were nonperforming assets at the Chicago bank.

Please note that all of these estimates are subject to change based upon the results of our audits.

Independent Investigations

The independent investigations are complete and the results have been reviewed with our Board of Directors, the banking regulators and CIB Marine Bancshares, Inc.'s outside audit firm, KPMG, LLP. KPMG had full and complete access to the outside law firms conducting the investigations throughout the period of their work. The investigations, while targeted, involved the review of thousands of documents, hundreds of transactions and involved interviews with various current officers, employees and Board members, and former officers and employees to the extent they agreed to be interviewed. Management has taken appropriate actions to address issues raised by the investigations. As a result of the investigations and its own analysis, management has adopted new policies and procedures and has strengthened internal reporting and controls.

Shareholder lawsuits

CIB Marine and/or certain of its officers and directors (past and present) have been named as defendants in two lawsuits purported to be brought on behalf of CIB Marine shareholders that relate to their purchase or holding of CIB Marine stock. We believe both of these lawsuits are without merit. We are aggressively defending the interests of our company against these and any other lawsuits that we consider to be baseless.

Regulatory Matters

The Cease and Desist Orders for our Wisconsin and Indiana banking subsidiaries have been released and replaced with less restrictive Memoranda of Understanding. We continue to work with our regulators to comply with the Cease and Desist Order at Central Illinois Bank, the Written Agreements at CIB Marine and Citrus Bank, and the Memoranda of

Understanding issued by the FDIC in March 2005 to each of Central Illinois Bank, CIB Bank and Marine Bank, Wisconsin relative to internal control issues over the information technology function at each respective bank.

Leadership Announcements

We have taken several recent steps to strengthen the leadership of the company, including the appointment of three new CEOs to lead our subsidiary banks. Michael Miller is now President and CEO of Marine Bank, Wisconsin, and we recently hired Rick Nisbeth as Chairman and CEO of Citrus Bank, N.A., and Jerry Schwallier as President and CEO of Marine Bank FSB. Each of these individuals have had stellar careers in the banking industry and will add immeasurably to our company. Please visit our website at www.cibmarine.com to review the press release issued upon the hiring of each such executive.

Remaining Challenges

We are currently working hard to reduce the overall cost structure of our company to reflect our new size and to improve our net interest margins which have been greatly affected by our excess liquidity, our overall cost of funds and the level of nonperforming assets. Additionally, each of our banks is working hard to generate new business, reduce unnecessary expenses and to focus on our key markets.

As always, we appreciate your continued support and will strive to keep you posted as we work through our remaining issues and continue to strengthen your company.

Sincerely,

Stanley J. Calderon
President and CEO

This letter contains forward-looking information. Actual results could differ materially from those indicated by these statements. The information contained under the caption "Forward Looking Statements" in Exhibit 99.2 of CIB Marine's Form 8-K filed May 2, 2005 and other periodic reports to the SEC contain information about factors that could affect actual results.

EXHIBIT 99.2

FORWARD LOOKING STATEMENTS

CIB Marine has made statements in this Form 8-K 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,” “will be,” “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, which 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. Potential risks and uncertainties that may affect CIB Marine’s operations, performance, development and business results include the following:

- Adverse changes in CIB Marine’s loan and investment portfolios;
- Changes in the financial condition or operating results of one or more borrowers or related groups of borrowers or borrowers within a single industry or small geographic region where CIB Marine has a concentration of credit extended to those borrowers or related groups or to borrowers within that single industry or small geographic region;
- CIB Marine’s ability to maintain adequate capital;
- CIB Marine’s ability to operate profitably;
- CIB Marine’s ability to comply with regulatory orders and agreements;
- The costs and effects of outstanding and/or potential litigation and of unexpected or adverse outcomes in such litigations;
- CIB Marine’s ability to bring current its delinquent filings of periodic reports with the Securities and Exchange Commission and other regulators;
- CIB Marine’s ability to attract and retain key personnel;
- Adverse changes in business conditions in the banking industry generally and in the markets in which CIB Marine operates;
- Changes in the legislative and regulatory environment which adversely affect CIB Marine;
- Changes in accounting policies and practices;
- Changes in interest rates and changes in monetary and fiscal policies which could negatively affect net interest margins, asset valuations and expense expectations;
- Increased competition from other financial and non-financial institutions;
- Adverse changes in the valuation of assets held for disposal and/or additional losses resulting from operations or disposition thereof;
- The competitive impact of technological advances in the banking industry; and
- Other risks set forth from time to time in CIB Marine’s filings with the Securities and Exchange Commission.

These risks and uncertainties should be considered in evaluating forward-looking statements, and undue reliance should not be

placed on such statements. CIB Marine does not assume any obligation to update or revise any forward-looking statements subsequent to the date on which they are made, whether as a result of new information, future events or otherwise.