2016 ANNUAL MEETING OUTLINE
[Slide #1]

CALL TO ORDER
(Mark Elste)

[Slide #2]
- **Chairman calls the meeting to order:**

Good afternoon ladies and gentlemen, my name is Mark Elste, Chairman of CIB Marine Bancshares, Inc. I would like to call this annual meeting of the shareholders to order and welcome all of you who are participating in person or telephonically. Please note that copies of our presentation are available on our website – www.cibmarine.com – by clicking on the "2016 Annual Shareholder Meeting Information" link on the left hand side of the page.

[Slide #3]
- **Forward Looking Statements**:

Before I proceed any further I would like to inform all of our participants in today's meeting that statements made during today's presentation may contain forward-looking information. Forward-looking statements are subject to significant risks and uncertainties and actual results may differ materially.

- **Meeting Organization:**

We have segmented our presentation to you today into three distinct parts. First, the official segment of the meeting which addresses the shareholder vote; second, a review of the past half dozen years along with a discussion of where your company is headed under its current administration; and finally, we will attempt to answer the questions that have been submitted to us as well as to clarify and add color and commentary to some misunderstandings about the Company. This discussion will also address specifically the Company's position relative to the two dissenting shareholders, Mr. Robert Clutterbuck and Mr. Don Wilson.

- **Meeting Order:**

I also wish to point out that only business properly noticed and brought before this meeting by the Board of Directors may be considered. The only business before this meeting today is the election of the properly nominated directors and the ratification of the external auditor. According to the Company's By-Laws, no other motions will be considered.

The reasoning for this provision within the By-Laws is a practical one and commonplace with the vast majority of publicly traded companies: that is, the majority of our shareholders vote by proxy. These shareholders have not been given notice of any other proposals and we will not take action on any such motion without first giving notice to all shareholders so they have the opportunity to consider any matter of reference.

- **Quorum & Voting:**

Now, for the official business of the shareholders today. I have been advised by the Secretary of the Company that the Notice of Meeting has been duly mailed and that a quorum is present for the topics to be considered, with over 67% of the shares represented by proxy as of the start of the meeting. The final tally will be tabulated and included with the minutes of the meeting after final adjustment for any additional proxies received and any shares represented in person.

[Slide #4]
- **Director, Accountant, & Guest Introduction:**

Attending or participating in today's meeting are a number of my colleagues and key guests. Allow me to first introduce our Board members:

DIRECTORS	
J. Brian Chaffin	President, CEO & Director of CIB Marine Bancshares
John P. Hickey, Jr.	Retired President, CEO & Chairman of the Board of CIB Marine Bancshares
Charles E. Baker, CPA	Retired Partner of Ernst & Young, LLP
Willard Bunn III	Managing Director of Colonnade Advisors, LLC
Gary L. Longman, CPA	Former President & CEO of Sunny Ridge Family Center and Retired Partner of KPMG LLP
Charles D. Mires	Community Bank Investor
Ronald E. Rhoades	President & CEO of Plastic Container Corp.

[Slide #5]
Also, joining us today:

- **The public accounting firm of Crowe Horwath, LLP**
  Crowe Horwath is the Company's independent auditor. With us today are Aaron O'Connor and Brian Sterwald.
- **Computershare, is also in attendance**
  Computershare serves as CIB Marine's transfer agent and handles all shareholder accounts, stock transfers, replacement of lost certificates, and other things of this sort. The individual representing Computershare at our meeting today is Ginger Lawrence. For any shareholder who has not voted, or any shareholder who has voted by proxy but now wishes to vote in person, ballots are available on the registration table. Ballots need to be completed and returned to the registration table before the conclusion of the meeting in order to be counted.

[Slide #6]
Finally, I am joined by…

- **Key members of our organizations management team:**

MANAGEMENT TEAM	
J. Brian Chaffin	President & CEO of CIB Marine Bancshares & CIBM Bank
Patrick J. Straka	Chief Financial Officer of CIB Marine Bancshares & CIBM Bank

Paul C. Melnick	Chief Credit Officer of CIB Marine Bancshares & CIBM Bank
Daniel J. Rasmussen	Chief Administrative Officer & General Counsel of CIB Marine Bancshares & CIBM Bank
James P. Mullaney	Director of Corporate Banking of CIBM Bank
Gary Maughan	Mortgage Sales Manager of CIBM Bank
Mark V. Wilmington	Director of Retail Banking of CIBM Bank
Joanne M. P. Blaesing	Director of Marketing of CIBM Bank

[Slide #7]

FORMAL BUSINESS
(Mark Elste)

There are two items of business on the agenda for submission to a vote of the shareholders at today's meeting, Election of Directors and Ratification of the Appointment of our Independent Public Accounting Firm.

- **Election of Directors**

The Board of Directors has nominated the following persons as directors who will serve for a 3-year term ending at the Annual Meeting of Shareholders in 2019, or until their successors are duly elected. They are, John P. Hickey, Charles E. Baker, and J. Brian Chaffin.

As no other nominations have been received in proper order, according to the procedures in the Company's By-Laws, nominations are closed.

I have been advised by the Secretary that, as of the start of the meeting, each of the nominees has received votes in favor of his election representing 85% or more of the votes cast with respect to the nominee. Accordingly, the nominees are elected. The final voting results will be tabulated and included with the minutes of the meeting.

[Slide #8]

- **Ratification of Crowe Horwath**

The second proposal on the agenda is the ratification of the appointment of Crowe Horwath LLP as the Company's independent public accounting firm for the fiscal year that will end on December 31, 2016. I have been advised by the Secretary that votes in favor of the ratification of Crowe Horwath's engagement represent more than 92% of the votes cast, and accordingly the appointment of Crowe Horwath is ratified.

- **Close and segue way**

There being no further official business, the Annual Meeting is adjourned.

<u>CHAIRMAN PRESENTATION</u>
(Mark A. Elste)

[Slide #9]
I. Presentation of 2015 Results
Now we will provide key highlights of 2015, and also share financial performance indicators for your company. We encourage you to consider these results carefully:

[Slide #10]
- 2015 was a significant turning point for your company, as the first full year after your management team was successful in removing the last of the regulatory sanctions imposed upon the Company starting in 2004.
- The importance of this removal should not be under-estimated as while under said sanctions our primary regulators imposed significant restrictions on the activities of the bank and its holding company – restrictions that had the primary effect of dampening the Company's prospects for growth as it moved to improve the quality of its balance sheet.
- The dramatic improvement in the quality of the balance sheet can be observed by examining two key metrics – credit quality and capital ratios . . .
- Now emerged from a growth restricting regulatory environment, with a strong balance sheet, and an excellent management team and supervising Board of Directors, your company is now poised for opportunity. In a moment I will ask CEO Brian Chaffin to review our growth plans, but before doing so I would like to succinctly review a number of things in order for you, our shareholders, to fully evaluate the effectiveness of your management team and the Company's Board in the stewardship of your investment in CIB Marine. What follows is important for your consideration as it relates to the claims made from our two dissenting shareholders.
- In 2010 CIB Marine emerged from a bankruptcy reorganization. A reorganization necessitated by an aggressive growth strategy of a prior era and administration and the Great Recession. The failed policies of the past did not involve the group of directors and management team who sit before you here today.
- In fact, led by retired Chairman and CEO John Hickey, the management team and Board sitting before you today was emplaced to repair and restore the bank first to a strong financial footing and then, and only then, towards a growth trajectory.
- The order of battle: balance sheet improvement, then growth, was not an option of deployment, it was practical limitation imposed upon the bank by its regulators. There was little wiggle room to our priorities . . . we either did these things or the bank would be seized and forcibly merged into another organization as almost 500 other banks were from 2008 to 2012. . . and, in this process, wiping out the equity of all of our common shareholders once and for all.
- The bankruptcy was required to convert nearly $100 million of unmanageable trust preferred securities debt into perpetual non-cumulative preferred stock with a $60 million liquidation preference. We will have more to say on the preferred stock a little later in the presentation.
- However, what remained was no panacea for management and Board attention.
- As previously noted the bank's troubled loan portfolio was large.
- The geographic footprint your organization was left with was wide and laden with a large branch network and operations…effectively guaranteeing a poor bank efficiency ratio until painfully whittled down.
- Always subject to the regulator restrictions on management flexibility, your new team, nonetheless, worked tirelessly to right-size its assets and address its cost and credit culture.

- To put this in perspective, at the end of 2009 CIB Marine was $709 million in assets, operating in 6 states with 17 branches and 165 bank employees. By the end of 2015 our assets were $571 million, with 11 branches in 3 states and 122 bank employees excluding the mortgage division.
- To highlight how much our credit metrics have changed, our net charge-off of loans for the year 2009 were $30.4 million and our non-accrual to total loans were 10.80% at the end of the year – for 2015 those were a net recovery of $0.5 million and 0.81%, respectively.
- All of this and more was effectively dealt with, under very difficult circumstances; and, I might remind some pundits that the bank also was faced with significant financial reporting delays for the years 2003 through 2007. The management group and the Board here today were charged with the task of making the Company viable again, and putting it in a position to be able to thrive in the future.
- As an example, through the tireless efforts and stewardship of your bank's current two Audit Committee financial experts, Gary Longman and Chuck Baker, both retired CPAs from large firms, the Company was able to move past all of the audit and regulatory issues that plagued it from 2002 to 2007. These two men in particular spent countless hours rectifying, debating and negotiating with regulators and outside audit firms in order to right the issues of the past.
- While so many management teams and boards quit in the face of difficulty, surrendering without a fight to regulatory takeover, wiping out shareholder value, and incurring significant penalties from regulators, your Board rolled up their sleeves and did the difficult work required. Recently, some who were parties to failed banks have criticized us for the Herculean efforts this Board undertook, but the Company was saved and our shareholders have a future to look forward to, unlike the owners of the nearly 500 banks that failed in the wreckage of the Great Recession.
- Now, the proof is in the pudding as the old saying goes. What did all of this do to shareholder value?

[Slide #11]

- In 2009, just prior to the bankruptcy filing, there were a number of common stock trades that were reported on the Pinksheets at less than $0.01 per share, with the year's closing price at $0.11.
- For all of 2009, the Pinksheets volume weighted price per share traded was $0.15.
- At year end 2015, the closing price of CIB Marine, as reported on OTCQB, was $0.42 per share with a volume weighted annual price per share of $0.47.
- From the end of 2009 to the end of 2015, six years, using year-end price-per-share produced a total return of 25% per year.
- For those of you who were shareholders before the problems unfolded, these excellent returns are small comfort; but, in terms of assessing the quality of the management team and Board before you to right the ship, there is little better metric than growth in price per share. In other words, the open market's assessment of the net present value of the Company's stream of future earnings.
- We will let these sorts of metrics speak for themselves.
- Your Board of Directors is committed to creating and preserving shareholder value for all of our shareholders – common and preferred.
- Having said that, only common shareholders have the right to vote for and elect members of the Board of Directors.
- Your Board examines all serious offers to enhance shareholder value. It has dismissed schematics that amount to financial engineering that will destroy shareholder value simply to create liquidity for the preferred shareholders.
- It will likewise look askance at schematic offers to effectively take the Company private and reduce the preferred shareholder's value to zero.

- The point is, your Board is committed to maximizing the enterprise value of your company over the next 3 to 5 years so as to leave the Company with broad options for shareholder value and value for all classes of shareholders.
- Now, before closing this portion of today's presentation, I would be remiss if I did not acknowledge the significant contribution of John Hickey, a continuing Board member and my predecessor as Chairman.

[Slide #13]

- John served as your company's CEO starting in 2007 through 2011 and then briefly as interim CEO for more than half of 2015; and as the Company's Chairman from 2009 until his retirement from this position on October 31st of 2015.
- John presided over much of the heavy lifting associated with the Company's emergence from its regulatory issues and, from my vantage point, was the principal architect of the successful regulatory exit. A more thankless job I have seldom seen in a 40 year career in the financial services industry.
- The Board is pleased that John has agreed to continue serving on the Company's Board and, his steady hand and deep experience will be enormously helpful in what comes next.
- And with this important acknowledgment for a job well done by my colleague John Hickey, let me now turn the dais over to your CEO, Brian Chaffin.

[Slide #14]

MANAGEMENT PRESENTATION

(J. Brian Chaffin)

Our fourth quarter shareholder letter dated February 4th, 2016, highlighted our 2015 results, but I will take a few minutes to summarize those results and provide a little more detail on the critical components. Then, I will focus my comments on the initiatives we've taken since November to improve our operating performance.

[Slide #15]

2015

- Mark commented on the asset quality and capital ratios earlier. Led by Paul Melnick, our Chief Credit Officer, non-performing assets to total assets ended 2015 at 2.25% compared to 2.94% at December 31, 2014, while non-accrual loans to total loans declined to 0.70% at the year-end from 1.16% at December 31, 2014.

[Slide #16]

- Our required capital ratios continued to be well above regulatory requirements.

[Slide #17]

- Loans grew by $57 million in 2015, a 15% increase from December 31, 2014. However, $30 million of this growth came in the fourth quarter, with much of that in the last month of the year, so only a portion of the net interest income from this growth was recognized in 2015. We are also pleased with the composition of our loan growth by geographic market and by loan segment. This slide also shows the impact the addition of Avenue Mortgage has had on our loan portfolio. Not only have we gained significant non-interest income from the acquisition, Avenue has been a significant contributor to loan growth as we do keep a certain portion of residential mortgages we originate. The residential mortgage portfolio grew by $33 million in 2015.

[Slide #18]

- During 2015 we experienced increased costs with the opening of our Wheaton branch and mortgage offices; modest OREO write-downs; expenses at the parent company resulting from various capital and corporate strategy related activities; and one-time expenses in the fourth quarter related to our announced expense reduction plan.
- While the amount of net interest income did increase in 2015, our net interest margin declined in part due to the continued growth in our residential loan portfolio which tends to be higher quality and lower rate assets, but also due to the pressures in the banking industry recently on this important metric.
- Retail banking created robust deposit growth of $43 million in 2015 and, as mentioned earlier, we opened a branch in Wheaton, Illinois under the name Avenue Bank to compliment the residential mortgage business of Avenue Mortgage in the local area. We also launched our "Acceleration Banking" product which is a rewards-based checking and savings account package designed to earn higher interest and eliminate ATM fees.

[Slide #19]

Earnings Improvement Strategies

Midway through 2015 we started to see our earnings improvement was not coming fast enough. We recognized that with continued downward pressure on traditional loan margins, and some legacy operational and facilities infrastructure, our traditional loan growth alone would not be sufficient. Accordingly, we began focusing on expense reduction strategies as well as new revenue strategies.

[Slide #20]

Expense Reduction Plan

- In the second half of 2015 we performed benchmarking and other studies to identify department level staffing and expense imbalances in the bank.
- In addition, we assessed and determined to consolidate two legacy non-branch operations offices into other existing space.
- The expense reduction primarily from these two actions total approximately $1.1 million per annum with the financial benefit more fully reflected in the second half of 2016.

[Slide #21]

Revenue Growth

We recognized that cost reductions alone would not achieve the earnings improvement in the timeline we desired. So we also focused on safely developing additional revenue generating strategies while maintaining the growth trend in our traditional commercial and residential loan portfolios. The revenue strategies developed include:

- Growth in our Avenue Mortgage Division. At year-end 2015, we were able to acquire 20 new mortgage loan officers and 5 new support staff. I will discuss this in greater detail later.
- Continued strong net loan growth in our traditional commercial lending business led by Jim Mullaney.
- Development of a SBA 7a lending business. The SBA 7a loan program provides an SBA guaranty of a portion of a commercial loan – generally 75% to 85%. The credit characteristics of these loans are similar to other business loans with the exception, sometimes, of full collateral coverage – thus the additional credit enhancement of the SBA guaranty. We have not focused resources on SBA 7a lending in the past. The revenue benefit from these loans includes a higher interest yield and the ability to sell the "guaranteed" portion of the loan to a very well developed secondary market for an attractive premium. We are beginning to focus more on this sector. We hired our first dedicated SBA lender the first quarter of 2016 and are in process of building a loan pipeline across all our markets.

- We are also exploring other SBA related opportunities with loan aggregators, Small Business Investment Companies, and SBA 504 loan related programs. Our Chairman, Mark Elste, has over 30 years of experience in this business segment and we have already identified several opportunities that we believe will meet our credit and profitability parameters.
- We began the process of applying for limited trust powers. Initially, our trust activities will be very limited and specialized – involving some of the SBA related initiatives we are pursuing. Our trust division will be led by our General Counsel and Chief Administrative Officer, Dan Rasmussen.
- Our retail banking group led by Mark Wilmington has continued to meet the challenge in growing our deposit base in order to help fund our growth in loans in spite of ever-changing customer behavior we see throughout the industry.
- Working closely with our marketing group led by Joanne Blaesing, Mark and his team have identified several initiatives important to maintaining this growth and increasing retail revenues.
    - 360 View is a new customer relationship management system that will greatly enhance our cross selling efforts at the time of customer interaction and in follow up marketing.
    - We continue to enhance our online and mobile banking platform to address changing banking trends and allow of ease of access for all clients.
    - We also continue to build our account relationships in our new Wheaton, Illinois office, focusing on the extensive customer base of the mortgage division in that area and delivering the personalized customer service that has been successful throughout our footprint.

[Slide #22]

First Quarter 2016

- Our 1st Quarter 2016 earnings reflects the impact of just the beginning of some of these initiatives:
    - CIB Marine reported first quarter earnings of $952,000 or $0.05 per share for a return on average assets of 0.66%; compared to fourth quarter 2015 loss of $795,000, and a first quarter 2015 profit of $26,000.
    - The stated book value per share increased from $0.31 per share at December 31, 2015, to $0.41 per share at March, 31, 2016.

[Slide #23]

- Net income for the subsidiary CIBM Bank was $662,000 – compared to 4th quarter loss of $600,000 that was the result of nearly $600,000 in charges for the expense reduction program announced and losses on the sale of assets related to the work out of legacy non-performing assets.

[Slide #24]

- Non-performing assets to total assets at quarter end was 1.96% compared to 2.25% from year end 2015.
- As you can see from this slide we continued to realize improvement in several other key credit metrics in the first quarter.

[Slide #25]

- Our strong loan growth continued into the first quarter as total loans grew by $25 million, a 5.7% increase from year end 2015 and a 21% increase from end of the first quarter 2015.
- Again, the loan growth was fairly evenly distributed across our geographic markets and loan segments.
- As you can see this resulted in total assets ending at just under $600 million for the quarter.

[Slide #26]

- The earnings improvement at CIBM Bank is from increased net interest income from higher loan balances, and increased non-interest income from growth in our mortgage division.
  - As mentioned earlier much of the loan growth experienced in 2015 occurred late in the fourth quarter so we just began seeing the revenue impact of this growth in the first quarter of 2016.
  - Non-interest income improved in the first quarter due to the expansion of our mortgage lending division. However, the production from our new mortgage lenders really began mid-February so the first quarter results do not reflect their full capacity.
  - Our expense reduction program had a relatively nominal impact in the first quarter. We expect a significant portion of the total $1.1 million per annum impact to be reflected in the second half of 2016.
  - We hired a dedicated SBA 7a lending officer in March, so no 7a loans were generated in the first quarter, but the pipeline is building.
  - Our first quarter earnings also reflect a $430,000 net gain on the sale of assets net of write-downs in our consolidated financial results. However, at the subsidiary CIBM Bank the net of OREO gains and other write-downs actually resulted in a loss of $95,000. So, without those losses, CIBM Bank would have reported net income of $757,000 versus the $622,000 actually reported.

[Slide #27]

Avenue Mortgage

- I want to speak a little about Avenue Mortgage and the impact it has had on our company.
- We acquired Avenue Mortgage in September 2013 with several goals in mind: increasing our own portfolio of residential mortgage loans, thus increasing net interest income while improving our total portfolio diversification; improve our non-interest income from the sale of loans to investors; utilize the Avenue platform to expand our mortgage services across the rest of our footprint to complement our retail banking services; and, one day, establish branches in the greater Chicago area leveraging the Avenue customer base already in place.
- Prior to acquiring Avenue our residential mortgages represented about 10% of our total loan portfolio or just over $30 million.
- At the end of the first quarter 2016 our residential mortgage portfolio totaled over $110 million – about 24% of the total loan portfolio.
- The residential mortgages we hold in our portfolio consist of three to ten year ARMs and fixed rate loans up to 15 year amortizations.
- A part of the decline in our net interest margin is due to this increase in our residential mortgage portfolio.
- The credit profile of first lien residential loans typically results in lower loss rates and, correspondingly, a lower product net interest spread than many other portfolio segments.
- But the value of diversifying the loan portfolio, increasing the total dollars of net interest income, and the cross selling opportunities with our retail banking services far outweigh the negative impact on the net interest margin.

[Slide #28]

- As mentioned earlier, at the end of 2015 we acquired 20 new mortgage loan officers and 5 additional support staff.
- The geographic footprint of the new lending team fits nicely with our expansion plans.
- Half of the lenders are in a contiguous market to our Naperville office and the other half are located in Indianapolis – a mile from our bank branch.

- Because of the unique nature of this opportunity, we had no acquisition cost associated with this growth opportunity.
- Meeting the short hiring timeline would not have been possible without the significant experience of our management team within this business line – in particular that of David Pendley and his team at Avenue, as well as our support service areas of the bank, including Human Resources and Information Technology.
- Another benefit of the new lending team is their mix of business, which includes a larger percentage of government loan programs, such as FHA.
- In February of this year we attained our FHA Direct Endorsement credentials which is important in delivering residential lending products to certain markets, including central Illinois, and it provides for improved pricing margins.
- We are very encouraged with the results we are seeing so far from the addition of the new lending team.
- Loan production volumes have increased when compared to last year – especially when you consider the significant refinance business we saw in the first quarter of 2015.
- We've seen improved utilization of support staff.
- We have a greater mix of "purchase money" business versus refinance.
- And, we have improved margins from the increased mix of FHA loans.

Summary of First Quarter

- To summarize our first quarter results, we believe the improvement we've seen in net interest income points to a significant improvement in the quality of the earnings of CIBM Bank in the first quarter– and with our continued growth in loan balances, the impact of our expense reduction plan in the coming months, implementation of our SBA lending strategies, and the growth in our mortgage business we are working to continue this trend throughout 2016.

[Slide #29]

Earnings Outlook

- As you might surmise, we view 2016 to be a transitional year for us and we've received many requests for some forward looking guidance. We decided to provide an earnings outlook for 2016 and 2017.
- Although we typically refer to our earnings outlook as our baseline forecast we are providing a range here to better reflect the scope of our planning – it represents substantial earnings growth and improvements over recent years.
- Our earnings outlook is $2.6 to $3.8 million in 2016 and $3.1 to $4.5 million in 2017, resulting in:
  - Total assets of $615 to $640 million at year-end 2016 and $635 to $670 million at year-end 2017,
  - 0.44% to 0.63% return on average assets in 2016 and 0.50% to 0.70% in 2017, and
  - Basic earnings per share of $0.14 to $0.21 in 2016 and $0.17 to $0.25 in 2017; and on a diluted basis $0.07 to $0.11 and $0.09 to $0.13, respectively.
- The key elements to meeting this forecast are:
  - Successful implementation of our expense reduction plan announced in January.
  - Continued, but moderate to strong, growth in commercial loans.
  - Modest to strong growth in our core deposits.

- Maintenance of our net interest margins.
- Strong credit metrics with normalizing provisions for loan losses.
- Modest to solid growth in new SBA lending activities.
- Moderate growth in our mortgage business segment.
- Stable operations and staffing conditions.

- Furthermore, this baseline forecast is predicated on the economic environment remaining stable through 2017 and it assumes for presentation here there are no adjustments in our net deferred tax assets, which Mark will discuss further in the Q&A session later.
- This earnings outlook provides a significant improvement over recent years and the management team believes it is capable of and is working towards these results.

[Slide #30]

QUESTION & ANSWER PERIOD
(Mark Elste)

A number of critical questions have been submitted for this Annual Meeting. We will attempt to answer all of them and, in the process, address key criticisms posed by Messrs. Clutterbuck and Wilson.

[Please see the Shareholder Question & Answer Slides for the text of this portion of the meeting.]

Thank you to all shareholders who submitted timely questions in advance of the meeting.

GOODBYE
(Mark Elste)

[Slide #47 (Logo)]
Ladies and gentlemen we wish to thank you for your participation in today's annual shareholder meeting. Although we are prepared for challenges and uncertainties, the remainder of 2016 and our expectation for 2017 is bright. Again, thank you. Members of the management team and the Board will be in the room immediately after the meeting in order to get to know you better. Good day to you all.