



CIB MARINE BANCSHARES, INC.

2016 Annual Report



**CIBM
BANK**

**CENTRAL
ILLINOIS BANK**

Solutions to count on.

A branch of CIBM Bank

**MARINE
BANK**

Milwaukee | Indianapolis

A branch of CIBM Bank

AVENUE BANK

A branch of CIBM Bank

Service | Solutions | Integrity

Dear Shareholders:

At our 2016 Annual Shareholder Meeting, held in May of last year, we discussed several initiatives we were pursuing to improve the profitability of the company and we provided an earnings outlook for 2016. We are very pleased to inform you that we were successful in executing on most of those initiatives and exceeded the earnings outlook.

To summarize our performance in comparison to the outlook provided, we ended the year with a consolidated net profit of \$4.1 million compared to our outlook range of \$2.6 million to \$3.8 million; total assets ended the year at \$654 million versus our outlook range of \$615 million to \$640 million; return on average assets for the year was 0.66% compared to our outlook range of 0.44% to 0.63%; and basic earnings per share was \$0.22 versus a range of \$0.14 to \$0.21 and on a fully diluted basis actual results were \$0.11 versus a range of \$0.07 to \$0.11. In the fourth quarter, we received a \$1.5 million settlement payment related to asset purchase transactions in 2006 and 2007, but even without this payment our results for net income and earnings per share still would have been within the outlook ranges provided.



J. Brian Chaffin, President & CEO, and Mark A. Elste, Chairman

We were successful in achieving the results expected from our expense reduction strategy announced at the beginning of 2016 and continued our efforts to deliver improved efficiencies and earnings:

- We continued to experience solid net loan growth in our commercial and residential loan portfolios from strong new originations in each loan segment.
- Deposit balances grew by nearly 9% and we implemented a new Customer Relationship Management system to support sales activities going forward.
- We consolidated administrative duties at some of our branches and reallocated resources to create new business development positions within our retail banking group. Half of the new business development positions have been filled as of year-end. We expect these new positions to have a positive impact on deposit growth and small business loan activity in 2017.
- Net interest margin declined slightly from 2015 to 2016, largely as a result of an increase in high quality, low yielding assets such as residential first mortgages and SBA reverse repurchase assets.
- We continue to report strong credit metrics with another year-on-year decline in the non-performing assets to total assets ratio. We also reported net recoveries and a reversal of provision to the allowance for loan losses for 2016.
- As a result of the addition of several new mortgage loan originators at the beginning of 2016, lower rates for most of the year, and improved margins, our mortgage division delivered better than expected performance in 2016.

- Our SBA initiatives provided a very modest contribution to earnings in 2016. We hired a 25 year SBA lending veteran, Joe Arie, in August to lead the SBA lending group, build the pipeline, and develop the internal procedures and controls necessary for this business unit.
- In the fourth quarter of 2016 we received our Certificate of Authority from the Illinois Department of Financial and Professional Regulation required to form a trust division. Led by Dan Rasmussen, General Counsel and Chief Administrative Officer, we plan to commence trust operations soon with an SBA 7(a) reverse repo product to provide clients higher returns on cash balances, while retaining the security of a government guaranteed investment.

One measure of the Company's improvement in 2016 is the performance of the Company's common stock on the OTCQB market. Although CIB Marine is not an SEC registered company, nor is it publicly traded on a national securities exchange, some trades in CIB Marine common stock are reported on the "Over the Counter" market, OTCQB, under the symbol CIBH. Based on trades reported on OTCQB, improvements in CIB Marine common stock values in 2016 were impressive, including:

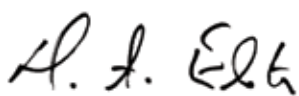
- CIBH final trading price on December 31, 2015 was \$0.43, compared to a closing price of \$1.08 on December 31, 2016, which represents an increase of 151% for 2016.
- The 2016 52-week trading range was from a low of \$0.27 to a high of \$1.45. Since September 2016, CIBH has consistently traded above \$1. The last time CIBH stock consistently traded above \$1 was July 2008.
- The OTCQB average CIBH price for the first quarter of 2016 was \$0.37 versus the fourth quarter average of \$1.17.
- Book value of CIB Marine common stock increased from \$0.31 to \$0.53, representing a 71% increase.

Looking forward to 2017, our focus continues to be on growing revenue, improving efficiency, and maintaining our strong capital and asset quality metrics. We will continue to add key employees to support revenue growth in our commercial lending, residential mortgage lending, SBA lending, and retail segments as well as begin marketing our trust services. While we understand the challenges our broad geographic footprint can bring for a community bank, we also recognize the tremendous opportunity to grow revenue by having access to the Indianapolis, Milwaukee and Chicago metropolitan markets as well as the mid-size markets of central Illinois.

Of course, access to great markets is pointless without great people to deliver and support the products and services we bring to the market. In this Annual Report, we are excited to share the profiles of a few of our professionals that contribute daily to the success of our company. We have also highlighted a few bank clients from across our markets to give a glimpse of the wide range of industries and communities we are honored to serve.

In summary, we are pleased with the progress made in 2016 to improve the profitability of your company, but there is still much work to be done. We are very appreciative of the hard work performed by our colleagues throughout the company, the tremendous relationships with our clients across our markets, and the support expressed by continuing and new shareholders this past year. We will continue the pursuit of improved performance for the benefit of our shareholders, customers, employees, and the communities we serve being ever mindful of our guiding core values of *Service, Solutions and Integrity*.

Sincerely,



Mark A. Elste
Chairman

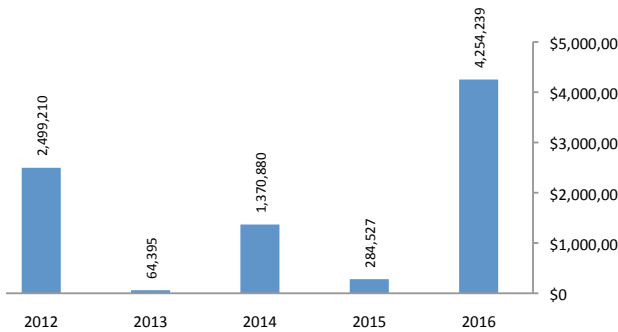


J. Brian Chaffin
President & CEO

(Dollars in thousands, except share and per share data)	At or for the Years Ended December 31				
	2016	2015	2014	2013	2012
SELECTED STATEMENTS OF OPERATIONS DATA					
Interest and dividend income	\$20,949	\$18,530	\$18,162	\$17,710	\$21,404
Interest expense	2,997	2,377	2,137	2,470	3,218
Net interest income	17,952	16,153	16,025	15,240	18,186
Provision for (reversal of) loan losses	(548)	61	379	(22)	(3,213)
Net interest income after provision for (reversal of) loan losses	18,500	16,092	15,646	15,262	21,399
Noninterest income (loss) (1)	9,400	4,426	3,656	1,049	(1,172)
Noninterest expense	23,779	21,117	18,996	17,665	18,810
Income (loss) from continuing operations before income taxes	4,121	(599)	306	(1,354)	1,417
Income tax expense	50	6	4	0	50
Net income (loss)	4,071	(605)	302	(1,354)	1,367
COMMON SHARE DATA					
Basic net income (loss)	0.22	(0.03)	0.02	(0.07)	0.08
Diluted net income (loss)	0.11	(0.03)	0.01	(0.07)	0.04
Tangible book value per share (2)	1.01	0.79	0.9	0.82	0.92
Book value per share (2)	0.53	0.31	0.42	0.34	0.42
Weighted average shares outstanding-basic	18,127,892	18,127,892	18,127,892	18,127,892	18,127,892
Weighted average shares outstanding-diluted	35,791,952	18,127,892	35,631,892	18,127,892	35,631,892
FINANCIAL CONDITION DATA					
Total assets	\$653,559	\$571,233	\$501,918	\$460,153	\$475,129
Loans	483,518	445,050	387,293	341,332	318,503
Deposits	483,097	443,571	400,201	387,901	394,684
Stockholders' equity	69,523	65,586	67,533	66,195	67,629
FINANCIAL RATIOS AND OTHER DATA					
Performance Ratios:					
Net interest margin (3)	3.01%	3.18%	3.44%	3.46%	3.80%
Net interest spread (4)	2.86	3.03	3.28	3.29	3.59
Noninterest income to average assets (5)	1.53	0.84	0.74	0.23	(0.40)
Noninterest expense to average assets	3.88	4.02	3.93	3.84	3.83
Efficiency ratio (6)	86.94	102.68	96.96	108.46	115.82
Earnings (loss) on average assets (7)	0.66	(0.12)	0.06	(0.29)	0.28
Earnings (loss) on average equity (8)	5.88	(0.89)	0.45	(2.03)	2.06
Asset Quality Ratios:					
Nonaccrual loans to total loans (9)	1.26%	0.70%	1.16%	1.06%	2.80%
Nonperforming assets, restructured loans and loans 90 days or more past due and still accruing to total asset (9)	1.67	2.25	2.94	4.48	5.93
Allowance for loan losses to total loans	1.57	1.81	1.95	2.43	3.57
Net charge-offs (recoveries) to average loans	(0.02)	(0.11)	0.31	0.95	0.46
Capital Ratios:					
Total equity to total assets	10.64%	11.48%	13.45%	14.39%	14.23%
Total risk-based capital ratio	15.4	15.45	17.21	18.05	19.34
Tier 1 risk-based capital ratio	14.15	14.2	15.95	16.79	18.07
Leverage capital ratio	11.14	12.27	13.5	14.89	14.39
Other Data:					
Number of employees (full-time equivalent)	171	173	154	154	137
Number of banking facilities	11	11	10	10	12

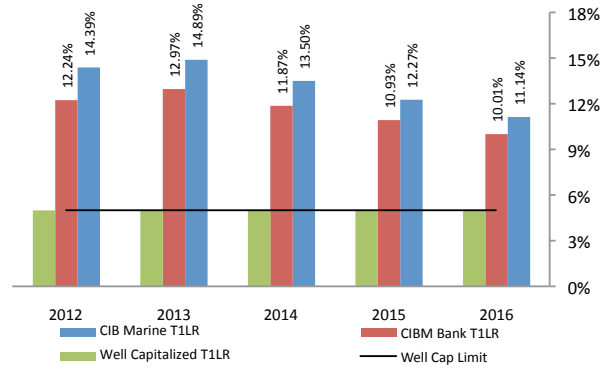
1. Noninterest income includes gains and losses on securities.
2. Tangible book value per share is the shareholder equity less the carry value of the preferred stock and less the goodwill and intangible assets, divided by the total shares of common outstanding. Book value per share is the shareholder 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.

CIBM Bank Net Income (at)



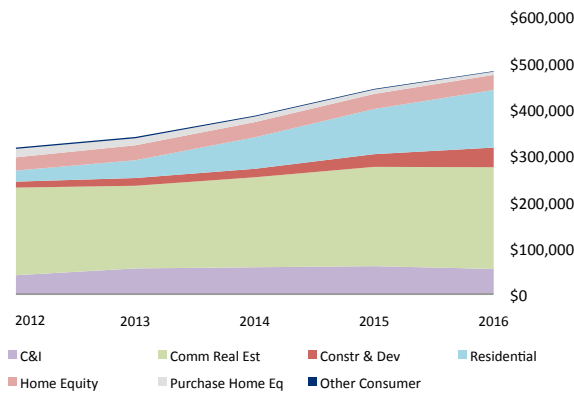
Our primary subsidiary, CIBM Bank, has been profitable over the prior 5 years. Growing loans, higher and more diverse revenues, and tightly managed expenses have helped to establish a higher quality of earnings in 2016 and for the future.

CIBM Bank & CIB Marine Bancshares, Inc. Tier 1 Leverage Ratio



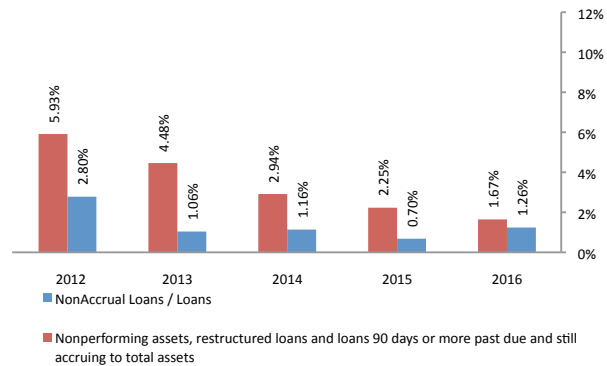
As assets have grown, CIBM Bank and CIB Marine Bancshares, Inc. have maintained a solid capital foundation well above the regulatory limit required for eligibility in the top "Well Capitalized" category. Retained earnings are an important contribution to continued capital health.

CIB Marine Bancshares, Inc. Loan Balances Outstanding (000s)



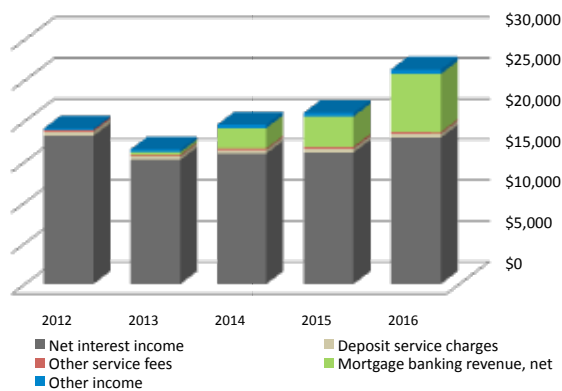
CIBM Bank's mortgage niche business sells most of its loans, but some have been strategically added to the portfolio. Commercial and construction loans have been a steady contributor to loan volumes and earnings.

CIB Marine Bancshares, Inc. Non-Performing Assets and Restructured Loans / Total Assets & Non-Accrual Loans / Loans



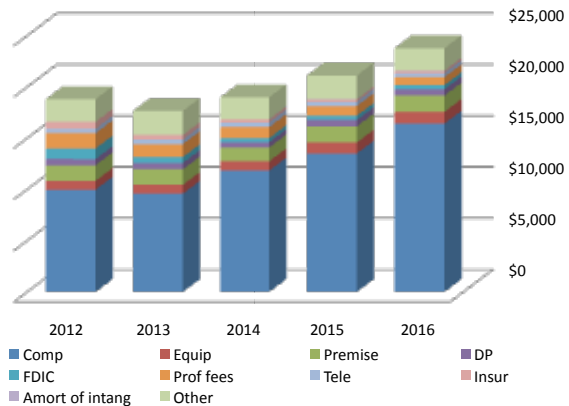
Asset quality trends continued to improve from the bottom of the credit cycle related to the 'Great Recession'. Bank level ratios are better than many peer bank ratios.

CIB Marine Bancshares, Inc. Banking Revenues (000s)



Net interest income has steadily risen on growing earning asset balances, but the primary difference over time has come from CIBM Bank's developing niche mortgage business.

CIB Marine Bancshares, Inc. Expenses (000s)



Compensation growth has resulted from the growth in our mortgage business, otherwise FTE and compensation are down over time. Other expenses are tightly controlled and contained.

CIB MARINE BANCSHARES, INC. & CIBM BANK

BOARD OF DIRECTORS

Mark A. Elste, Chairman

**Chairman of the Boards of
CIB Marine Bancshares Inc. & CIBM Bank**

Director Since: 2011

Committees:

Executive Loan and Investment Advisory (Chair)

Charles E. Baker

Retired Partner, Ernst & Young LLP

Director Since: 2008

Committees:

Audit, Compensation & Stock Option (Chair),
and Nominating (Chair)

Willard Bunn III

Managing Director, Colonnade Advisors, LLC

Director Since: 2010

Committees:

Audit, Compensation & Stock Option and
Executive Loan

J. Brian Chaffin

**President & CEO, CIB Marine Bancshares, Inc.
& CIBM Bank**

Director Since: 2015

John P. Hickey, Jr.

**Retired President, CEO & Chairman of
CIB Marine Bancshares, Inc. & CIBM Bank**

Director Since: 2007

Committees: Nominating

Mark D. Henderson

**Chief Information Officer, University of Illinois
at Champaign-Urbana**

Director Since: 2017

Gary L. Longman

Retired Partner, KPMG LLP

Director Since: 2004

Committees:

Audit (Chair) and Compensation & Stock Option

Charles D. Mires

**Retired Director of Fixed Income & Alternative
Strategies for private investment management firm**

Director Since: 2011

Committees: Audit, Compensation & Stock Option,
and Investment Advisory

Steve C. Palmitier

**President & COO, North American Company
for Life & Health Insurance and Midland National
Life Insurance Company**

Director Since: 2017

Ronald E. Rhoades

President & CEO, Plastic Container Corp.

Director Since: 2010

Committees:

Audit and Compensation & Stock Option



Executive Management
(left to right)

Back Row:
David Pendley,
Daniel Rasmussen,
Mark Wilmington,
Patrick Straka

Front Row:
James Mullaney,
Paul Melnick,
Brian Chaffin,
Joanne Blaesing

EXECUTIVE MANAGEMENT

<p>J. Brian Chaffin President & Chief Executive Officer</p>		<p>Patrick J. Straka EVP & Chief Financial Officer</p>	
<p>Joanne M. Blaesing SVP & Director of Community Development</p>	<p>Gary A. Maughan SVP & Mortgage Banking Director</p>	<p>Paul C. Melnick EVP & Chief Credit Officer</p>	
<p>James P. Mullaney III SVP & Director of Corporate Banking</p>	<p>Daniel J. Rasmussen EVP, Chief Administrative Officer, General Counsel & Secretary</p>	<p>Mark V. Wilmington SVP & Director of Retail Banking</p>	

SENIOR MANAGEMENT

<p>MILWAUKEE</p> <p>Julie A. Berg VP & Treasury Management Officer</p> <p>Michelle M. Bragstad VP & Chief Compliance Officer</p> <p>Bridget L. Condon VP & Corporate Banker</p> <p>Annette F. Esteves VP & Assistant Controller</p> <p>Gregory L. Huber VP & Corporate Banker</p> <p>William J. Kadrich SVP & Corporate Banker</p> <p>Pamela Mitchell VP & Loan Documentation Manager</p> <p>Elizabeth B. Neighbors VP & Shareholder Relations Manager</p> <p>Jill E. Sikorski SVP & Loan Services Manager</p> <p>Christopher J. Wood VP & Senior Credit Officer</p>	<p>CENTRAL ILLINOIS</p> <p>Lee W. Abner VP & Director of Technology Services</p> <p>David J. Bates VP & Senior Credit Officer</p> <p>R. Michael Beem VP & Corporate Banker</p> <p>Michael Dexter, Jr. SVP & Corporate Banker</p> <p>Cara N. Engel-Dalton VP & Retail Market Manager</p> <p>Melissa J. Halcomb VP & HR Manager</p> <p>Janet A. Nicholas VP & Director of IT Client Services</p> <p>Karoline Seitz-Goddard VP & Treasury Management Officer</p> <p>James C. Singleton VP, Facilities Manager & Security Officer</p> <p>Todd Somers VP & Treasury Operations Manager</p> <p>Linda L. Wolken VP & Retail Operations Manager</p>	<p>NAPERVILLE</p> <p>Barbara A. Carroll VP & Cashier</p> <p>INDIANAPOLIS</p> <p>Mel A. Novilla VP & Corporate Banker</p> <p>Kimberly J. Van Arsdale VP & Treasury Management Officer</p> <p>Kenneth B. Yedlick VP & Corporate Banker</p> <p>AVENUE MORTGAGE</p> <p>David R. Pendley Regional Sales Manager</p> <p>Lorraine Quintao VP & Mortgage Operations & Compliance Manager</p> <p>GOV'T GUARANTEED LENDING</p> <p>Joseph M. Arie SVP & Government Guaranteed Lending Division Manager</p>
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CIB Marine Bancshares, Inc. (OTCQB: CIBH) is a single bank holding company with its principal executive offices in Waukesha, Wisconsin, a suburb of Milwaukee.

The company was originally incorporated in the State of Illinois in 1985 as Sidney Bancorporation, Inc. In September 1987, a group of investors acquired the company and subsequently changed its name to Central Illinois Bancorp, Inc. On August 27, 1999, Central Illinois Bancorp reincorporated as a Wisconsin corporation and changed its name to CIB Marine Bancshares, Inc.

CIB Marine Bancshares, Inc. owns and operates CIBM Bank, an Illinois chartered commercial bank which operates as "Marine Bank" in Indiana and Wisconsin, "Central Illinois Bank" in central Illinois and "Avenue Bank" in Chicagoland. The Avenue Mortgage division of the bank, headquartered in Naperville, Illinois, serves all CIBM Bank markets. As of December 31, 2016, CIBM Bank had total assets of \$652 million, and operated eleven banking branches and four mortgage lending offices.

CIBM Bank offers a full array of traditional banking services, including a broad range of loan products, such as commercial loans, commercial real estate loans, commercial and residential construction loans, government guaranteed loans, one-to-four family residential real estate loans, consumer loans, and commercial and standby letters of credit; acceptance of demand, savings and time deposits; commercial paper and repurchase agreements; and other banking services.



CORPORATE BANKING

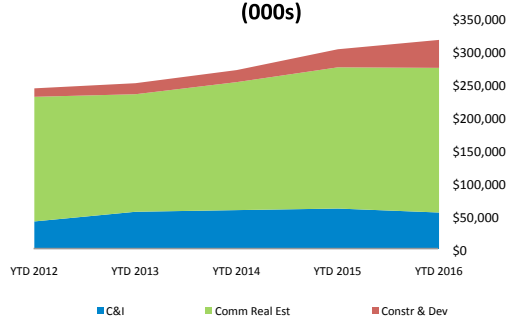
Innovative Products and Solutions, Community Banking Principals

As a community banking company, we believe that an emphasis on relationship banking builds greater customer satisfaction, resilient business associations and, ultimately, a stronger company for customers, communities, and shareholders alike. We provide our corporate banking customers industry-leading products and solutions to allow them to compete and grow - and we do it with a banking model that only a community bank can provide.

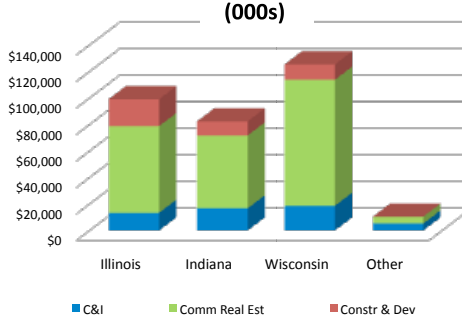
The Corporate Banking Division had a significant and positive impact on the 2016 financial performance of the bank. Loan originations during 2016 were \$75.2 million, exceeding 2016 loan production goals. Loan production came rather evenly from all three primary Corporate Banking markets: Indiana, Illinois and Wisconsin. This production contributed to the year-end commercial loan portfolio balance of \$317.2 million. Corporate Banking achieved this volume while simultaneously improving upon the commercial loan portfolio's multiple credit risk measurements. New corporate deposit originations for 2016 were \$2.3 million, loan fee origination exceeded 2016 goals, and Treasury Management fee growth for 2017 has momentum from the addition of new client relationships.

2017 initiatives for Corporate Banking include targeted loan generation along a similar trajectory as the past two years. A portion of that target includes heightened SBA 7(a) and 504 financing opportunities. Goals also include continued focus on CRA opportunities within the bank's markets. Treasury Management fee income and corporate deposit origination goals will employ business calling efforts toward deposit only and large deposit prospects. A related initiative will develop a deposit product promotion campaign for commercial purposes during 2017 to add new relationships. An additional Corporate Banking initiative will be to add qualified lending staff and to build out our presence in the Wheaton/Naperville market.

Commercial Loan Segment Balances and Growth (000s)



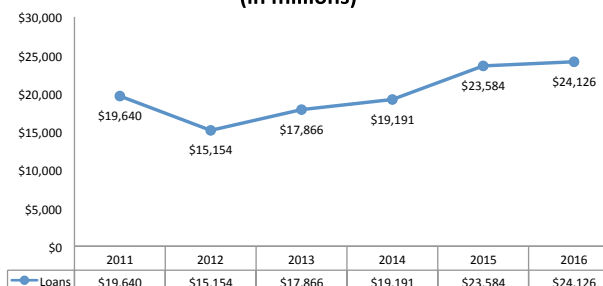
Commercial Segment Loan Geographic Distribution (000s)



GOVERNMENT GUARANTEED LENDING

CIBM Bank's Government Guaranteed Lending Division was created in 2016 to expand the bank's activities related to originating and selling the government guaranteed portion of SBA loans. Joe Arie, a long-time SBA lender and former member of the Board of Directors of the National Association of Government Guaranteed Lenders, joined the bank as its Senior Vice President & Government Guaranteed Lending Division Manager, to oversee the formation and development of the division. With roots in the Champaign/Urbana area but currently based in Florida, Mr. Arie will manage a team of lenders that will originate SBA 7(a) Government Guaranteed Loans in the bank's existing markets of Illinois, Wisconsin, and Indiana; in contiguous states to those markets; and in states surrounding Mr. Arie's location, including Florida, Georgia, North Carolina and South Carolina.

National Volume of 7(a) Loans Approved by SBA (in millions)



CIBM Bank lenders have commenced direct origination of SBA 7(a) loans across all of our markets. The bank intends to expand government guaranteed lending in 2017 by hiring additional lenders and underwriters in strategic markets.

CONSUMER BANKING

Retail Banking & Mortgage Lending, Community Banking Attention

Great consumer banking results are often the result of great bank/customer collaborations. As our competitors move to business models that virtually eliminate the relationship aspect of consumer banking, we remain true to our community banking philosophy. We provide consumers all of the latest tools and conveniences in electronic banking, but understand that when a customer needs help, CIBM Bank staff can offer personalized solutions that an app or a website cannot provide.

Retail

The Retail Division will continue to build on the groundwork laid in 2016 in to 2017 as we endeavor to grow deposits and loan volumes, increase efficiencies, and develop employees.

- The bank experienced growth in deposit balances in 2016 of nearly 9%, largely attributed to significant increases in money market and certificates of deposit balances.
- The Acceleration Banking product (a high interest checking and savings program) continues to be an area of emphasis that will be a leading initiative in 2017.
- Implementation of new customer relationship software has created a more holistic view of each customer and improved our overall customer-centric strategy. In 2017, enhancement of the already successful service and operational aspects of the system will be integrated with additional modules of the software to boost our everyday sales approach and aid in self creation of target lists for front line users.
- In 2016, we engaged in a testing period of targeted display advertising in the Wheaton and central Illinois markets. We will execute this strategy in Elm Grove, Waukesha, Wheaton, Bloomington, Peoria, and Champaign consistently throughout 2017. Targeted display includes website retargeting, search retargeting, keyword contextual retargeting, geo-fencing, and conversion zones.
- The retail banking software platform will undergo an upgrade in 2017 which will allow for smoother and more efficient customer interactions.
- A Business Development Group was created in the Retail Division in 2016. These employees focus on small business lending, commercial and retail deposit growth, and conventional commercial lending within the communities they are located. We currently have officers in the Champaign and Milwaukee markets, and are looking to expand to the Wheaton and Bloomington markets in 2017.
- During 2015 and 2016, the number of customers enrolled in the bank's e-statement program increased 75%, which allows the bank to deliver statements to customers in a faster and more secure fashion, while gaining efficiencies.
- Retail staff training in sales, cross-marketing, and customer service was an area of emphasis in 2016 and will continue in 2017.

Avenue Mortgage



Gary A. Maughan,
SVP & Mortgage Banking Director

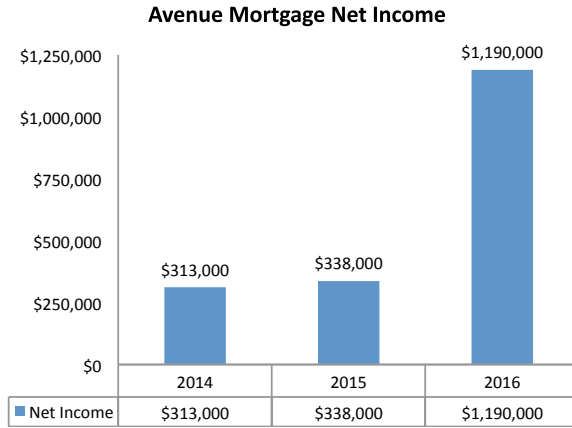
The Avenue Mortgage Division of CIBM Bank ("Avenue") added 20 lenders to its lending force in late 2015, due to an opportunity to hire an entire team of lenders and support staff based in the Chicago and Indianapolis markets. The acquisition meant the establishment of two additional mortgage lending offices, and positioned the division for a strong 2016, which resulted in 92% growth in mortgage revenue and a \$5 million increase in noninterest income attributable to mortgage lending activity.

In the third quarter, David Pendley, who founded Avenue Mortgage Corp. over 25 years ago, requested a new role with the company in mortgage loan originating and serving as a coach and mentor to other mortgage lenders through training and development. Gary Maughan was promoted to the role of Mortgage Banking Director to succeed Mr. Pendley. Mr. Maughan has a long history in sales and management in the mortgage industry, including more than 20 years

with the Avenue staff, and has continued to grow and develop the division into an integral part of the bank.

In 2017, Avenue will focus on increased efficiencies through the implementation of a new loan origination system that will improve productivity and maintain compliance standards in the highly regulated world of consumer lending. Avenue also continues to recruit seasoned loan officers in each of our markets to support continued loan origination growth, and works closely with other divisions of the bank to market our services to all bank customers.

In 2016, Avenue Mortgage developed an Affordable Loan Program (ALP), designed to assist homeowners in low and moderate income areas that often cannot qualify for traditional conventional financing. We look forward to expanding this program in 2017, as an integral part of our commitment to contribute to our communities' quality of life and economic development.



COMMUNITY SERVICE



Illinois Marathon

CIB Marine Bancshares believes that when nonprofit organizations grow stronger, the communities they serve are strengthened. CIB Marine Bancshares has had a long-standing commitment to providing quality financial solutions to our clients and communities alike. The word "Service" in CIBM Bank's motto *Service, Solutions and Integrity* speaks directly to the high value we place on assisting others and doing our part in the communities we serve – the same communities where we live and work. Our service takes many forms, including volunteering, charitable giving, and community investment.



National Night Out - Brookfield, Wisconsin

We continue our tradition of supporting events that give our communities their unique personality, including National Night Out (Brookfield, Wisconsin), CommUniversity Day (Bloomington, Illinois) and the Illinois Marathon (Champaign, Illinois). Staff members volunteered their time with a variety of charitable organizations, including Habitat for Humanity,



C-U at Home One Winter Night

CASA (Court Appointed Special Advocates) of Peoria County, and C-U at Home (Champaign, Illinois).

We are proud of the community spirit and generosity of our employees who help to improve their communities every day. Please follow us on Facebook and LinkedIn to see their hard work in action, and join us as we give back.



*Kenneth Bilger,
CEO
(Christie Clinic)*

*J. Brian Chaffin,
President & CEO
(CIBM Bank)*

*R. Michael Beem,
Corporate Banker
(CIBM Bank)*

CHRISTIE CLINIC

Christie Clinic has been providing the people of East Central Illinois with the highest quality of healthcare since 1929. With more than 180 healthcare providers, over 40 departments, and 35 specialties, Christie physicians and staff can take care of virtually every aspect of your family's health. CIBM Bank and Christie Clinic have enjoyed a 20 year relationship encompassing a multitude of banking services. Our Central Illinois Bank team is a proud sponsor of the Christie Clinic Illinois Marathon – an event that exemplifies Christie Clinic's commitment to creating a healthy community.



*Julie A. Berg,
Treasury
Management
Officer
(CIBM Bank)*

*Steve Bayerlein,
President
(Kenrich Industrial)*

*William J. Kadrich,
Corporate Banker
(CIBM Bank)*

KENRICH INDUSTRIAL

Kenrich Industrial, Inc. is the longest-running tool distributor in Wisconsin and a leading provider of industrial air DC tools and material handling equipment to a diverse range of industries throughout the Midwest and the nation, including food, power, assembly, fabrication and foundry. In addition, Kenrich provides repair and inspection services for all products they sell. Kenrich is one part of a collection of companies owned and operated by three generations of the Bayerlein family across multiple industries. CIBM Bank is proud to have served the banking needs of Kenrich Industrial and its related businesses through a relationship that dates back to the 1990s.

"CIBM Bank takes a cost effective approach to our business. Unlike the big banks, they are flexible, cost effective, and handle us on an individual basis, which is why they are our bank of choice." – Steve Bayerlein, President



Franklin D. Longfellow, and Cameron S. Brown, Branch Manager (CIBM Bank)

FRANKLIN D. LONGFELLOW

"You come back for the service. Over the years I have worked with many wonderful bankers at CIBM, and they do the extra things you would hope all banks would do. They make it possible for you to have access to people like Mark Wilmington (Director of Retail Banking). In some institutions you feel like you are just a number and would never be recognized. Instead, I have a conversation with these individuals whenever we see each other. I don't know why more people don't bank local." – Franklin D. Longfellow on why he has banked with Central Illinois Bank since the opening of the Champaign office (1988).

ITAMAR N. COHEN

With over 15 years of experience in the commercial real estate industry, Mr. Itamar N. Cohen owns and operates multiple properties in the Indianapolis, Indiana market and currently directs the commercial real estate division of Berkshire Hathaway HomeServices Indiana Realty. Prior to becoming a commercial real estate broker, Mr. Cohen was the operations manager of over 3,000 apartment units and more than twenty multi-tenant office and retail buildings.

A relative newcomer to CIBM Bank, Mr. Cohen is considered an influential leader in the Indianapolis commercial real estate sector and a valuable resource in the commercial real estate industry. We are pleased to be able to offer Mr. Cohen the services and support he needs to successfully compete in the complex and fast-paced world of commercial real estate.



Mel A. Novilla, Corporate Banker (CIBM Bank), and Itamar N. Cohen



"Michelle has a superior understanding of the complex world of banking regulations and compliance. She has the unique ability to be both an effective teacher to employees and a compliance gatekeeper – and she does it all with a great attitude that makes her a role model for other employees."

– Daniel J. Rasmussen, EVP & General Counsel

"We have been fortunate to have Erica assisting customers at the teller line in Peoria branches over the last 17 years. Her dedication to the organization and helpfulness to customers resonates with a smile in every client transaction and office interaction."

– Mark Wilmington, SVP & Director of Retail Banking

MICHELLE BRAGSTAD

Title: VP, Chief Compliance Officer
Branch: Elm Grove, Wisconsin
Years of Service: 13+ years

What does working at CIBM Bank mean to you/what is your favorite part about working for CIBM Bank?

CIBM Bank fosters an environment where you are appreciated for your strengths. On every level I find that my colleagues desire to do what's best for the Bank and its customers is their top priority. CIBM Bank, and the financial industry in general, has experienced many changes and I continue to enjoy being a member of the team to implement these changes and watching the company grow.

What is one accomplishment at work that you are most proud of? Why?

Working with the integration of the Avenue Mortgage Division into CIBM Bank in 2013 has been and continues to be a rewarding accomplishment. The experience has enabled me to understand multiple facets of the mortgage industry, to ensure consumer regulatory requirements are integrated into the process flow.

Tell us a little bit about your life outside of work.

I am lucky to be married to my best friend and husband Todd for the past 32 years. We have three wonderful children who have kept us busy supporting them in their various activities. I am an artist at heart with an array of hobbies; my most favorite of which would be working with stained glass, sewing, and antiques. I also play the cello and have a goal of some day learning to also play the piano!

ERICA JACKSON

Title: Teller Supervisor
Branch: Peoria-Sheridan, Illinois
Years of Service: 17+ years

What does working at CIBM Bank mean to you/what is your favorite part about working for CIBM Bank?

Working for CIBM Bank means working for a great company that cares about the employees. My favorite part about working here is working with my coworkers and helping customers daily.

What is one accomplishment at work that you are most proud of and why?

I am most proud of being promoted to a supervisor, and for working here for over 17 years! When I first began my career as a teller at the former East Peoria branch, and then transferred to the Peoria-Glen branch to take on the Teller Supervisor position.

What is something about yourself most people wouldn't know?

Most people don't know I served in the U.S. Army for a short time. I served one year active and two years in the reserves.

Tell us a little bit about your life outside of work.

I participate in the St. Paul Baptist Church Choir and we meet weekly for rehearsal. I also spend a lot of time with my grandkids. I enjoy going to the movies and bowling.

At CIBM Bank, we pride ourselves in creating a culture where our employees feel valued and cared for – just like family. Sometimes, that family role takes on a literal meaning. Meet two sisters who CIBM Bank is proud to call family.



"My sister recruited me into CIBM Bank and it's been the best career change I could have made. It has strengthened our relationship, both at home and work. We work very well together to get things done!" – Linda Wolken

LINDA WOLKEN

Title: VP, Operations Manager
Branch: Champaign, Illinois
Years of Service: 22+ years

What is one accomplishment at work that you are most proud of?

I've been very proud of the fact that I was able to grow along with the company. I've worked in various positions over the years, and was able to learn from many experiences and have been guided by some of the best people in the industry. Change is sometimes difficult, but being flexible, open to alternatives, and working through projects with everyone impacted makes them go a lot smoother.

What is something about yourself most people wouldn't know?

Well, I'm not sure anyone would know I can play the piano, but am pretty rusty since it's been a while since I've sat down to play. With the ability to read music, I also play hand bells in my church choir.

Tell us a little bit about your life outside of work.

My husband and I live on and work our family grain farm. We have a LARGE garden, and I spend a lot of time canning and freezing food from it. We have one son, and a daughter-in-law, expecting twins this spring. We're going to be a first time "Oma and Opa" and simply cannot wait!

"Linda is an invaluable resource to many of our colleagues throughout the company and has continued to adapt to the every-changing nature of bank operations. Linda is bright, efficient, thoughtful, diligent and a team player in every respect."

– J. Brian Chaffin, President & CEO

JANET NICHOLAS

Title: VP, Director of IT Client Services
Branch: Champaign, Illinois
Years of Service: 26+ years

Why did you first choose to work for CIBM Bank and why do you stay?

It has been one of the best decisions I've ever made. I love working here – there is never a dull moment and there are always new projects and challenges. The employees are very dedicated and fun to work with!

What is your favorite part about working for CIBM Bank?

Since the beginning, I have worked on some very exciting projects, which has allowed me to be challenged, but very rewarding in the end. My favorite part about working at CIBM is the employees, how they interact and genuinely care about helping in any way they can.

Tell us a little bit about your life outside of work.

My husband and I enjoy boating, pool time, going to the beach, gardening, and working on home improvement projects. I also love cooking, especially with canned goods from our garden. My favorite thing to do is take our pontoon boat out early morning and cook breakfast on the lake.

"Janet brings the meaning of service to a new level translating complicated support systems into user friendly capabilities for employees. Her integrity, work ethic and personable demeanor expressed as she works to deliver practical, cost-effective solutions that earns her admiration among her colleagues."

– Patrick J. Straka, EVP & Chief Financial Officer



"Lorraine has an incredible sense of responsibility and works as hard as anyone. She protects us as we compete for business. She identifies problems and addresses them quickly. Sales people and operations staff alike appreciate her tenacity in getting things done."

– Gary Maughan, SVP & Mortgage Banking Director

LORRAINE QUINTAO

Title: VP, Mortgage Operations and Compliance Manager
Branch: Avenue Mortgage-Naperville, Illinois
Years of Service: 3 years (+9 years at Avenue Mortgage)

Why did you first choose to work for CIBM Bank?
 At this stage of my life and career it's about the people. At CIBM Bank/Avenue Mortgage, we have a humble, hardworking team striving to deliver the best service we can. I love the fact that we are small, but growing each year. This promise of future growth and opportunities is both challenging and compelling.

What is something about yourself most people wouldn't know?
 Being raised in South Africa I have a fond appreciation for the outdoors and sports that are somewhat exciting. Surfing, motorcycles, and water skiing are a few of the activities I love doing. I was an international merchandise buyer for 15 years and have traveled far and wide once tripping around the world in 26 days from Africa to South and North America Asia and Europe.

Tell us a little bit about your life outside of work.
 I have been married to Mike, my husband, an engineer and crazy windsurfer for 30 years, and I have an amazing son who after graduating from graduate school took a position in Fort Lauderdale, Florida. Traveling either to Florida or back to South Africa with my family, sharing the activities we love is what life is about. There is nothing like a beach sunset shared with close friends and family, with good music playing after a long day in the sun and surf.



At CIBM Bank, you can envision your future because you create it.

Our goal is to recruit and retain the best of the best – individuals who truly care about building relationships with our customers and community, value teamwork, show energy, embrace accountability, and of course, provide remarkable customer service.

At CIBM Bank, we encourage and support employees in their quest to develop their career by providing the training and resources needed to succeed at CIBM Bank. We also provide a wide range of benefits and life enrichment opportunities, in an effort to create a positive life/work balance.

Visit our Careers webpage at www.cibmcareers.com for more information.

COMPLETE PRODUCTS AND SERVICES

PERSONAL DEPOSIT PRODUCTS

- Interest-Bearing Checking and Savings (Acceleration Banking)
- Classic Checking
- Personal NOW
- Alternative Checking
- Bonus Savings
- Planned Savings
- Kids Klub Savings
- Money Market
- Certificates of Deposit
- Health Savings
- Coverdell Education Savings
- Traditional IRA
- Roth IRA
- Simplified Employee Pension
- Online Banking
- eStatements
- Mobile Banking
- Deposit Anywhere
- Debit Cards
- Credit Cards
- Gift Cards
- Safe Deposit Boxes

BUSINESS DEPOSIT PRODUCTS

- Basic Business Checking
- Advantage Business Checking
- Premier Business Checking
- Business Savings
- Money Market
- Certificates of Deposit

BUSINESS BANKING

- Small Business Loans
- Commercial Loans
- Remote Deposit Capture
- Remote/Mobile Deposit
- Lockbox
- Electronic Receivables
- ACH
- Controlled Disbursement
- Positive Pay
- Zero Balance Accounts
- Direct Deposits
- Wire Access
- ACH
- Cash Concentration
- EFTPs
- Online Bill Pay
- Credit Cards
- Debit Cards
- Sweeps
- Merchant Services
- Repurchase Agreements
- U.S. Treasury Bills and Government Agency Discount Notes

RESIDENTIAL LENDING

- Single Family Mortgages
- Home Equity Lines of Credit and Fixed Term Loans
- Lot Loans
- Bridge Loans
- Construction Loans
- Construction-Permanent Loan

CONSUMER LENDING

- Auto Loans
- Personal Loans
- Specialty Loans
- Overdraft Line of Credit

COMMERCIAL LENDING

- Term Loans
- Real Estate Financing
- Interim Construction Loan Financing
- Revolving Lines of Credit
- Unsecured Line of Credit
- Letters of Credit
- Equity Financing
- Government Guaranteed Loans / SBA Loans

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MONTICELLO

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Waukesha, WI 53186

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Wheaton, IL 60187

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NAPERVILLE

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Naperville, IL 60563

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FORWARD-LOOKING STATEMENTS

CIB Marine has made statements in this Annual Report 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 this Annual Report 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.



Service | Solutions | Integrity

 EQUAL HOUSING LENDER. MEMBER FDIC.