



FOR IMMEDIATE RELEASE  
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### **CIB MARINE BANCSHARES, INC. ANNOUNCES 2018 FIRST 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 first quarter of 2018. *Pre-tax net income for the quarter ending March 31, 2018, was \$1.0 million compared to \$0.9 million for March 31, 2017. Pre-tax basic net income per share was \$0.05 and \$0.03 on a diluted basis for the quarter ending March 31, 2018, compared to \$0.05 and \$0.02, respectively, for the same period ending March 31, 2017.*

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

- Return on average assets on a pre-tax basis was 0.62% for the quarter ending March 31, 2018, compared to 0.56% for the same period in 2017.
- Book and tangible book value per share of common stock improved to \$2.06 and \$2.54, respectively, for March 31, 2018, compared to \$2.04 and \$2.53 at December 31, 2017.
- Pre-tax net income for subsidiary CIBM Bank was \$1.1 million for the quarter, the same as in 2017. Net interest income and non-interest income were higher in 2018, but offset by higher non-interest expenses.
- The net interest margin was reported at 3.20% for the quarter ending March 31, 2018, compared to 3.02% for the same quarter of 2017. Net interest income was up \$0.1 million compared to the same period of 2017.
- Non-interest income of \$1.9 million for the quarter ending March 31, 2018, was roughly the same as the same period in 2017, reflecting higher net mortgage banking revenues and lower gains on sale of SBA loans.
- Non-performing assets to total assets fell to 0.85% at March 31, 2018, from 1.13% at December 31, 2017, and 1.77% at March 31, 2017, due mostly to lower non-accrual loans.
- Non-accrual loans to total loans declined to 0.19% at March 31, 2018, from 0.69% at December 31, 2017, and 1.32% at March 31, 2017, due to collection activity and improved performance in prior non-accrual loans.

J. Brian Chaffin, CIB Marine's President and CEO, commented, "We were able to improve pre-tax earnings in the first quarter of 2018 compared to the same period last year on improved net interest income and higher mortgage revenues."

Mr. Chaffin added, "Our asset quality, reflected through our non-performing assets and non-accrual loan ratios, continued to improve and achieved new cyclical lows. Current lending markets reflect heightened price competition and term concessions. This explains, in part, our lower loan growth in 2017 and the first quarter of 2018. The Company continues to seek opportunities to add the right people in all our revenue producing areas to enhance growth in our main product and service lines."

CIB Marine Bancshares, Inc. owns and operates CIBM Bank, and Illinois chartered commercial bank, headquartered in Champaign, Illinois, which operates as "Marine Bank" in its Indiana and Wisconsin markets; "Central Illinois Bank" in its central Illinois market; and "Avenue Bank" in its Chicagoland market. The Avenue Mortgage Division of the bank, headquartered in Naperville, Illinois, serves all CIBM Bank markets. CIBM Bank operates eleven banking branches and six mortgage lending offices. More information on the Company is available at [www.cibmarine.com](http://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 March 31, 2018, and, accordingly, no dividend will be paid to preferred shareholders for such Dividend Period.

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#### **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.*

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**CIB MARINE BANCSHARES, INC.**  
**Selected Unaudited Consolidated Financial Data**

	At or for the						
	Quarters Ended					3 Months Ended	
	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	March 31, 2018	March 31, 2017
	(Dollars in thousands, except share and per share data)						
<b>Selected Statement of Operations Data</b>							
Interest and dividend income	\$ 6,009	\$ 6,177	\$ 6,056	\$ 5,732	\$ 5,562	\$ 6,009	\$ 5,562
Interest expense	1,185	1,121	1,140	973	892	1,185	892
Net interest income	4,824	5,056	4,916	4,759	4,670	4,824	4,670
Provision for (reversal of) loan losses	(126)	(218)	149	47	228	(126)	228
Net interest income after provision for (reversal of) loan losses	4,950	5,274	4,767	4,712	4,442	4,950	4,442
Noninterest income (1)	1,871	2,015	2,257	2,611	1,847	1,871	1,847
Noninterest expense	5,824	6,070	5,865	6,279	5,401	5,824	5,401
Income before income taxes	997	1,219	1,159	1,044	888	997	888
Income tax expense (benefit)	300	(22,689)	25	20	0	300	0
Net income	\$ 697	\$ 23,908	\$ 1,134	\$ 1,024	\$ 888	\$ 697	\$ 888
<b>Common Share Data</b>							
Basic net income per share	\$ 0.04	\$ 1.32	\$ 0.06	\$ 0.06	\$ 0.05	\$ 0.04	\$ 0.05
Diluted net income per share	0.02	0.65	0.03	0.03	0.02	0.02	0.02
Dividend	0	0	0	0	0	0	0
Tangible book value per share (2)	2.54	2.53	1.23	1.16	1.08	2.54	1.08
Book value per share (2)	2.06	2.04	0.75	0.68	0.60	2.06	0.60
Weighted average shares outstanding - basic	18,161,989	18,161,989	18,161,989	18,153,029	18,127,892	18,161,989	18,127,892
Weighted average shares outstanding - diluted	36,544,029	36,512,804	36,512,804	36,516,207	36,198,171	36,544,029	36,198,171
<b>Financial Condition Data</b>							
Total assets	\$ 663,580	\$ 662,394	\$ 640,340	\$ 650,051	\$ 631,160	\$ 663,580	\$ 631,160
Loans	472,746	483,611	490,089	488,289	483,501	472,746	483,501
Allowance for loan losses	(7,331)	(7,701)	(7,905)	(7,653)	(7,567)	(7,331)	(7,567)
Investment securities	115,596	114,801	112,670	111,160	111,745	115,596	111,745
Deposits	484,258	478,633	479,285	493,364	497,144	484,258	497,144
Borrowings	79,227	84,217	84,903	82,025	60,837	79,227	60,837
Stockholders' equity	97,407	97,066	73,556	72,279	70,819	97,407	70,819
<b>Financial Ratios and Other Data</b>							
Performance Ratios:							
Net interest margin (3)	3.20%	3.25%	3.07%	3.09%	3.02%	3.20%	3.02%
Net interest spread (4)	2.99%	3.05%	2.88%	2.92%	2.87%	2.99%	2.87%
Noninterest income to average assets (5)	1.15%	1.26%	1.37%	1.65%	1.16%	1.15%	1.16%
Noninterest expense to average assets	3.63%	3.79%	3.55%	3.96%	3.40%	3.63%	3.40%
Efficiency ratio (6)	87.28%	85.84%	81.76%	85.20%	82.88%	87.28%	82.88%
Earnings on average assets (7)	0.43%	14.93%	0.69%	0.65%	0.56%	0.43%	0.56%
Earnings on average equity (8)	2.89%	124.19%	6.11%	5.71%	5.10%	2.89%	5.10%
<b>Asset Quality Ratios:</b>							
Nonaccrual loans to loans (9)	0.19%	0.69%	0.99%	0.99%	1.32%	0.19%	1.32%
Nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing to total loans (9)	0.53%	1.02%	1.30%	1.36%	1.65%	0.53%	1.65%
Nonperforming assets, restructured loans and loans 90 days or more past due and still accruing to total assets (9)	0.85%	1.13%	1.49%	1.51%	1.77%	0.85%	1.77%
Allowance for loan losses to total loans	1.55%	1.59%	1.61%	1.57%	1.57%	1.55%	1.57%
Allowance for loan losses to nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing (9)	294.77%	156.68%	124.21%	72.81%	94.67%	294.77%	94.67%
Net charge-offs (recoveries) annualized to average loans	0.21%	-0.01%	-0.08%	-0.03%	0.21%	0.21%	0.21%
<b>Capital Ratios:</b>							
Total equity to total assets	14.68%	14.65%	11.49%	11.12%	11.22%	14.68%	11.22%
Total risk-based capital ratio	16.91%	16.62%	16.05%	15.93%	15.90%	16.91%	15.90%
Tier 1 risk-based capital ratio	15.66%	15.36%	14.80%	14.68%	14.65%	15.66%	14.65%
Leverage capital ratio	12.16%	12.39%	11.41%	11.56%	11.21%	12.16%	11.21%
<b>Other Data:</b>							
Number of employees (full-time equivalent)	184	183	179	181	181	184	181
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)**

	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
<b>Assets</b>					
Cash and due from banks	\$ 10,829	\$ 14,371	\$ 9,569	\$ 10,462	\$ 12,773
Reverse repurchase agreements	23,032	5,449	10,289	20,440	11,019
Securities available for sale	115,596	114,801	112,670	111,160	111,745
Loans held for sale	6,689	11,070	7,164	9,166	2,448
Loans	472,746	483,611	490,089	488,289	483,501
Allowance for loan losses	(7,331)	(7,701)	(7,905)	(7,653)	(7,567)
Net loans	465,415	475,910	482,184	480,636	475,934
Federal Home Loan Bank Stock	2,857	3,083	3,128	2,948	2,070
Premises and equipment, net	4,314	4,334	4,371	4,309	4,369
Accrued interest receivable	1,583	1,558	1,507	1,386	1,377
Deferred tax assets, net	22,836	22,613	-	-	-
Other real estate owned, net	3,164	2,584	3,153	3,153	3,153
Bank owned life insurance	4,516	4,494	4,468	4,441	4,414
Goodwill and other intangible assets	193	198	204	209	215
Other assets	2,556	1,929	1,633	1,741	1,643
Total Assets	\$ 663,580	\$ 662,394	\$ 640,340	\$ 650,051	\$ 631,160
<b>Liabilities and Stockholders' Equity</b>					
Deposits:					
Noninterest-bearing demand	\$ 74,397	\$ 70,024	\$ 72,875	\$ 79,888	\$ 76,088
Interest-bearing demand	34,657	32,979	31,756	31,961	33,027
Savings	182,795	182,581	174,174	183,608	192,175
Time	192,409	193,049	200,480	197,907	195,854
Total deposits	484,258	478,633	479,285	493,364	497,144
Short-term borrowings	79,227	84,217	84,903	82,025	60,837
Accrued interest payable	398	383	404	358	327
Other liabilities	2,290	2,095	2,192	2,025	2,033
Total liabilities	566,173	565,328	566,784	577,772	560,341
<b>Stockholders' Equity</b>					
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	18,384	18,384	18,346
Capital surplus	158,749	158,672	158,713	158,640	158,602
Accumulated deficit	(127,866)	(128,563)	(152,471)	(153,605)	(154,629)
Accumulated other comprehensive loss, net	(2,326)	(1,893)	(1,537)	(1,611)	(1,971)
Treasury stock 221,902 shares at cost	(534)	(534)	(533)	(529)	(529)
Total stockholders' equity	97,407	97,066	73,556	72,279	70,819
Total liabilities and stockholders' equity	\$ 663,580	\$ 662,394	\$ 640,340	\$ 650,051	\$ 631,160

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

	At or for the					3 Months Ended	
	Quarters Ended						
	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	March 31, 2018	March 31, 2017
	(Dollars in thousands)						
<b>Interest Income</b>							
Loans	\$ 5,125	\$ 5,384	\$ 5,188	\$ 4,997	\$ 4,826	\$ 5,125	\$ 4,826
Loans held for sale	73	102	104	79	46	73	46
Securities	775	643	640	598	611	775	611
Other investments	36	48	124	58	79	36	79
Total interest income	<u>6,009</u>	<u>6,177</u>	<u>6,056</u>	<u>5,732</u>	<u>5,562</u>	<u>6,009</u>	<u>5,562</u>
<b>Interest Expense</b>							
Deposits	948	910	871	817	749	948	749
Short-term borrowings	237	211	269	156	143	237	143
Total interest expense	<u>1,185</u>	<u>1,121</u>	<u>1,140</u>	<u>973</u>	<u>892</u>	<u>1,185</u>	<u>892</u>
Net interest income	4,824	5,056	4,916	4,759	4,670	4,824	4,670
Provision for (reversal of) loan losses	(126)	(218)	149	47	228	(126)	228
Net interest income after provision for (reversal of) loan losses	<u>4,950</u>	<u>5,274</u>	<u>4,767</u>	<u>4,712</u>	<u>4,442</u>	<u>4,950</u>	<u>4,442</u>
<b>Noninterest Income</b>							
Deposit service charges	111	126	132	129	113	111	113
Other service fees	34	36	45	54	46	34	46
Mortgage Banking revenue, net	1,374	1,507	1,821	2,027	1,142	1,374	1,142
Other income	132	229	127	127	97	132	97
Net gains on sale of securities	22	0	0	0	0	22	0
Net gains (losses) on sale of assets and (writedowns)	198	117	132	274	449	198	449
Total noninterest income	<u>1,871</u>	<u>2,015</u>	<u>2,257</u>	<u>2,611</u>	<u>1,847</u>	<u>1,871</u>	<u>1,847</u>
<b>Noninterest Expense</b>							
Compensation and employee benefits	4,056	4,015	4,099	4,333	3,705	4,056	3,705
Equipment	311	309	320	319	290	311	290
Occupancy and premises	417	413	386	381	390	417	390
Data Processing	154	143	168	136	140	154	140
Federal deposit insurance	49	24	55	81	87	49	87
Professional services	166	330	158	130	200	166	200
Telephone and data communication	78	90	87	88	81	78	81
Insurance	61	62	60	96	59	61	59
Other expense	532	684	532	715	449	532	449
Total noninterest expense	<u>5,824</u>	<u>6,070</u>	<u>5,865</u>	<u>6,279</u>	<u>5,401</u>	<u>5,824</u>	<u>5,401</u>
Income from operations before income taxes	997	1,219	1,159	1,044	888	997	888
Income tax expense (benefit)	300	(22,689)	25	20	0	300	0
<b>Net income</b>	<u>697</u>	<u>23,908</u>	<u>1,134</u>	<u>1,024</u>	<u>888</u>	<u>697</u>	<u>888</u>
Preferred stock dividend	0	0	0	0	0	0	0
<b>Net income allocated to common stockholders</b>	<u>\$ 697</u>	<u>\$ 23,908</u>	<u>\$ 1,134</u>	<u>\$ 1,024</u>	<u>\$ 888</u>	<u>\$ 697</u>	<u>\$ 888</u>