



FOR IMMEDIATE RELEASE  
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### **CIB MARINE BANCSHARES, INC. ANNOUNCES 2018 THIRD QUARTER RESULTS**

BROOKFIELD, Wis. – CIB Marine Bancshares, Inc. (the “Company” or “CIBM”) (OTCQB: CIBH), the holding company of CIBM Bank (the “Bank”), today announces its results of operations and financial condition for the third quarter of 2018. Pre-tax net income for the quarter was \$1.2 million, the same as the third quarter in 2017, and for the nine months ending September 30, 2018, it was \$3.3 million compared to \$3.1 million for the same period in 2018.

A summary of financial results for the quarter and nine months ended September 30, 2018, is attached. Selected highlights include:

- Pre-tax net income for subsidiary CIBM Bank was \$1.7 million for the quarter compared to \$1.3 million for the same period in 2017, and \$4.2 million for the nine months ending September 30, 2018, compared to \$3.6 million for the same period in 2017. The Company saw improved business activity across all of our major lines of business.
- The net interest margin was reported at 3.10% for the nine months ending September 30, 2018, compared to 3.06% for the same period in 2017. Net interest income was up \$0.5 million year to date compared to the same period of 2017, due to higher average earning asset balances and a higher net interest margin. The 2.97% net interest margin for the quarter ended September 30, 2018, was 10 basis points lower than in the same period of 2017 due primarily to a \$22 million increase in average balances of reverse repurchase agreements, which added net interest income but lowered the net interest margin due to its lower spread.
- Non-interest income improved \$1.1 million for the nine months ending September 30, 2018, compared to the same period in 2017, largely reflecting higher gains on the sale of SBA loans and net mortgage banking revenues.
- Non-interest expenses were higher by \$1.9 million for the nine months ending September 30, 2018, compared to the same period in 2017, due primarily to higher compensation and professional fees. The latter is due mostly to expenses related to the amendment to the Articles

of Incorporation that occurred earlier this year and activities associated with the repurchase of preferred shares by the Company.

- Non-performing assets to total assets was 1.11% at September 30, 2018, compared to 1.13% at December 31, 2017, and 1.49% at September 30, 2017, reflecting lower non-accrual loans and other real estate owned.
- Book and tangible book value per share of common stock improved to \$2.34 and \$2.71, respectively, for September 30, 2018, compared to \$2.04 and \$2.53 at December 31, 2017.
- During 2018, the carry value of preferred stock has declined \$11.6 million due to repurchases of preferred stock resulting in \$1.8 million being transferred to additional paid in capital through September 30, 2018. Whereas most of the repurchase transactions have cash settled, a liability has been established for those not yet settled but expect to be in the future.

J. Brian Chaffin, CIB Marine's President and CEO, commented, "The third quarter results reflect improvements in all of our major business areas. We had a strong production quarter for our commercial loan portfolio with outstanding balances rising \$19 million over the last 3 months, and our SBA and residential loan production are both up year to date and had solid third quarters."

Mr. Chaffin added, "Although rising interest rates and the related increased business activity in the economy have been welcome, it has created other kinds of challenges - as banking industry loan growth has increased the competition for new deposits coupled with higher short term interest rates has caused funding costs to rise. At the same time, asset quality ratios continue to reflect a strong economy with low unemployment and generally higher asset prices in real estate and equity. Coupled with a solid loan loss reserve at 1.62%, we have had lower provisions to loan loss reserves year to date. We are also happy to report that after September 30, 2018, the company received a \$1.0 million recovery on a loan that was charged-off more than five years ago. This event is not reflected in the results for the third quarter and will be reported in our fourth quarter financial results."

CIB Marine Bancshares, Inc. owns and operates CIBM Bank, an 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 nine 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.

### **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, execution, credit, market, security (including cyber), 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					9 Months Ended		
	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	September 30, 2018	September 30, 2017	
(Dollars in thousands, except share and per share data)								
<b>Selected Statement of Operations Data</b>								
Interest and dividend income	\$ 6,798	\$ 6,387	\$ 6,009	\$ 6,177	\$ 6,056	\$ 19,194	\$ 17,350	
Interest expense	1,767	1,406	1,185	1,121	1,140	4,358	3,005	
Net interest income	5,031	4,981	4,824	5,056	4,916	14,836	14,345	
Provision for (reversal of) loan losses	(13)	149	(126)	(218)	149	10	424	
Net interest income after provision for (reversal of) loan losses	5,044	4,832	4,950	5,274	4,767	14,826	13,921	
Noninterest income (1)	3,063	2,968	1,832	2,015	2,257	7,863	6,715	
Noninterest expense	6,871	6,737	5,824	6,070	5,865	19,432	17,545	
Income before income taxes	1,236	1,063	958	1,219	1,159	3,257	3,091	
Income tax expense (benefit)	345	241	289	(22,689)	25	875	45	
Net income	\$ 891	\$ 822	\$ 669	\$ 23,908	\$ 1,134	\$ 2,382	\$ 3,046	
<b>Common Share Data</b>								
Basic net income per share (2)	\$ 0.14	\$ 0.05	\$ 0.04	\$ 1.32	\$ 0.06	\$ 0.23	\$ 0.17	
Diluted net income per share (2)	0.07	0.02	0.02	0.65	0.03	0.12	0.08	
Tangible book value per share (3)	2.71	2.58	2.54	2.53	1.23	2.71	1.23	
Book value per share (3)	2.34	2.10	2.06	2.04	0.75	2.34	0.75	
<b>Financial Condition Data</b>								
Total assets	\$ 723,733	\$ 694,812	\$ 663,580	\$ 662,394	\$ 640,340	\$ 723,733	\$ 640,340	
Loans	507,677	488,762	472,746	483,611	490,089	507,677	490,089	
Allowance for loan losses	(8,217)	(8,055)	(7,331)	(7,701)	(7,905)	(8,217)	(7,905)	
Investment securities	118,345	119,571	115,596	114,801	112,670	118,345	112,670	
Deposits	523,729	517,452	484,258	478,633	479,285	523,729	479,285	
Borrowings	104,357	76,427	79,227	84,217	84,903	104,357	84,903	
Stockholders' equity	88,993	97,313	97,407	97,066	73,556	88,993	73,556	
<b>Financial Ratios and Other Data</b>								
Performance Ratios:								
Net interest margin (4)	2.97%	3.15%	3.20%	3.25%	3.07%	3.10%	3.06%	
Net interest spread (5)	2.72%	2.92%	3.00%	3.05%	2.88%	2.87%	2.89%	
Noninterest income to average assets (6)	1.72%	1.77%	1.15%	1.26%	1.37%	1.56%	1.39%	
Noninterest expense to average assets	3.82%	3.99%	3.63%	3.79%	3.55%	3.82%	3.64%	
Efficiency ratio (7)	84.63%	84.56%	87.28%	85.84%	81.76%	85.38%	83.31%	
Earnings on average assets (8)	0.50%	0.49%	0.42%	14.93%	0.69%	0.47%	0.63%	
Earnings on average equity (9)	3.77%	3.36%	2.78%	124.19%	6.11%	3.30%	5.65%	
<b>Asset Quality Ratios:</b>								
Nonaccrual loans to loans (10)	0.73%	0.53%	0.19%	0.69%	0.99%	0.73%	0.99%	
Nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing to total loans (10)	1.09%	0.82%	0.53%	1.02%	1.30%	1.09%	1.30%	
Nonperforming assets, restructured loans and loans 90 days or more past due and still accruing to total assets (10)	1.11%	0.94%	0.85%	1.13%	1.49%	1.11%	1.49%	
Allowance for loan losses to total loans	1.62%	1.65%	1.55%	1.59%	1.61%	1.62%	1.61%	
Allowance for loan losses to nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing (10)	148.99%	200.97%	294.77%	156.68%	124.21%	148.99%	124.21%	
Net charge-offs (recoveries) annualized to average loans	-0.14%	-0.48%	0.21%	-0.01%	-0.08%	-0.14%	-0.08%	
<b>Capital Ratios:</b>								
Total equity to total assets	12.30%	14.01%	14.68%	14.65%	11.49%	12.30%	11.49%	
Total risk-based capital ratio	14.39%	16.40%	16.90%	16.62%	16.05%	14.39%	16.05%	
Tier 1 risk-based capital ratio	13.14%	15.14%	15.64%	15.36%	14.80%	13.14%	14.80%	
Leverage capital ratio	9.87%	11.70%	12.15%	12.39%	11.41%	9.87%	11.41%	
<b>Other Data:</b>								
Number of employees (full-time equivalent)	188	184	184	183	179	188	179	
Number of banking facilities	11	11	11	11	11	11	11	

(1) Noninterest income includes gains and losses on securities.

(2) Net income available to common stockholders in the calculation of earnings per share includes the difference between the carrying amount less the consideration paid for redeemed preferred stock. This difference was \$1.8 million and \$1.7 million for the nine months and three month periods ending September 30, 2018.

(3) 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.

(4) Net interest margin is the ratio of net interest income to average interest-earning assets.

(5) Net interest spread is the yield on average interest-earning assets less the rate on average interest-bearing liabilities.

(6) Noninterest income to average assets excludes gains and losses on securities.

(7) The efficiency ratio is noninterest expense divided by the sum of net interest income plus noninterest income, excluding gains and losses on securities.

(8) Earnings on average assets are net income divided by average total assets.

(9) Earnings on average equity are net income divided by average common equity.

(10) Excludes loans held for sale.

**CIB MARINE BANCSHARES, INC.**  
**Summary Consolidated Balance Sheets (Unaudited)**

	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
(Dollars in thousands)					
<b>Assets</b>					
Cash and due from banks	\$ 10,055	\$ 9,752	\$ 10,829	\$ 14,371	\$ 9,569
Reverse repurchase agreements	45,076	28,403	23,032	5,449	10,289
Securities available for sale	118,345	119,571	115,596	114,801	112,670
Loans Held for Sale	8,145	15,407	6,689	11,070	7,164
Loans	499,460	480,707	465,415	475,910	482,184
All other assets	42,652	40,972	42,019	40,793	18,464
<b>Total Assets</b>	<b>\$ 723,733</b>	<b>\$ 694,812</b>	<b>\$ 663,580</b>	<b>\$ 662,394</b>	<b>\$ 640,340</b>
<b>Liabilities and Stockholders' Equity</b>					
Deposits	\$ 523,729	\$ 517,452	\$ 484,258	\$ 478,633	\$ 479,285
Short-term borrowings	104,357	76,427	79,227	84,217	84,903
All other liabilities	6,654	3,620	2,688	2,478	2,596
<b>Total liabilities</b>	<b>634,740</b>	<b>597,499</b>	<b>566,173</b>	<b>565,328</b>	<b>566,784</b>
<b>Stockholders' Equity</b>					
Total stockholders' equity	88,993	97,313	97,407	97,066	73,556
<b>Total liabilities and stockholders' equity</b>	<b>\$ 723,733</b>	<b>\$ 694,812</b>	<b>\$ 663,580</b>	<b>\$ 662,394</b>	<b>\$ 640,340</b>

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

	At or for the					9 Months Ended	
	Quarters Ended					September 30,	September 30,
	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	2018	2017
(Dollars in thousands)							
Interest Income	\$ 6,798	\$ 6,387	\$ 6,009	\$ 6,177	\$ 6,056	\$ 19,194	\$ 17,350
Interest Expense	1,767	1,406	1,185	1,121	1,140	4,358	3,005
<b>Net interest income</b>	<b>5,031</b>	<b>4,981</b>	<b>4,824</b>	<b>5,056</b>	<b>4,916</b>	<b>14,836</b>	<b>14,345</b>
Provision for (reversal of) loan losses	(13)	149	(126)	(218)	149	10	424
<b>Net interest income after provision for (reversal of) loan losses</b>	<b>5,044</b>	<b>4,832</b>	<b>4,950</b>	<b>5,274</b>	<b>4,767</b>	<b>14,826</b>	<b>13,921</b>
<b>Noninterest Income</b>	<b>3,063</b>	<b>2,968</b>	<b>1,832</b>	<b>2,015</b>	<b>2,257</b>	<b>7,863</b>	<b>6,715</b>
Compensation and employee benefits	4,514	4,682	4,056	4,015	4,099	13,252	12,137
Occupancy and premises	729	759	728	722	706	2,216	2,086
Other expenses	1,628	1,296	1,040	1,333	1,060	3,964	3,322
<b>Total noninterest expense</b>	<b>6,871</b>	<b>6,737</b>	<b>5,824</b>	<b>6,070</b>	<b>5,865</b>	<b>19,432</b>	<b>17,545</b>
<b>Income from operations before income taxes</b>	<b>1,236</b>	<b>1,063</b>	<b>958</b>	<b>1,219</b>	<b>1,159</b>	<b>3,257</b>	<b>3,091</b>
Income tax expense (benefit)	345	241	289	(22,689)	25	875	45
<b>Net income</b>	<b>891</b>	<b>822</b>	<b>669</b>	<b>23,908</b>	<b>1,134</b>	<b>2,382</b>	<b>3,046</b>
Preferred stock dividend	0	0	0	0	0	0	0
<b>Net income allocated to common stockholders</b>	<b>\$ 891</b>	<b>\$ 822</b>	<b>\$ 669</b>	<b>\$ 23,908</b>	<b>\$ 1,134</b>	<b>\$ 2,382</b>	<b>\$ 3,046</b>