



January 12, 2018

Dear Preferred Shareholder:

We are pleased to announce that a Special Meeting of Preferred Shareholders of CIB Marine Bancshares, Inc. (the "Company") will be held on Wednesday, March 14, 2018 at 1:00 p.m., central time (the "Special Meeting"). Notice of the Special Meeting and dial-in instructions will be distributed in the coming weeks along with the Special Meeting proxy materials.

The purpose of the meeting will be to vote on amendments to the Company's Amended and Restated Articles of Incorporation in order to allow the Company to (i) engage in non-mandatory, non-pro rata, preferred stock repurchases, including by way of certain modified Dutch auctions, upon terms acceptable to the Board of Directors, and (ii) permit the Board of Directors of the Company to adopt a Section 382 shareholder rights plan. A detailed description of the proposed actions and a copy of the Amendment to the Articles of Incorporation will be mailed in early February to each preferred shareholder of the Company as of the record date established for the Special Meeting.

**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 December 31, 2017 and, accordingly, no dividend will be paid to preferred shareholders for such Dividend Period.

Respectfully,



J. Brian Chaffin  
President & CEO

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*"Community Banking – The Way It Used To Be"*

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## **FORWARD-LOOKING STATEMENTS**

CIB Marine has made statements in this Shareholder Letter 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 Shareholder Letter 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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