



FOR IMMEDIATE RELEASE
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CIB MARINE BANCSHARES, INC. ANNOUNCES 2016 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 2016. *Net income for the first quarter was \$952,000 or \$0.05 per share.* This compares to a loss of \$795,000 or \$0.04 per share for the fourth quarter of 2015 and net income of \$26,000 or \$0.00 per share for the first quarter of 2015.

Select highlights for the quarter include:

- Return on average assets for the first quarter of 2016 is 0.66%, compared to -0.57% for the fourth quarter of 2015 and 0.02% for the first quarter of 2015.
- Net income for subsidiary CIBM Bank was \$662,000 – reflecting solid improvements in net interest income and non-interest income due to the growth in loans and a growing mortgage division.
- Total loans are up to \$470.4 million at quarter end, representing a 5.7% increase from year-end 2015 and 21.7% increase from the first quarter of 2015.
- Net interest income of \$4.4 million for the quarter is an increase of \$0.2 million from the fourth quarter of 2015 and \$0.6 million from the first quarter of 2015.
- Non-interest income of \$2.1 million for the quarter is an increase of \$1.5 million from the fourth quarter of 2015 and \$0.7 million from the first quarter of 2015; reflecting a doubling of the mortgage lender force, seasonal factors, and \$430,000 for the quarter in net gains from sale of OREO assets net of other write-downs.
- Non-performing assets to total assets at quarter end was 1.96%, compared to 2.25% from year-end 2015 and 2.95% from the first quarter of 2015.
- Net charge-offs to average loans for the quarter was -0.10% net recovery, compared to 0.03% net charge-off for the fourth quarter of 2015 and 0.06% net charge-off for the first quarter of 2015.
- The first quarter results do not yet reflect the \$1.1 million per annum cost savings announced in the February 4, 2016 Shareholder Letter, the effects of which will be more directly seen in the second half of the year.

“CIB Marine’s performance for the quarter was very strong and reflects achievements in our core banking fronts, consistent with our strategy for growing the Company,” said Mr. J. Brian Chaffin, President and Chief Executive Officer of CIB Marine Bancshares, Inc. “Quarterly earnings were up nicely as we continue to focus on revenue and profit goals. Performance was solid across the commercial and mortgage sales platforms with retail providing substantial new deposits to fund new asset growth.”

Mr. Chaffin added, “At the same time, our operational areas of the bank were very active assimilating the new mortgage loan officers added at the end of last year, developing our SBA related business activities, and implementing the cost reduction strategy we announced previously that will provide a cost savings of **\$1.1 million** per annum when fully implemented later in the year. As we look forward, there is no let-up on our part in growing our client relationship-based banking businesses along our corporate, mortgage and retail lines. We continue to pursue substantial targets across all business lines to deliver results for our shareholders and clients, but we are pleased with this quarter’s performance as an indicator of the type of core banking results we plan on delivering. Loan pipelines continue to be developed, local market development for mortgages is ongoing, and we have hired dedicated SBA lending staff.”

Mr. Chaffin concluded, “We did get a boost from net gains on sales of assets net of write-downs of about **\$430,000** as a result of certain collection-related and other activities. ***Net of those gains, net income was \$522,000 for the quarter reflecting both a higher amount and a better quality of earnings, which are the direct result of the strategic accomplishments of the Company and the progress it has made in growing its business.***”

CIB Marine Bancshares, Inc. is the holding company for CIBM Bank, which operates 11 banking offices in Illinois, Wisconsin and Indiana. More information on the Company is available at 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, 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.

CIB MARINE BANCSHARES, INC.
Selected Unaudited Consolidated Financial Data

	At or for the									
	Quarters Ended					Three Months Ended				
	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015	March 31, 2016	March 31, 2015			
	(Dollars in thousands, except share and per share data)									
Selected Statement of Operations Data										
Interest and dividend income	\$ 5,176	\$ 4,874	\$ 4,657	\$ 4,539	\$ 4,460	\$ 5,176	\$ 4,460			
Interest expense	735	654	595	557	571	735	571			
Net interest income	4,441	4,220	4,062	3,982	3,889	4,441	3,889			
Provision for (reversal of) loan losses	61	215	(337)	97	86	61	86			
Net interest income after provision for (reversal of) loan losses	4,380	4,005	4,399	3,885	3,803	4,380	3,803			
Noninterest income (1)	2,053	592	1,022	1,436	1,376	2,053	1,376			
Noninterest expense	5,481	5,386	5,114	5,464	5,153	5,481	5,153			
Income (loss) before income taxes	952	(789)	307	(143)	26	952	26			
Income tax expense	0	6	0	0	0	0	0			
Net income (loss)	\$ 952	\$ (795)	\$ 307	\$ (143)	\$ 26	\$ 952	\$ 26			
Common Share Data										
Basic net income (loss) per share	\$ 0.05	\$ (0.04)	\$ 0.02	\$ (0.01)	\$ 0.00	\$ 0.05	\$ 0.00			
Diluted net income (loss) per share	0.03	(0.04)	0.01	(0.01)	0.00	0.03	0.00			
Dividend	0	0	0	0	0	0	0			
Tangible book value per share (2)	0.90	0.79	0.90	0.89	0.93	0.90	0.93			
Book value per share (2)	0.41	0.31	0.42	0.41	0.45	0.41	0.45			
Weighted average shares outstanding - basic	18,127,892	18,127,892	18,127,892	18,127,892	18,127,892	18,127,892	18,127,892			
Weighted average shares outstanding - diluted	35,631,892	18,127,892	35,631,892	18,127,892	35,631,892	35,631,892	35,631,892			
Financial Condition Data										
Total assets	\$ 597,089	\$ 571,233	\$ 531,744	\$ 525,513	\$ 522,346	\$ 597,089	\$ 522,346			
Loans	470,424	445,050	414,643	394,319	386,588	470,424	386,588			
Allowance for loan losses	(8,235)	(8,064)	(7,883)	(7,670)	(7,586)	(8,235)	(7,586)			
Investment securities	97,474	94,702	92,674	90,912	96,696	97,474	96,696			
Deposits	467,334	443,571	415,185	402,858	407,247	467,334	407,247			
Borrowings	57,929	58,883	45,396	52,288	43,753	57,929	43,753			
Stockholders' equity	67,475	65,586	67,616	67,466	68,068	67,475	68,068			
Financial Ratios and Other Data										
Performance Ratios:										
Net interest margin (3)	3.15%	3.14%	3.18%	3.18%	3.22%	3.15%	3.22%			
Net interest spread (4)	3.00%	2.98%	3.03%	3.03%	3.05%	3.00%	3.05%			
Noninterest income to average assets (5)	1.42%	0.43%	0.77%	1.11%	1.09%	1.42%	1.09%			
Noninterest expense to average assets	3.78%	3.89%	3.87%	4.22%	4.13%	3.78%	4.13%			
Efficiency ratio (6)	84.40%	111.93%	100.59%	100.85%	98.12%	84.40%	98.12%			
Earnings (loss) on average assets (7)	0.66%	-0.57%	0.23%	-0.11%	0.02%	0.66%	0.02%			
Earnings (loss) on average equity (8)	5.75%	-4.65%	1.79%	-0.84%	0.15%	5.75%	0.15%			
Asset Quality Ratios:										
Nonaccrual loans to loans (9)	0.81%	0.70%	0.75%	1.39%	1.55%	0.81%	1.55%			
Nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing to total loans (9)	1.67%	1.96%	1.68%	2.44%	2.63%	1.67%	2.63%			
Nonperforming assets, restructured loans and loans 90 days or more past due and still accruing to total assets (9)	1.96%	2.25%	2.20%	2.83%	2.95%	1.96%	2.95%			
Allowance for loan losses to total loans	1.75%	1.81%	1.90%	1.95%	1.96%	1.75%	1.96%			
Allowance for loan losses to nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing (9)	105.00%	92.25%	113.03%	79.70%	74.66%	105.00%	74.66%			
Net charge-offs (recoveries) annualized to average loans	-0.10%	0.03%	-0.54%	0.01%	0.06%	-0.10%	0.06%			
Capital Ratios:										
Total equity to total assets	11.30%	11.48%	12.72%	12.84%	13.03%	11.30%	13.03%			
Total risk-based capital ratio	15.18%	15.45%	16.57%	16.86%	16.94%	15.18%	16.94%			
Tier 1 risk-based capital ratio	13.92%	14.20%	15.31%	15.60%	15.68%	13.92%	15.68%			
Leverage capital ratio	11.72%	12.27%	13.01%	13.09%	13.45%	11.72%	13.45%			
Other Data:										
Number of employees (full-time equivalent)	180	173	159	158	153	180	153			
Number of banking facilities	11	11	11	11	10	11	10			

(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

(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, 2016	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
(Dollars in thousands, except share data)					
Assets					
Cash and due from banks	\$ 9,136	\$ 9,170	\$ 8,037	\$ 9,407	\$ 6,694
Securities available for sale	97,474	94,702	92,674	90,912	96,696
Loans held for sale	10,176	12,275	5,157	18,440	20,359
Loans	470,424	445,050	414,643	394,319	386,588
Allowance for loan losses	(8,235)	(8,064)	(7,883)	(7,670)	(7,586)
Net loans	462,189	436,986	406,760	386,649	379,002
Federal Home Loan Bank Stock	2,170	2,170	2,170	2,170	2,170
Premises and equipment, net	4,716	4,771	4,830	4,826	4,790
Accrued interest receivable	1,468	1,296	1,471	1,245	1,412
Other real estate owned, net	3,859	4,126	4,698	5,229	5,259
Bank owned life insurance	4,310	4,285	4,259	4,234	4,209
Goodwill and other intangible assets	237	243	248	254	260
Other assets	1,354	1,209	1,440	2,147	1,495
Total Assets	<u>\$ 597,089</u>	<u>\$ 571,233</u>	<u>\$ 531,744</u>	<u>\$ 525,513</u>	<u>\$ 522,346</u>
Liabilities and Stockholders' Equity					
Deposits:					
Noninterest-bearing demand	\$ 74,564	\$ 77,580	\$ 70,644	\$ 74,514	\$ 75,121
Interest-bearing demand	32,096	33,192	30,320	29,909	33,149
Savings	175,576	162,663	153,134	155,364	159,105
Time	185,098	170,136	161,087	143,071	139,872
Total deposits	467,334	443,571	415,185	402,858	407,247
Short-term borrowings	57,929	58,883	45,396	52,288	43,753
Accrued interest payable	339	321	305	272	271
Other liabilities	4,012	2,872	3,242	2,629	3,007
Total liabilities	529,614	505,647	464,128	458,047	454,278
Stockholders' Equity					
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; 18,346,391 issued shares; 18,135,344 outstanding shares	18,346	18,346	18,346	18,346	18,346
Capital surplus	158,493	158,493	158,493	158,493	158,493
Accumulated deficit	(158,636)	(159,588)	(158,793)	(159,100)	(158,957)
Accumulated other comprehensive loss, net	(1,199)	(2,136)	(901)	(744)	(285)
Treasury stock 218,499 shares at cost	(529)	(529)	(529)	(529)	(529)
Total stockholders' equity	67,475	65,586	67,616	67,466	68,068
Total liabilities and stockholders' equity	<u>\$ 597,089</u>	<u>\$ 571,233</u>	<u>\$ 531,744</u>	<u>\$ 525,513</u>	<u>\$ 522,346</u>

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

	At or for the					Three Months Ended	
	Quarters Ended						
	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015	March 31, 2016	March 31, 2015
	(Dollars in thousands)						
Interest Income							
Loans	\$ 4,572	\$ 4,248	\$ 4,044	\$ 3,850	\$ 3,830	\$ 4,572	\$ 3,830
Loans held for sale	83	77	58	134	72	83	72
Securities	517	546	553	552	555	517	555
Other investments	4	3	2	3	3	4	3
Total interest income	5,176	4,874	4,657	4,539	4,460	5,176	4,460
Interest Expense							
Deposits	705	640	583	542	562	705	562
Short-term borrowings	30	14	12	15	9	30	9
Total interest expense	735	654	595	557	571	735	571
Net interest income	4,441	4,220	4,062	3,982	3,889	4,441	3,889
Provision for (reversal of) loan losses	61	215	(337)	97	86	61	86
Net interest income after provision for (reversal of) loan losses	4,380	4,005	4,399	3,885	3,803	4,380	3,803
Noninterest Income							
Deposit service charges	103	113	119	110	108	103	108
Other service fees	67	60	73	54	49	67	49
Mortgage Banking revenue, net	1,336	545	805	1,253	1,121	1,336	1,121
Other income	117	104	102	50	188	117	188
Net gains on sale of securities	0	0	0	0	13	0	13
Net gains (losses) on sale of assets and (writedowns)	430	(230)	(77)	(31)	(103)	430	(103)
Total noninterest income	2,053	592	1,022	1,436	1,376	2,053	1,376
Noninterest Expense							
Compensation and employee benefits	3,624	3,419	3,195	3,443	3,458	3,624	3,458
Equipment	273	277	262	261	268	273	268
Occupancy and premises	435	396	404	376	400	435	400
Data Processing	154	158	173	144	146	154	146
Federal deposit insurance	106	104	110	106	105	106	105
Professional services	249	228	277	284	153	249	153
Telephone and data communication	109	113	86	103	109	109	109
Insurance	54	53	55	56	57	54	57
Other expense	477	638	552	691	457	477	457
Total noninterest expense	5,481	5,386	5,114	5,464	5,153	5,481	5,153
Income (loss) from operations before income taxes	952	(789)	307	(143)	26	952	26
Income tax expense	0	6	0	0	0	0	0
Net income (loss)	952	(795)	307	(143)	26	952	26
Preferred stock dividend	0	0	0	0	0	0	0
Net income (loss) allocated to common stockholders	\$ 952	\$ (795)	\$ 307	\$ (143)	\$ 26	\$ 952	\$ 26