



Press Release

CIB MARINE BANCSHARES, INC. ANNOUNCES SECOND QUARTER EARNINGS

Business Editors

PEWAUKEE, WI August 14, 2002 – CIB Marine Bancshares, Inc. today announced that net income for the second quarter of 2002 was \$5.1 million, a decrease of \$1.4 million, or 21.6%, from \$6.5 million for the second quarter of 2001. Net income for the second quarter of 2002 includes securities gains, net of taxes, of \$0.6 million, compared to \$0.3 million for the second quarter of 2001. Diluted earnings per share were \$0.27 for the second quarter of 2002, compared to \$0.36 in the second quarter of 2001, a decrease of \$0.09 or 25.0%.

The decrease in net income was primarily due to a \$4.6 million increase in the provision for loan losses, from \$3.2 million in the second quarter of 2001 to \$7.8 million in the second quarter of 2002. The increase in the provision for loan losses was due to an increase in net charge-offs and nonperforming loans. Net charge-offs for the second quarter of 2002 were \$3.2 million, compared to \$0.8 million for the second quarter of 2001. The increase in net charge-offs was primarily the result of two borrowing relationships. Total nonperforming assets and loans 90 days or more past due and still accruing interest were \$60.0 million at June 30, 2002, compared to \$39.4 million at December 31, 2001, an increase of 52.4%. At June 30, 2002, approximately 84% of nonperforming assets and loans 90 days or more past due and still accruing interest were comprised of ten lending relationships. The ratio of nonperforming assets and loans 90 days or more past due and still accruing interest to total assets was 1.86% at June 30, 2002, compared to 1.34% at December 31, 2001. The ratio of the allowance for loan losses to nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing was 73.2% at June 30, 2002, compared to 94.1% at December 31, 2001. The ratio of the allowance for loan losses to loans was 1.61% at June 30, 2002 compared to 1.41% at December 31, 2001.

Net income for the six months ended June 30, 2002 was \$12.0 million, a decrease of \$0.2 million or 2.3%, from \$12.2 million for the first six months of 2001. Net income for the first six months of 2002 includes securities gains, net of taxes of \$1.3 million, compared to \$0.9 million for the first six months of 2001. Diluted earnings per share were \$0.65 for the first six months of 2002, compared to \$0.68 for the first six months of 2001, a decrease of \$0.03 or 4.4%.

The decrease in net income for the first six months of 2002 was also primarily the result of the increase in the provision for loan losses, which was \$11.8 million for the first six months of 2002, compared to \$5.9 million for the same period of 2001. Net charge-offs were \$3.9 million for the first six months of 2002, as compared to \$1.4 million in the same period of 2001.

Total assets at June 30, 2002 were \$3.2 billion, a 9.7% increase from total assets of \$2.9 billion at December 31, 2001. Net loans were \$2.5 billion at June 30, 2002, as compared to \$2.4 billion at



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December 31, 2001, a 7.4% increase. Stockholders equity was \$257.1 million at June 30, 2002, compared to \$237.1 million at December 31, 2001. The book value per share of common stock was \$14.10 at June 30, 2002, compared to \$13.27 at December 31, 2001.

CIB Marine Bancshares, Inc. is a multi-bank holding company which currently owns and operates six separately chartered banking organizations: Central Illinois Bank with 18 banking facilities located throughout central Illinois; CIB Bank - Chicago with 13 banking facilities located in the Chicago metropolitan area; Marine Bank - Wisconsin with seven banking facilities located in the Milwaukee metropolitan area; CIB Bank - Indiana with five banking facilities located in the Indianapolis metropolitan area; Marine Bank FSB with three banking facilities, one each in Omaha, Nebraska, Scottsdale, Arizona and Henderson, Nevada; and Citrus Bank with five banking facilities located in Florida.

This release contains forward-looking information. Actual results could differ materially from those indicated by these statements. CIB Marine's Annual Report on Form 10-K for the year ended December 31, 2001, including the captioned "Forward Looking Statements", and other periodic reports to the SEC contain information about factors that could affect actual results.

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