

# ANNUAL SHAREHOLDER MEETING

*May 24, 2012*

# CALL TO ORDER

*John P. Hickey, Jr.*

*Chairman of the Board of Directors*

# FORWARD LOOKING STATEMENTS

Statements made today during this annual meeting of shareholders and in the following presentation contain forward-looking information. Actual results could differ materially from those indicated by such statements. For information about factors that could affect actual results, including the Risk Factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2011, refer to that Annual Report and the discussions provided therein under captions “Forward-Looking Statements” and “Risk Factors,” as well as discussions in other periodic reports we file with the SEC.

# INTRODUCTIONS

- Board of Directors
- Crowe Horwath LLP
  - Computershare
- Management Team

# PROPOSAL 1: ELECTION OF DIRECTORS

## Nominated Directors:

- Mark A. Elste
- Charles D. Mires
- Ronald E. Rhoades

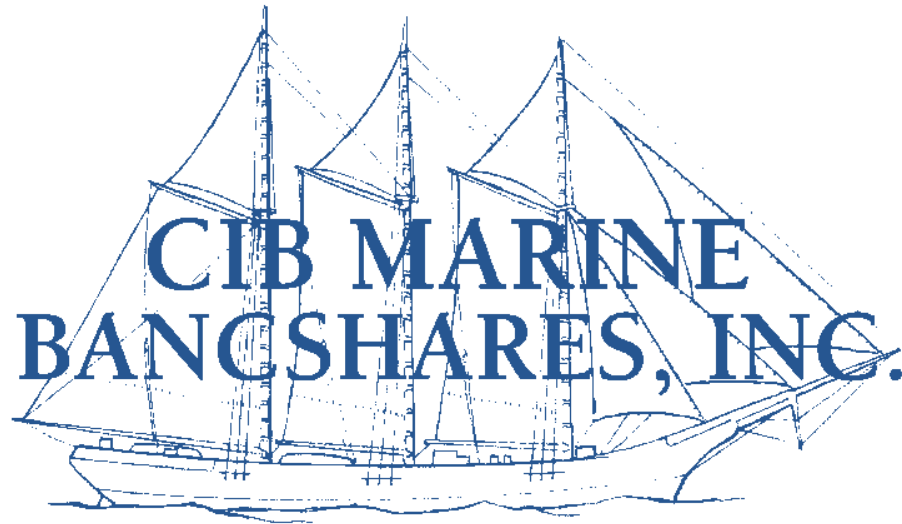
*Elected directors will serve until 2015.*

# **PROPOSAL II: RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**Crowe Horwath LLP**

**PRESENTATION  
TO  
SHAREHOLDERS**

*Charles J. Ponicki  
President & Chief Executive Officer*



CIB Marine provides personalized banking and related financial solutions to small and middle market businesses, their owners and employees, and consumer households in our communities. We leverage our entire banking team to provide our clients superior service with a high degree of professionalism and integrity. We operate our company to support our clients' enduring success, contribute to our communities' quality of life and economic development, provide growth opportunities and challenge for our employees and increase value for our shareholders.



# FINANCIAL PERFORMANCE

*Patrick J. Straka*  
*Chief Financial Officer*

# CIB MARINE BANCSHARES, INC.

## Income Statement Highlights

	3/31/12	12/31/11	12/31/10	12/31/09
	(dollars in 000s) (1)			
Selected Statement of Income Data:				
Net interest income	\$ 4,846	\$ 20,225	\$ 21,021	\$ 15,483
Provision for loan losses	73	6,381	15,345	27,373
Noninterest income	105	1,650	1,069	1,500
Noninterest expense	4,989	21,699	23,998	30,994
Loss before income taxes	(111)	(6,205)	(17,253)	(41,384)
Income tax expense	0	0	0	99
Net loss from continuing operations	(111)	(6,205)	(17,253)	(41,483)
Income from discontinued operations	0	781	0	711
Net loss before extraordinary net gain	(111)	(5,424)	(17,253)	(40,772)
Extraordinary gain (2)	0	0	0	54,497
Net income (loss)	\$ (111)	\$ (5,424)	\$ (17,253)	\$ 13,725

(1) Quarter to date at 3/31/12 and year to date at each of the year ends. 3/31/12 figures are unaudited. Year end figures are audited.

(2) Extraordinary gain on extinguishment of junior subordinated debentures, net of amortization and reorganization costs.

# CIB MARINE BANCSHARES, INC.

## Financial Ratios and Other Data

	3/31/12	12/31/11	12/31/10	12/31/09
	(dollars in 000s) (1)			
<b>Financial Ratios and Other Data:</b>				
Net interest margin	3.93%	3.72%	3.21%	1.90%
Noninterest income to average assets	0.08%	0.30%	0.14%	0.12%
Noninterest expense to average assets	4.02%	3.94%	3.62%	3.77%
Efficiency ratio	100.77%	99.20%	109.40%	188.62%
Number of full-time equivalent employees	139	137	145	165
Number of banking facilities	13	13	15	17

(1) Quarter to date at 3/31/12 and year to date at each of the year ends. 3/31/12 figures are unaudited. Year end figures are audited.

# CIB MARINE BANCSHARES, INC.

## Balance Sheet Highlights

	3/31/12	12/31/11	12/31/10	12/31/09
	(dollars in 000s) (1)			
<b>Balance Sheet Highlights:</b>				
Total assets excluding assets of companies held for disposal	\$ 502,104	\$ 503,976	\$ 587,943	\$ 708,686
Loans	348,386	357,632	415,778	470,668
Commercial Segments	274,495	283,065	330,278	365,527
Consumer Segments	51,684	50,966	57,521	68,801
Purchased Home Equity Loans	21,297	22,646	26,975	35,054
Securities	88,345	89,009	126,878	182,971
Cash and due from banks	58,908	44,828	27,267	30,235
Non-interest bearing checking accounts	57,524	58,884	54,547	52,750
Interest bearing checking accounts	30,041	29,080	31,140	32,325
Savings accounts	160,055	154,365	146,806	117,589
Time Deposits	174,917	180,257	261,034	386,786
Stockholders' equity	\$ 65,201	\$ 64,222	\$ 68,753	\$ 84,695

(1) Quarter to date at 3/31/12 and year to date at each of the year ends. 3/31/12 figures are unaudited. Year end figures are audited.

# CIB MARINE BANCSHARES, INC.

## Capital Highlights and Ratios

	3/31/12	12/31/11	12/31/10	
	(1)			For Capital Adequacy Purposes (2)
<b>Capital Ratios of Consolidated Company:</b>				
Total risk-based capital ratio	17.49%	16.93%	15.47%	8.00%
Tier 1 risk-based capital ratio	16.20%	15.64%	14.20%	4.00%
Tier 1 leverage capital ratio	13.49%	13.15%	11.80%	4.00%
<b>Capital Ratios of CIBM Bank:</b>				
Total risk-based capital ratio	14.75%	14.26%	13.36%	8.00%
Tier 1 risk-based capital ratio	13.47%	12.98%	12.09%	4.00%
Tier 1 leverage capital ratio	11.22%	10.93%	10.04%	4.00%

(1) Quarter to date at 3/31/12 and year to date at each of the year ends. 3/31/12 figures are unaudited. Year end figures are audited.

(2) Minimum capital ratios required to be considered adequately capitalized under applicable regulations. In addition, pursuant to the Consent Order, CIBM Bank is required to maintain a Tier 1 leverage capital ratio of at least 10% and a total risk based capital ratio of 12%.

# CREDIT QUALITY MANAGEMENT

*Paul C. Melnick*  
*Chief Credit Officer*

# CREDIT QUALITY MANAGEMENT

- Problem Asset Management and Reduction
- Concentration Management
  - Commercial Real Estate
  - Size of our credit relationships
- Underwriting in a Challenging Economic Environment
  - Underwriting standards
  - Pipeline activity

# PROBLEM ASSET MANAGEMENT

- Proactively Identify and Actively Manage Problem Assets
  - Strategies employed depend on circumstances
  - Strong workout team
  - Frequent monitoring
  - Goal/Objective setting
  - PHEQ recoveries



# CONCENTRATIONS

- Interagency Guidance for CRE Concentrations
  - Construction & Development plus non-owner occupied CRE
- Limits for Several Specific Categories
- Size of our Credit Relationships

# UNDERWRITING – CHALLENGING ENVIRONMENT

- Underwriting Standards
- Pipeline Activities

# RESULTS

Category		3/31/2012	12/31/2011	12/31/2010
Non-Accrual Loans		\$15.5MM	\$20.1MM	\$34.5MM
Substandard and Doubtful Loans		\$32.6MM	\$37.9MM	\$51.5MM
Special Mention Loans		\$16.2MM	\$26.6MM	\$37.4MM
Net Charge Offs		\$0.1MM	\$4.9MM	\$16.9MM
Provision For Loan Losses		\$73K	\$6.4MM	\$15.3MM

## GOING FORWARD

- Problem Asset Resolution Still High Priority
  - Loans & OREO
- Concentration Management
- Maintain Conservative Risk Appetite and Underwriting Standards
- New Business Development

# OPERATING FOCUS

- Credit
- Capital
- Earnings
- *CORE CUSTOMERS*

# CUSTOMER ACTIONS

- New hires in Corporate Banking
  - In our Indiana, Wisconsin and Illinois markets
- Investments in Infrastructure
  - IT Security, Branch Security, & miscellaneous refurbishing
- Cash Management
  - New product for our Corporate clients
- Marketing
  - Professional proposals & testimonials

# MISSION STATEMENT

CIB Marine provides personalized banking and related financial solutions to small and middle market businesses, their owners and employees, and consumer households in our communities.

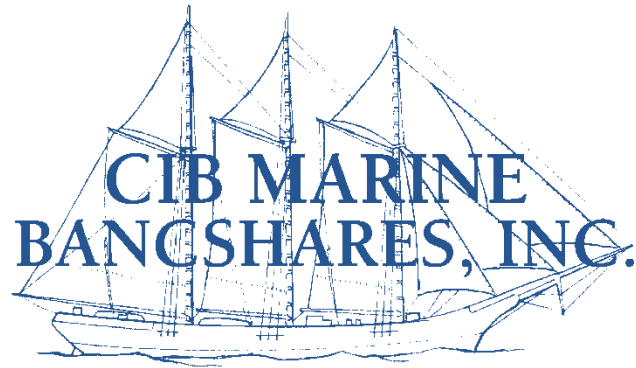
We leverage our entire banking team to provide our clients superior service with a high degree of professionalism and integrity.

We operate our company to support our clients' enduring success, contribute to our communities' quality of life and economic development, provide growth opportunities and challenge for our employees and increase value for our shareholders.

# STRATEGIC PLANNING

- East Peoria
  - Did not meet our internal requirements for growth
  - Location was less than optimal
- Deregistration
  - Financial benefits
  - Productivity benefits
  - Pink Sheets trading still permitted
  - Continue to provide information to shareholders





# **SHAREHOLDERS' QUESTIONS & COMMENTS**

