



Press Release

CIB MARINE BANCSHARES, INC. ANNOUNCES THIRD QUARTER EARNINGS

Business Editors

PEWAUKEE, WI November 19, 2002 – CIB Marine Bancshares, Inc. today announced that net income for the third quarter of 2002 was \$2.2 million, a decrease of \$4.6 million, or 67.4%, from \$6.8 million for the third quarter of 2001. Diluted earnings per share were \$0.12 for the third quarter of 2002, compared to \$0.37 for the third quarter of 2001, a decrease of \$0.25 or 67.6%.

The decrease in net income was primarily due to an \$8.6 million increase in the provision for loan losses, from \$3.1 million in the third quarter of 2001 to \$11.7 million in the third quarter of 2002. The increase in the provision for loan losses was due to an increase in net charge-offs, nonperforming loans and the credit risk associated with certain borrowing relationships. Net charge-offs for the third quarter of 2002 were \$3.3 million, compared to \$0.6 million for the third quarter of 2001. The increase in net charge-offs was primarily the result of three borrowing relationships. Total nonperforming assets and loans 90 days or more past due and still accruing interest were \$59.1 million at September 30, 2002, compared to \$39.4 million at December 31, 2001, an increase of 50.2%. At September 30, 2002, approximately 74.3% of nonperforming assets and loans 90 days or more past due and still accruing interest were comprised of nine lending relationships. The ratio of nonperforming assets and loans 90 days or more past due and still accruing interest to total assets was 1.77% at September 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 87.6% at September 30, 2002, compared to 94.1% at December 31, 2001. The ratio of the allowance for loan losses to loans was 1.82% at September 30, 2002 compared to 1.41% at December 31, 2001.

During the third quarter of 2002, CIB Marine also incurred \$1.8 million in litigation settlement expense. The litigation settlement expense was related to the settlement of two separate, but related lawsuits which arose in the ordinary course of the business of CIB Marine. Pursuant to the terms of the settlement, CIB Marine denies any wrongdoing in connection with the actions taken by CIB Marine giving rise to such litigation matters.

J. Michael Straka, President and CEO commented, "While we are disappointed with our third quarter results, we are confident that our business strategy of building commercial banking relationships with small to medium size businesses remains strong. We believe that the recent decrease in our asset quality is not an indication of the quality of the majority of the loans which comprise our loan portfolio, but rather the result of a few larger borrowing relationships. We are focused on and committed to working through these relationships and believe that our efforts will result in improved asset quality and increased profitability. The extent and success of our efforts, however, will also be dependent upon various external factors, including the economy."

Net income for the nine months ended September 30, 2002 was \$14.4 million, a decrease of \$4.7 million or 24.5%, from \$19.1 million for the first nine months of 2001. Diluted earnings per share were \$0.78 for



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the first nine months of 2002, compared to \$1.06 for the first nine months of 2001, a decrease of \$0.28 or 26.4%. The decrease in net income for the first nine months of 2002 was also primarily the result of the increase in the provision for loan losses, which was \$23.5 million for the first nine months of 2002, compared to \$9.0 million for the same period of 2001. Net charge-offs were \$7.3 million for the first nine months of 2002, as compared to \$2.0 million in the same period of 2001.

Total assets at September 30, 2002 were \$3.3 billion, a 13.1% increase from total assets of \$2.9 billion at December 31, 2001. Net loans were \$2.6 billion at September 30, 2002, as compared to \$2.4 billion at December 31, 2001, a 10.8% increase. Stockholders equity was \$259.8 million at September 30, 2002, compared to \$237.1 million at December 31, 2001. The book value per share of common stock was \$14.22 at September 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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