

# ANNUAL SHAREHOLDER MEETING

*May 23, 2013*

# CALL TO ORDER

*John P. Hickey, Jr.*

*Chairman of the Board of Directors*

# FORWARD LOOKING STATEMENTS

CIB Marine has made statements during today's presentation 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 in today's presentation or 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. 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.

# INTRODUCTIONS

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

# **PROPOSAL 1: ELECTION OF DIRECTORS**

## **Nominated Directors:**

- John P. Hickey, Jr.
- Charles E. Baker

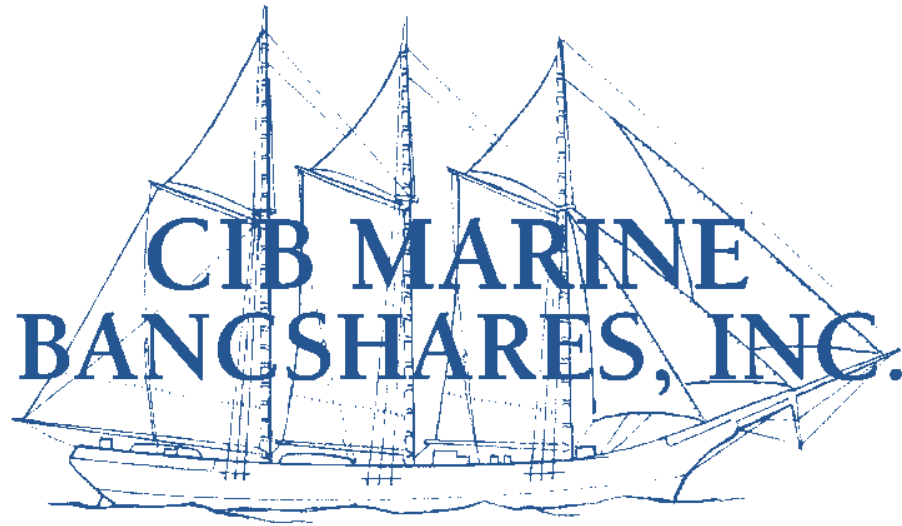
*Elected directors will serve until 2016.*

# **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*

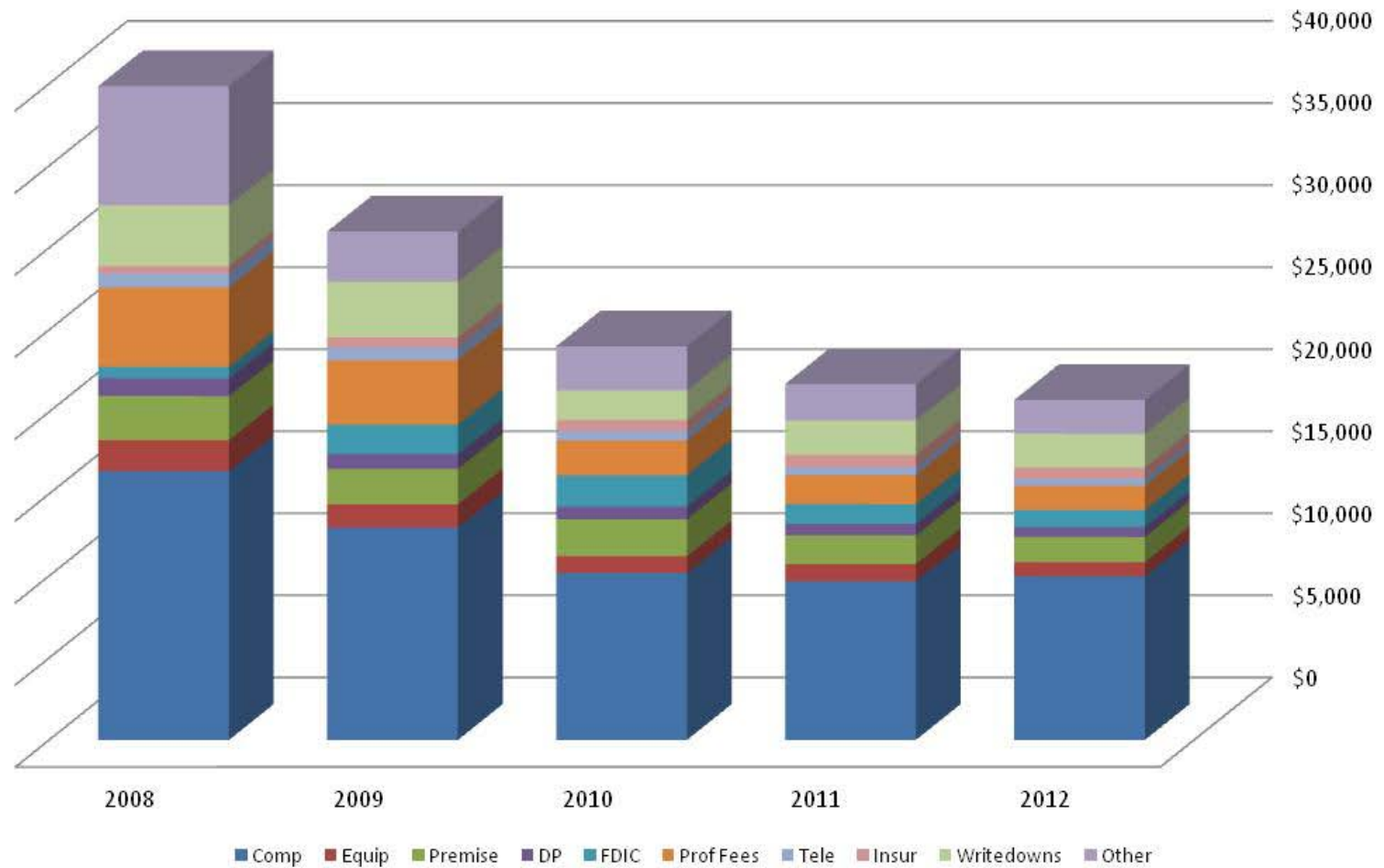
# CIB MARINE BANCSHARES, INC.

## Income Statement Highlights

	03/31/13	12/31/12	12/31/11	12/31/10
	(dollars in 000s) <sup>(1)</sup>			
Selected Statement of Income Data:				
Net interest income	\$ 3,829	\$ 18,186	\$ 20,211	\$ 21,021
Provision for loan losses	78	(3,213)	6,381	15,345
Noninterest income	379	732	1,664	1,069
Noninterest expense	4,096	20,714	21,699	23,998
Loss before income taxes	34	1,417	(6,205)	(17,253)
Income tax expense	0	50	0	0
Net loss from continuing operations	34	1,367	(6,205)	(17,253)
Income from discontinued operations	0	0	781	0
Net income (loss)	\$ 34	\$ 1,367	\$ (5,424)	\$ (17,253)

(1) Quarter to date at 3/31/13 and year to date at each of the year ends. Figures unaudited.

### Noninterest Expenses (dollars in thousands)



# CIB MARINE BANCSHARES, INC.

## Financial Ratios and Other Data

	03/31/13	12/31/12	12/31/11	12/31/10
	(dollars in 000s) <sup>(1)</sup>			
Financial Ratios and Other Data:				
Net interest margin	3.42%	3.80%	3.80%	3.27%
Noninterest income to average assets <sup>(2)</sup>	0.29%	(0.01)%	0.30%	0.14%
Noninterest expense to average assets	3.53%	4.22%	3.94%	3.62%
Efficiency ratio	98.32%	114.16%	99.20%	109.40%
Number of full-time equivalent employees	134	137	137	145
Number of banking facilities	11	12	13	15

(1) Quarter to date at 3/31/13 and year to date at each of the year ends. Figures unaudited.

(2) Non interest income to average assets excludes gains on sales of securities.

# CIB MARINE BANCSHARES, INC.

## Balance Sheet Highlights

	03/31/13	12/31/12	12/31/11	12/31/10
	(dollars in 000s) <sup>(1)</sup>			
<b>Balance Sheet Highlights:</b>				
Total assets excluding assets of companies held for disposal	\$ 468,772	\$ 475,129	\$ 503,976	\$ 587,943
Loans	318,372	318,503	357,632	415,778
Commercial Segments	240,517	243,759	283,065	330,278
Consumer Segments	59,548	55,264	50,966	57,521
Purchased Home Equity Loans	17,117	18,257	22,646	26,975
Securities	89,733	89,753	89,009	126,878
Cash and due from banks	46,070	53,530	44,828	27,267
Non-interest bearing checking accounts	55,781	54,163	58,884	54,547
Interest bearing checking accounts	30,948	31,496	29,080	31,140
Savings accounts	155,588	154,124	154,365	146,806
Time Deposits	151,285	154,901	180,257	261,034
Stockholders' equity	\$ 67,684	\$ 67,629	\$ 64,222	\$ 68,753

(1) Figures unaudited.

# CIB MARINE BANCSHARES, INC.

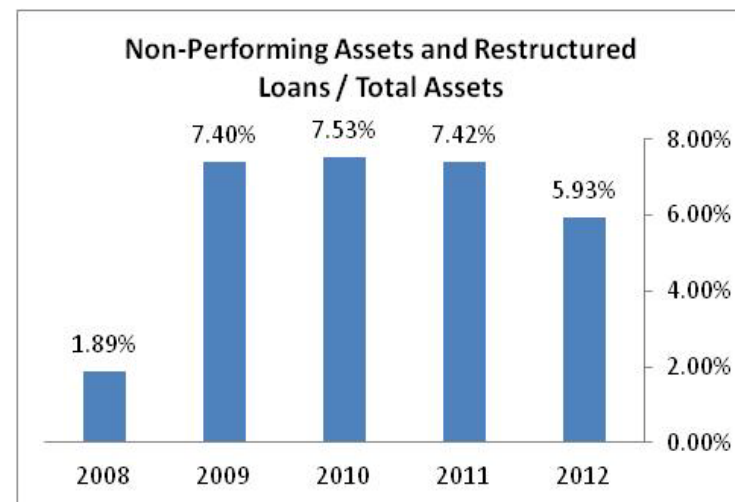
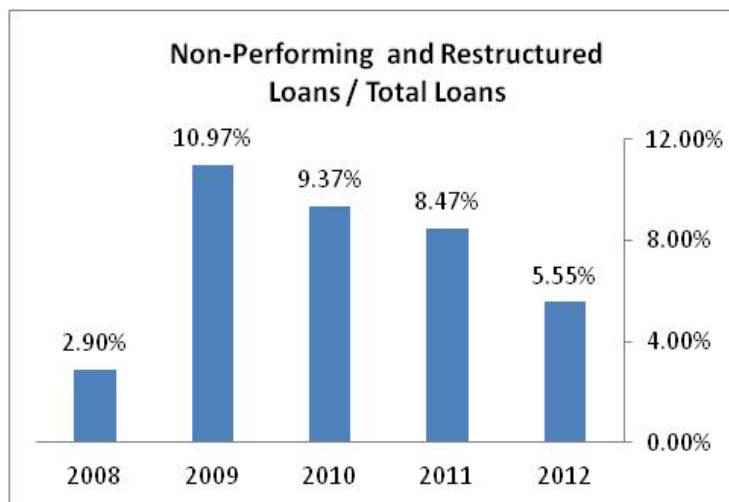
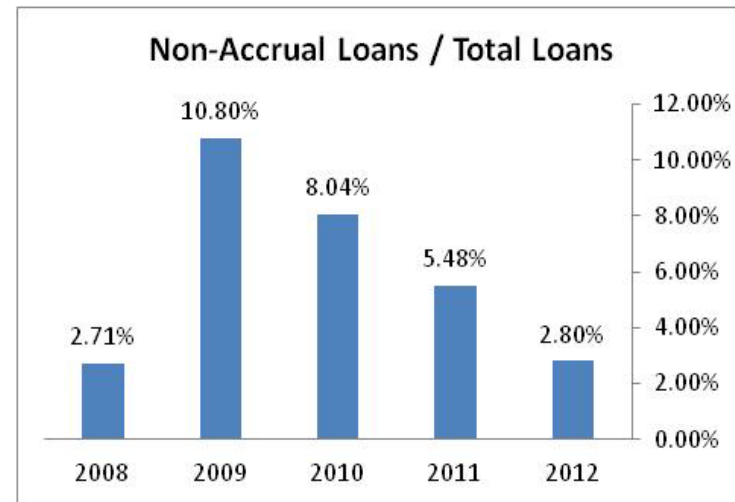
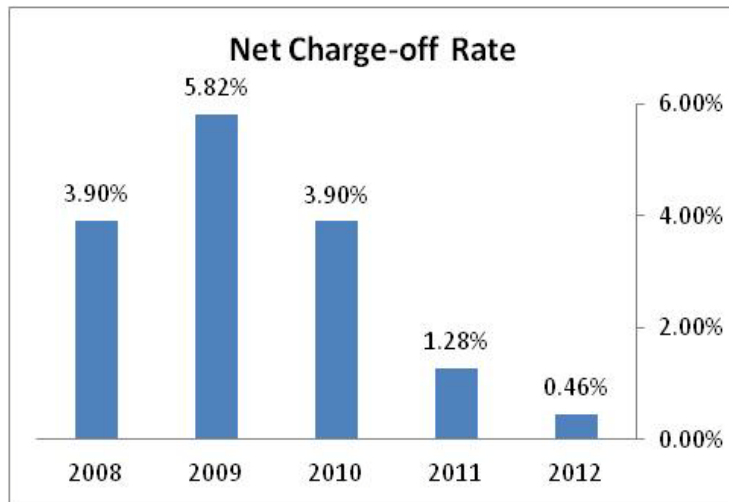
## Asset Quality Highlights

	03/31/13	12/31/12	12/31/11	12/31/10
	(dollars in 000s)			
Non-Accrual Loans <sup>(1)</sup>	\$ 11,423	\$ 8,926	\$ 19,595	\$ 33,426
Substandard & Doubtful Loans		25,828	37,900	61,454
Special Mention Loans		15,096	26,600	37,365
Net Charge Offs	2,213	1,537	4,898	16,940
Provision for Reversal of Loan Losses	78	(3,213)	6,381	15,345

(1) non-accrual loans excluding loans held for sale.

# CIB MARINE BANCSHARES, INC.

## Asset Quality Ratios



## CIB MARINE BANCSHARES, INC.

### Capital Highlights and Ratios

	03/31/13	12/31/12	12/31/11	
	(1)			For Capital Adequacy Purposes <sup>(2)</sup>
<b>Capital Ratios of Consolidated Company:</b>				
Total risk-based capital ratio	19.60%	19.34%	16.93%	8.00%
Tier 1 risk-based capital ratio	18.34%	18.07%	15.64%	4.00%
Tier 1 leverage capital ratio	14.67%	14.39%	13.15%	4.00%
<b>Capital Ratios of CIBM Bank:</b>				
Total risk-based capital ratio	16.96%	16.60%	14.26%	8.00%
Tier 1 risk-based capital ratio	15.69%	15.41%	12.98%	4.00%
Tier 1 leverage capital ratio	12.54%	12.24%	10.93%	4.00%

(1) Quarter to date at 3/31/13 and year to date at each of the year ends. Figures are unaudited.

(2) Minimum capital ratios required to be considered adequately capitalized under applicable regulations. In addition, for CIBM Bank, the minimums required at December 31, 2012, and December 31, 2011, were those under the Consent Order, which has since been terminated effective March 20, 2013, by the FDIC and Illinois Department of Financial and Professional Regulation. Under the Consent Order, the minimums were Tier 1 leverage capital ratio of 10% and total risk-based capital ratio of 12%; and under the additional regulatory requirements currently the minimums are 8% and 12%, respectively.



# RETAIL BANKING

*Mark Wilmington*

*SVP, Director of Retail Banking*

# 2012

- **Primary Checking: Cornerstone to Success**
  - Main household operating account
  - 6% increase in number of accounts
  - 14% (over \$7 million) increase in balances
- **Training Structure**
  - Consistent application of policies and procedures across all offices
  - Increased employee retention
  - Special programs: Knock Your Socks of Service and Money Smart
- **Retail Lending: Increased Volumes in 1<sup>st</sup> and 2<sup>nd</sup> Mortgages**
- **E-Banking**
  - Online Banking: enhanced look and feel
  - eStatements: 40% conversion in 5 months
- **Product Set: Addition of Alternative Checking Program**

# 2013

- **Strategic Planning: Relocation of 2 Facilities**
  - Increased visibility
  - Wauwatosa, WI to Elm Grove, WI
  - Indianapolis, IN
- **Customer Focused Enhancements**
  - Mobile banking
  - Debit card loyalty rewards
- **Training Focus**
  - Improved sales skills
- **The Retail Environment**
  - Goal focused, proactive, and forward thinking
  - Community ties and involvement
  - Enhance the value of the CIBM name

# CORPORATE BANKING

*J. Brian Chaffin*  
*Market President*

# MARKETS SERVED



# 2012

## *Business Development – Grow Revenue*

- Corporate Banking – Credit Administration Partnership
  - Cooperative effort – book quality assets
  - Maintain underwriting integrity
- Internal “Process”
  - Use commercial lending expertise of team
  - Speed to market
- Portfolio Mix
  - Risk management
  - Increase commercial loans – Treasury Management fee income
    - » Indianapolis company example
    - » Milwaukee company example
- Competitive Product Offering
  - Treasury Management: online banking, remote deposit capture
  - Pricing capabilities: understand returns, relationship profitability
  - Government programs: SBA products, state sponsor programs
- Highly Skilled Corporate Bankers
  - 6 new Corporate Bankers past 20 months
  - Strong business development/credit skills
  - Professional sales training – improve chances to WIN!
    - » Engaged a nationally recognized 35 year old company
    - » Utilize “call planning”, “opportunity identification” and “high impact presentation” tools

# 2012 RESULTS

- 2.5x increase new loan production over 2011
  - Increased % of commercial-industrial loans with Treasury Management services
- \$4.8 million increase in new business deposits
- Ended 2012 with 4x new business pipeline over 2011
  - Size of pipeline does not necessarily equate to the amount of new loan closings

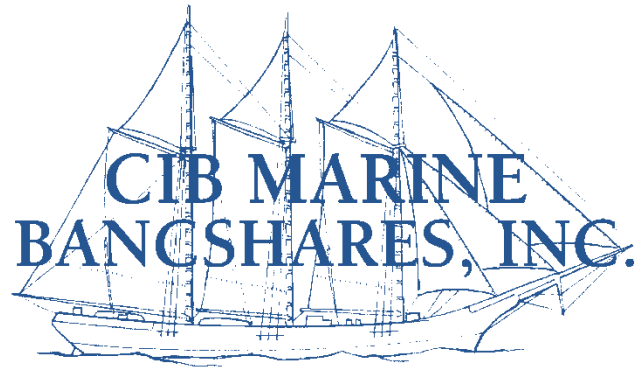
# 2013

- Grow commercial – industrial loans and increase Treasury Management fee income
- Portfolio mix
- Continue professional training for Corporate Bankers
- Competitive products
- Leverage our local market knowledge
  - Central Illinois client search for business opportunity – we connected them with the seller of a business
  - Wisconsin equipment manufacturer we connected with a company in need of additional equipment



# STRATEGY ACTIONS

- **Sidney, Illinois**
  - Did not meet our internal requirements for growth
  - Location was less than optimal
  - Enhancing e-banking to compensate
- **Revenue Opportunities**
  - Success in attracting new clients in our core businesses
  - Actively looking for opportunities to expand business lines
- **Capital Structure**
  - Working with KBW and regulators
  - Structure is complex
  - Solution address needs of preferred and common
  - Continue to build value through improving operations



# SHAREHOLDERS' QUESTIONS & COMMENTS

