



## ANNUAL SHAREHOLDER MEETING

*September 24, 2021*

		Previous Close (September 23, 2021)
S&P 500 Index	INX	\$4,438.00
Dow Jones Industrial Average Index	INDU	\$34,764.82
KBW Regional Banking Total Return Index	KRXTR	\$203.78
CIB Marine Bancshares, Inc.	CIBH	\$28.75

*Source: Bloomberg L.P.*

*This presentation has not been audited by Crowe LLP.*

# CALL TO ORDER

*Mark A. Elste*

*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, execution, credit, market, security (including cyber), 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.

# BOARD OF DIRECTORS

<b>Charles E. Baker</b>	Retired Partner of Ernst & Young, LLP
<b>J. Brian Chaffin</b>	President & CEO of CIB Marine Bancshares & CIBM Bank
<b>Gina M. Cocking</b>	CEO & Managing Director of Colonnade Advisors, LLC
<b>JoAnn M. Cotter</b>	Retired partner of Wipfli LLP
<b>Mark A. Elste</b>	Chairman of the Boards of CIB Marine Bancshares, Inc. and CIBM Bank
<b>Mark D. Henderson</b>	Chief Information Officer and Vice Chancellor of University of Pittsburgh
<b>John P. Hickey, Jr.</b>	Retired President, CEO & Chairman of CIB Marine Bancshares, Inc. & CIBM Bank
<b>Gary L. Longman</b>	Retired President & CEO of Sunny Ridge Family Center and retired partner of KPMG LLP
<b>Charles D. Mires</b>	Retired Director of Fixed Income & Alternative Strategies of a private investment management firm
<b>Steven C. Palmitier</b>	President & COO of North American Company for Life and Health Insurance and Midland National Life Insurance Company
<b>Ronald E. Rhoades</b>	Midwest Regional Manager of CKS Packaging, Inc.; former Chairman, President & CEO of plastic manufacturer, Plastic Container Corporation



**Charles Baker**  
Director 2008 - 2021

The Board of Directors offers its gratitude and a fond farewell to Mr. Baker after more than a decade of invaluable service to the Company and its shareholders.

# BOARD COMMITTEE LEADERSHIP

## Audit

Chairman: Gary Longman  
Vice Chairman: Mark Henderson

## Trust

Chairman: Charles Mires

## Compensation

Chairman: Ron Rhoades

## Nominating

Chairman: Ron Rhoades

## New Business Lines

Chairman: Gina Cocking

## Investment Advisory

Chairman: Mark Elste

# **CROWE LLP**

- Chris Camp & Brian Sterwald

# **GODFREY & KAHN**

- Patrick Murphy

# **COMPUTERSHARE**

- Andrew Waford

# EXECUTIVE MANAGEMENT TEAM

<b>J. Brian Chaffin</b>	President & CEO of CIB Marine Bancshares & CIBM Bank
<b>Patrick J. Straka</b>	Chief Financial Officer of CIB Marine Bancshares & CIBM Bank
<b>Daniel J. Rasmussen</b>	Chief Administrative Officer & General Counsel of CIB Marine Bancshares & CIBM Bank
<b>Scott C. Winkel</b>	Chief Credit Officer of CIB Marine Bancshares, Inc. and CIBM Bank
<b>Lee W. Abner</b>	Director of Technology Services of CIBM Bank
<b>Joanne M. P. Blaesing</b>	Director of Community Development of CIBM Bank
<b>Michelle M. Bragstad</b>	Chief Compliance Officer of CIBM Bank
<b>Dawn M. DeRidder</b>	Director of Government Guaranteed Lending of CIBM Bank
<b>Gary A. Maughan</b>	Director of Mortgage Banking of CIBM Bank
<b>James P. Mullaney</b>	Director of Corporate Banking of CIBM Bank
<b>Mark V. Wilmington</b>	Director of Retail Banking of CIBM Bank



# PROPOSAL I: ELECTION OF DIRECTORS

## Nominated Directors



**Mark A. Elste   Mark D. Henderson   Charles D. Mires   Ronald E. Rhoades**

*Elected directors will serve until 2024.*

## PROPOSAL II: SECOND AMENDED AND RESTATED ARTICLES OF INCORPORATION

Vote Results*	
<b>For:</b>	97.75%
<b>Against:</b>	1.73%
<b>Abstain:</b>	0.52%

\* Voting percentages are as of 5:00pm (Central), September 23, 2021, and do not include votes cast subsequently or at the Annual Meeting of Shareholders. Final voting results will be published at [www.cibmarine.com](http://www.cibmarine.com).

**PROPOSAL III: RATIFICATION OF  
INDEPENDENT REGISTERED PUBLIC  
ACCOUNTING FIRM**

**Crowe LLP**

# MANAGEMENT'S PRESENTATION TO SHAREHOLDERS

*J. Brian Chaffin  
President & CEO*

*Any year-to-date (YTD) information provided herein is as of June 30, 2021.*

# REDEMPTION PLAN

- **Initial Redemption:** \$18 million of Series A and B, pro-rata prior to December 31, 2021.
- **Term:** 4 years to redeem remainder after Initial Redemption.
- **Redemption Price:** \$825 per share if within Term.
- **Mandatory Call:** All repurchases will be executed as a series of mandatory redemptions at the Redemption Price.
- **Redemptions After Initial:** Remaining \$18 million will be redeemed prior to the end of Term, with Series A shares redeemed prior to Series B.
- **Regulatory Approvals:** All have been received to make the Initial Redemption.
- **Spring Back:** If all preferred shares are not repurchased before the end of the Term, the terms of redemption for any remaining shares will “spring back” to current terms.

## PROFORMA BOOK VALUE & CAPITAL RATIOS UPON INITIAL REDEMPTION

	June 30, 2021	ProForma
Tangible Book Value per Share Common (basic)	\$54.14	\$54.56
Tangible Book Value per Share Common (diluted)	\$32.76	\$40.10
EPS for YTD through June 30 (basic) <sup>(1)</sup>	\$2.74	\$3.17
EPS for YTD through June 30 (diluted) <sup>(1)</sup>	\$1.59	\$1.84
CIB Marine, Tier 1 Leverage Ratio	12.32%	10.10%
CIB Marine, Total Risk Based Capital Ratio	16.75%	14.66%
CIBM Bank, Tier 1 Leverage Ratio	11.64%	9.40%
CIBM Bank, Total Risk Based Capital Ratio	15.85%	13.74%

(1) Includes a \$545,000 discount to the preferred shares in the Initial Redemption and the effect on the diluted number of shares for the full period for emphasis.

# KEY FINANCIAL HIGHLIGHTS

(dollars in millions)	YTD 2021 <sup>(1)</sup>	YTD 2020 <sup>(1)</sup>	FY 2020	FY 2019
Net Income	\$3.5	\$2.5	\$8.2	\$2.0
ROAA <sup>(2)</sup>	0.94%	0.68%	1.09%	0.29%
Net Interest Income	\$11.5	\$10.3	\$22.2	\$19.3
Net Interest Margin	3.24%	3.00%	3.11%	2.91%
Provision for (reversal of) Loan Losses	(\$0.3)	\$0.5	\$1.1	\$0.8
Non-Interest Income	\$8.3	\$7.1	\$21.8	\$10.2
Non-Accrual Loans / Loans	0.19%	0.92%	0.23%	1.09%
Non-Performing Asset Ratio	0.29%	1.02%	0.54%	1.35%

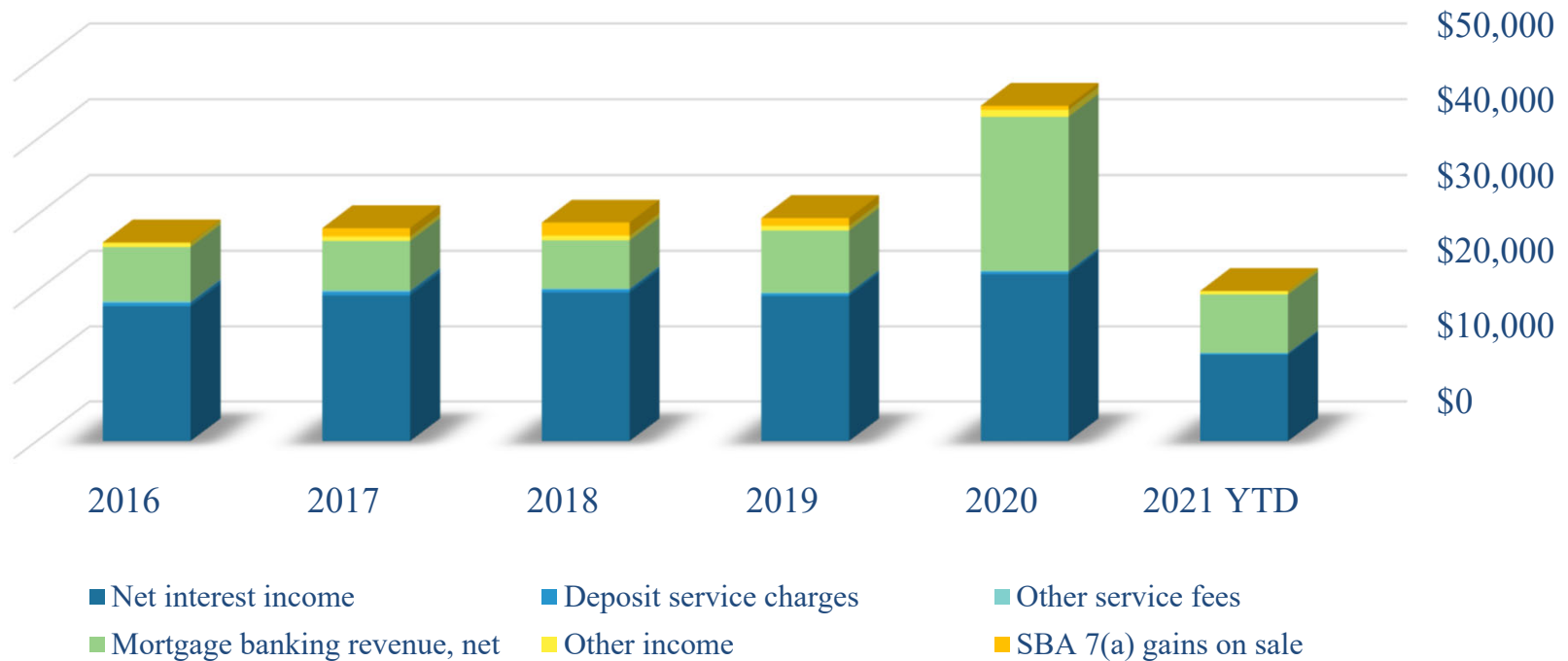
(1) Unaudited results.

(2) ROAA is return on average assets.

**Second quarter 2020 COVID-19 related charges to the provision for loan losses and the residential mortgage pipeline totaled \$1.0 million.**

# REVENUE GROWTH

PRIMARY BANKING REVENUES (000s)

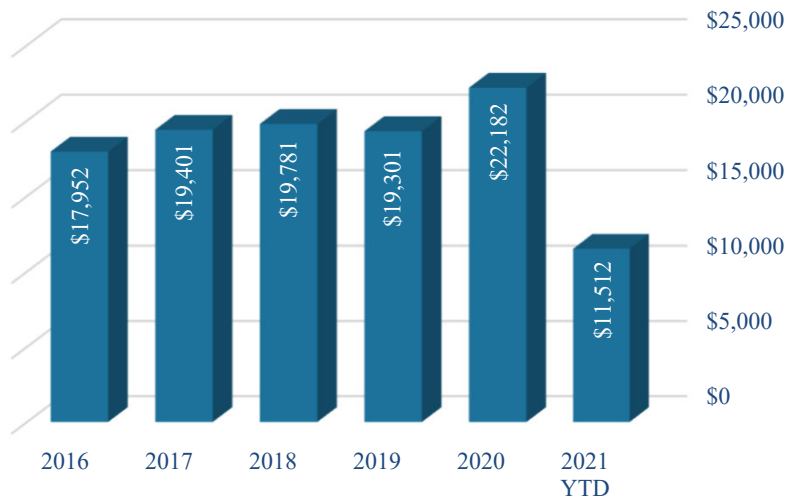




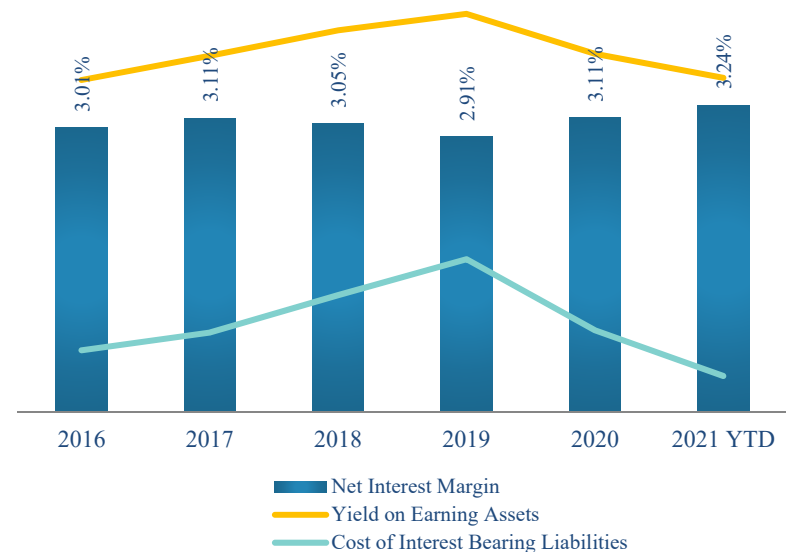
# NET INTEREST INCOME AND MARGIN

- Net interest income improved by \$2.9 million and net interest margin by 22 basis points in 2020 from 2019.
- Improvements were due to:
  - Higher average loans included PPP and loans held for sale
  - A 75 basis point improvement in cost of interest bearing liabilities

NET INTEREST INCOME (000s)

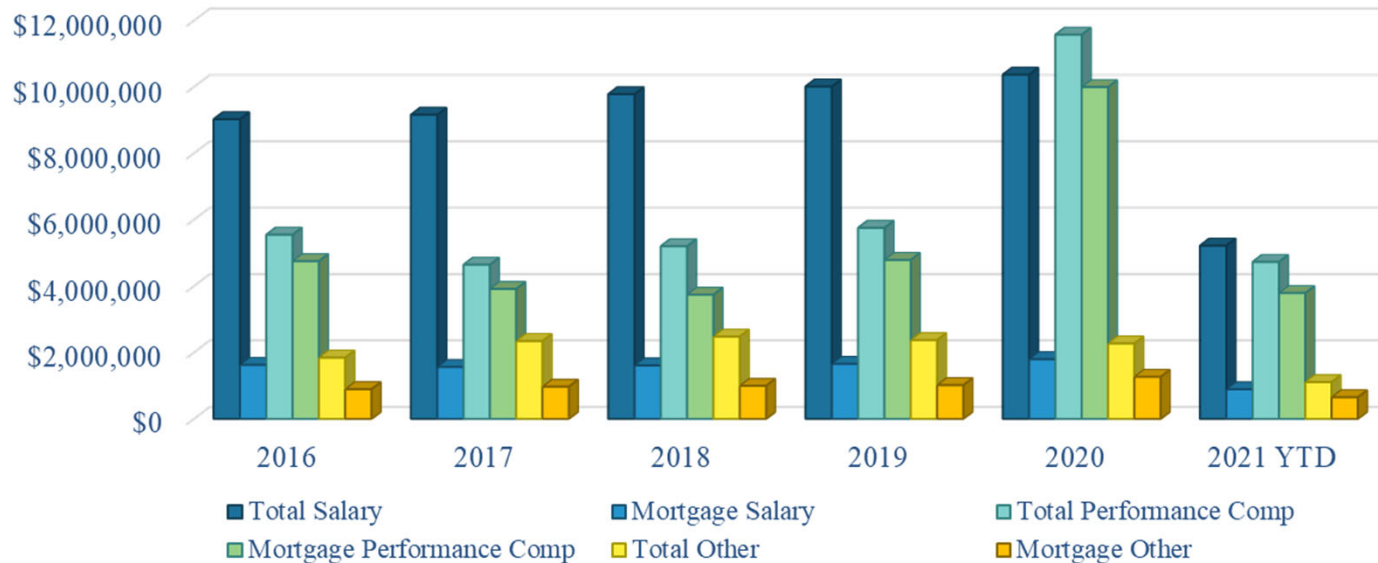


NET INTEREST MARGIN



# COMPENSATION GROWTH

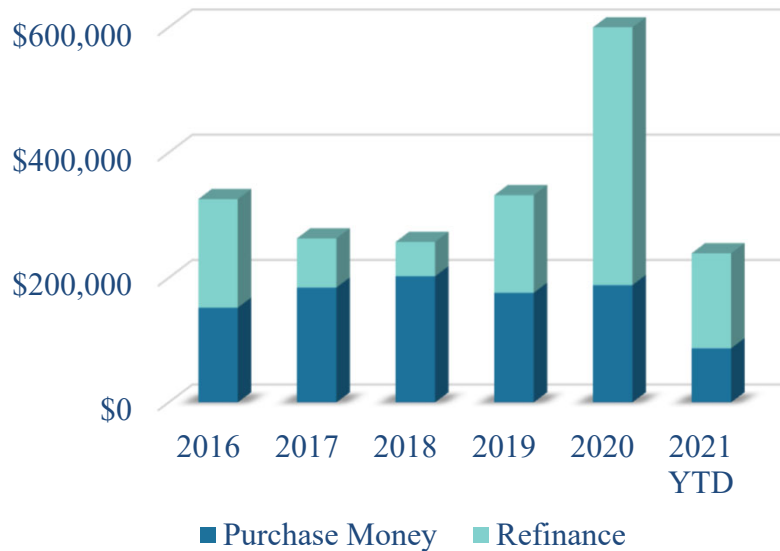
TOTAL & MORTGAGE DIVISION COMPENSATION



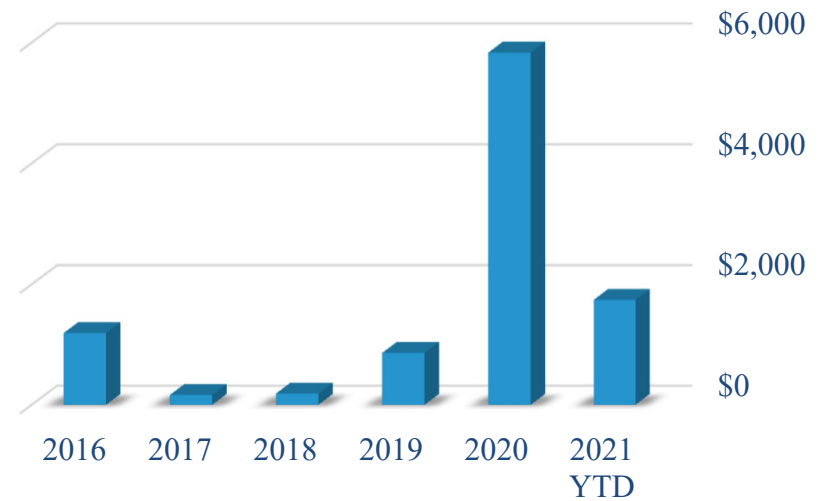
- Total compensation represents a substantial majority of total expenses each year.
- Changes in total compensation have been primarily focused on performance-based compensation over the past 5 years (commissions, bonus, and other incentive rewards).
- Average annual growth in total salary has been 2.5% since 2015 (only 2.1% for executive officers).
- Total Performance Compensation is primarily comprised of CIBM Mortgage performance compensation.
- CIBM Mortgage uses a commission-based lender compensation model.

# MORTGAGE BANKING

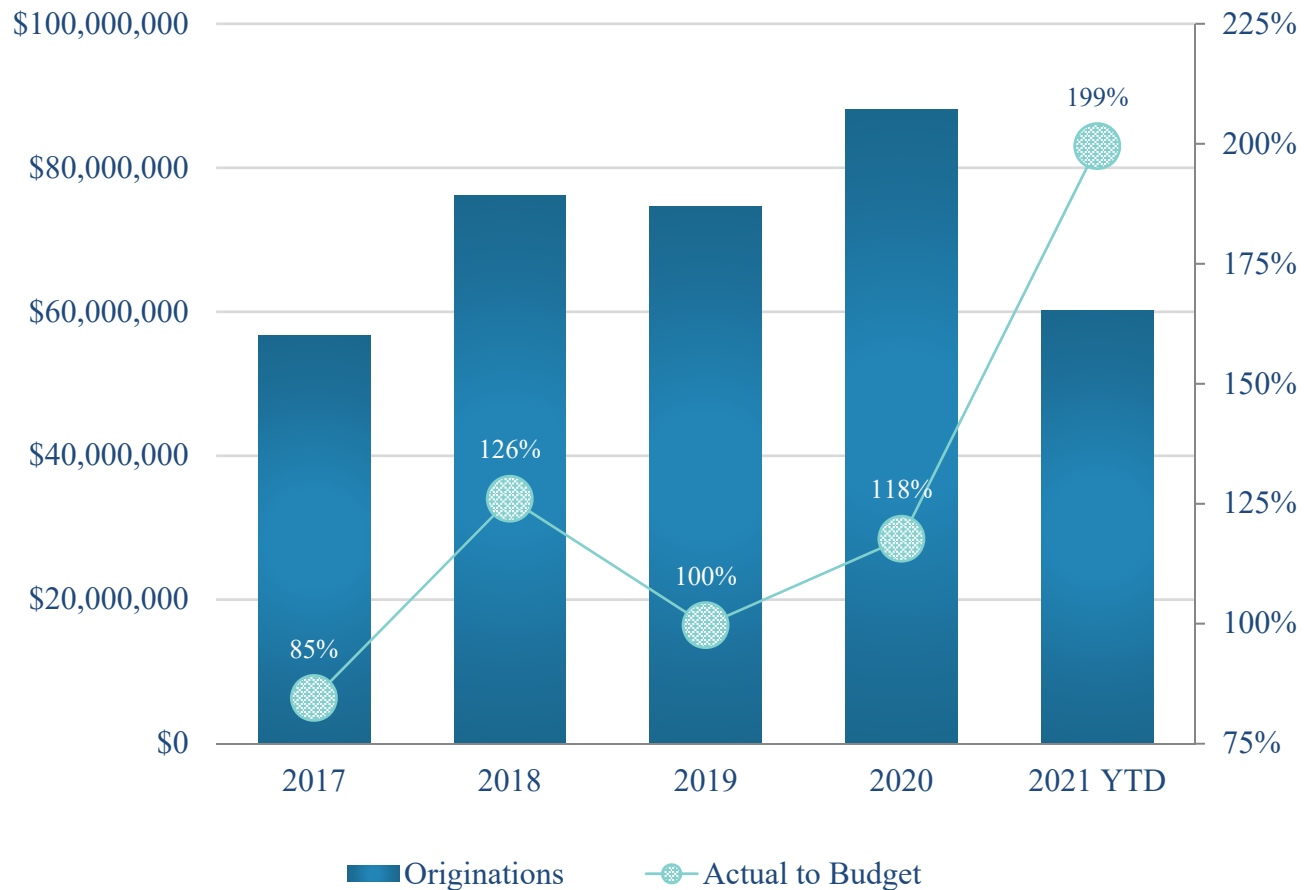
**CIBM MORTGAGE, LOAN ORIGINATIONS**  
(000s)



**CIBM MORTGAGE, NET INCOME** (000s)



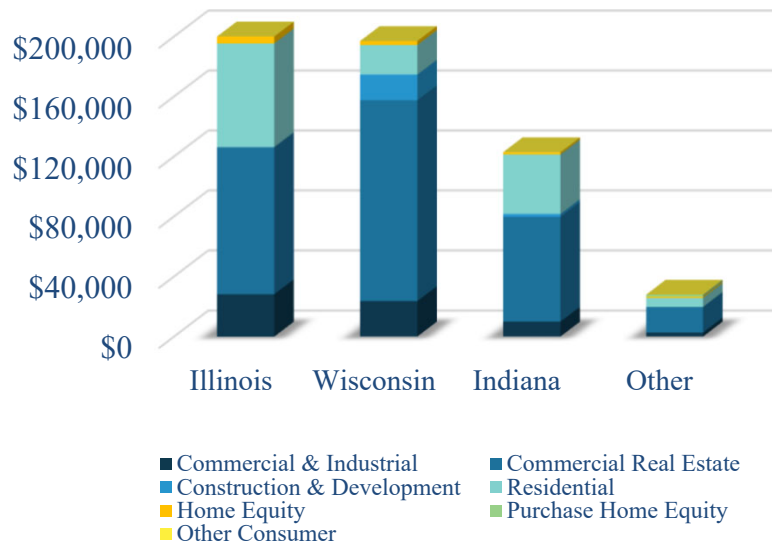
# COMMERCIAL LOAN ORIGINATIONS



*Excluding PPP loans.*

# LOAN PORTFOLIO SEGMENTS & GEOGRAPHIC DISTRIBUTION

LOAN GEOGRAPHIC DISTRIBUTION (000s)

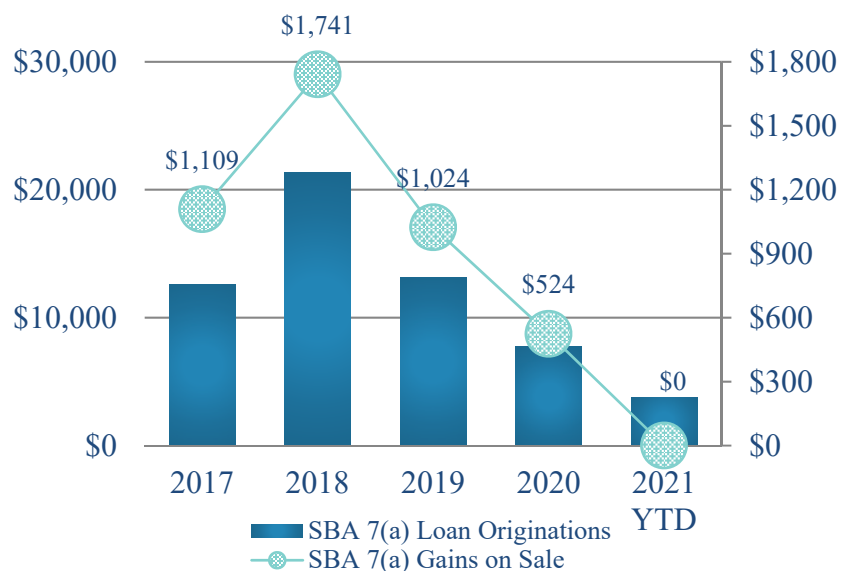


LOAN PORTFOLIO (000s)



# GOVERNMENT GUARANTEED LENDING

**SBA 7A LOANS** (000s)

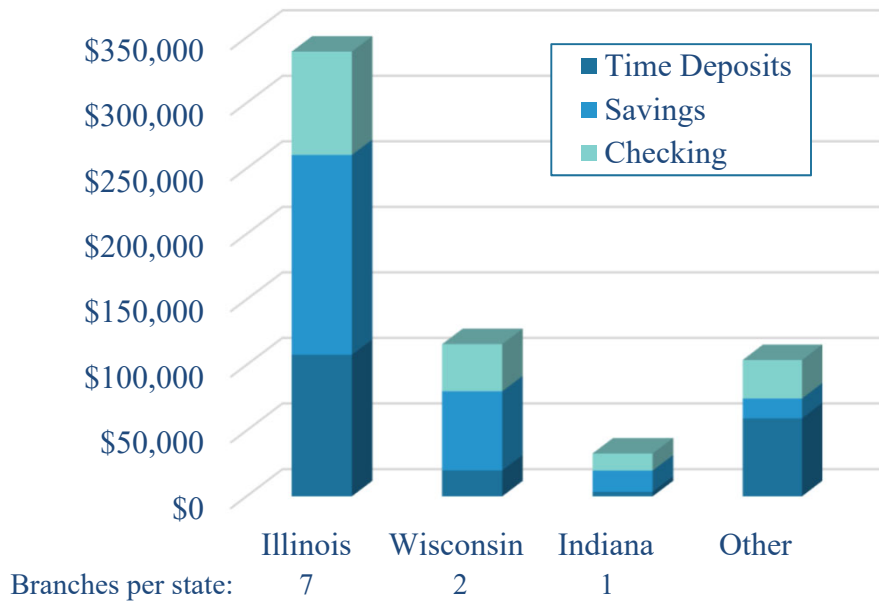


PPP Lending	2020	2021 (YTD)
Loans Originated (millions)	\$43.4	\$63.0
Loans Outstanding (millions)	\$31.9	\$25.9
Number of Loans Originated	347	529
Gross Fees Received (millions)	\$1.6	\$2.5
Fees Accreted to Income (millions)	\$0.8	\$1.6
Fees Remaining to Accrete to Income (millions)	\$0.8	\$0.9

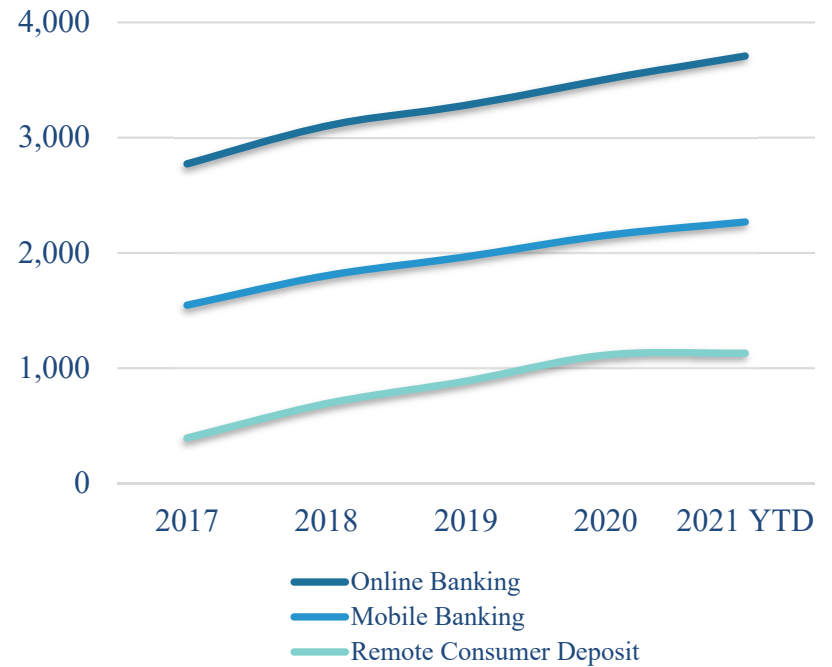
PPP loans originated in 2020 were forgiven by the SBA at a rate of nearly 100%. Only 1 of 347 loans was forgiven at a rate less than 100%.

# RETAIL DIVISION

DEPOSITS BY MARKET (000s)



ELECTRONIC BANKING CLIENTS

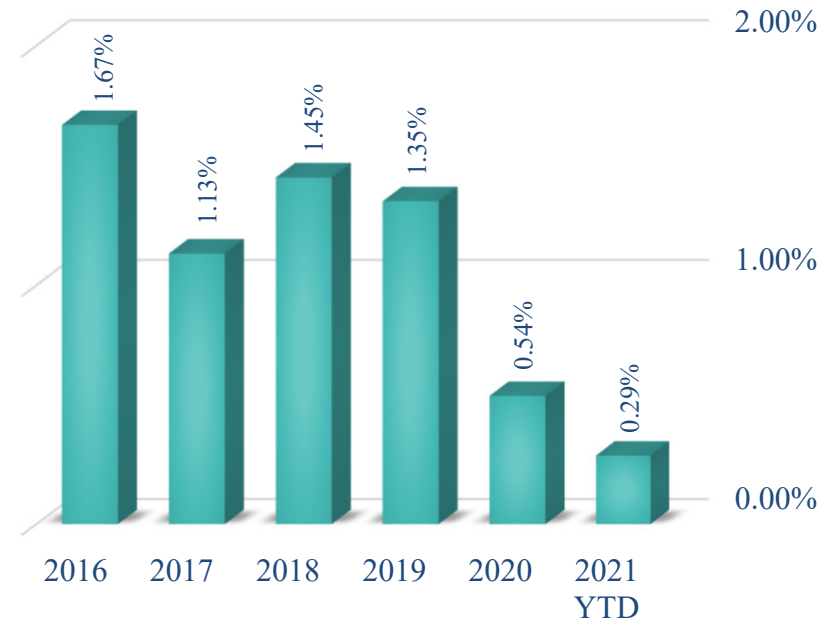


# CREDIT ADMINISTRATION

## NONACCRUAL LOANS / TOTAL LOANS



## NON-PERFORMING ASSETS / TOTAL ASSETS

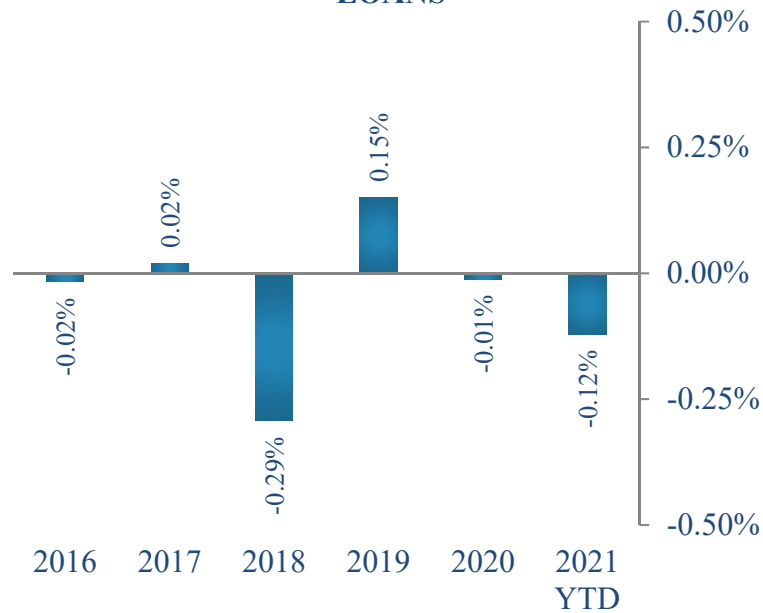


- *Note: NonAccrual Loans/Total Loans for 2020 and 2021 have been corrected as reflected herein.*

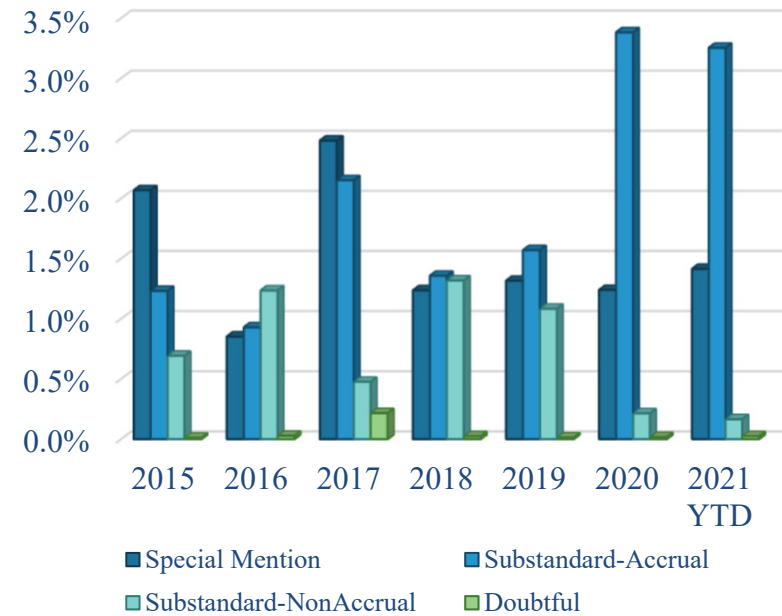


# CREDIT ADMINISTRATION

NET CHARGE OFFS TO AVERAGE LOANS



LOAN CLASSIFICATION / TOTAL LOANS





**Paul C. Melnick**

CIBM Employee: 1999 - Present  
Chief Credit Officer: 2010 - 2020

The Board of Directors thanks Mr. Paul Melnick for his decades of service to the Company and its shareholders, most recently as CIB Marine's Chief Credit Officer. His dedicated and disciplined approach to credit administration was critical to the improvements seen at the Bank over the last ten years.



**Scott C. Winkel**  
Chief Credit Officer



**Dawn M. DeRidder**  
Director of Government  
Guaranteed Lending

CIB Marine welcomes Mr. Scott C. Winkel and Ms. Dawn M. DeRidder to the family. With more than 60 years of banking experience between Mr. Winkel and Ms. DeRidder, both bring a wealth of knowledge and years of leadership to their positions.

# PROJECT FALCON

**Strategy:** Improve ongoing level and quality of earnings.

**Business Goal:** Generate consistent earnings performance to peer median levels or above.

<b>Team Name</b>	<b>Focus</b>
<b>Deposit Acquisition</b>	Improve cost of funds by improving mix of non-interest bearing deposits.
<b>Yield Improvement</b>	Improve yield in residential loan portfolio and deposit services.
<b>Process Improvement</b>	Streamline processes within bank operations to gain efficiencies.
<b>Account Onboarding</b>	Improve efficiency of account onboarding.
<b>Call Center</b>	Improve efficiency of customer call center.
<b>New Products</b>	Identify and prioritize new product opportunities to enhance/create competitive advantages.
<b>Talent Resources</b>	Develop recruiting, training, cultural improvement programs to attract and retain high performance driven colleagues.

# COVID-19 EMERGENCY RESPONSE & CURRENT STATUS

- Remote banking solutions were enhanced in following areas:
  - Online Banking
  - CIBM Bank mobile app
  - iTalk telephone banking
  - Digital Signatures
- In-person branching severely limited in 2020; currently all branches are open for full service.
- Most operations staff worked from home in 2020; starting to get back to in-office operations; ability to handle remote workers has advanced.
- Loan payment deferrals rose to 16% of portfolio; substantially lower now.
- Participation in all 3 phases of Paycheck Protection Program (PPP).
- Bank liquidity has continued to build on higher deposits due to low interest rates and federal stimulus programs.

# FIRST HALF 2021 RESULTS

(dollars in millions)	YTD 2021 <sup>(1)</sup>	YTD 2020 <sup>(1)</sup>	FY 2020	FY 2019
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(1) Unaudited results.

(2) ROAA is return on average assets.

**Second quarter 2020 COVID-19 related charges to the provision for loan losses and the residential mortgage pipeline totaled \$1.0 million.**

# MOVING FORWARD IN 2021

- Execute the Initial Redemption of preferred shares;
- Upgrade CIBH to OTCQX from OTCQB;
- Move Project Falcon revenue and cost projects forward;
- Maintain cautious allowance for credit positions; and
- Manage the effects of economic, social, and fiscal policy outcomes.

# 2020 RESULTS AND 2021 GUIDANCE

(dollars in millions, except per share data)	2020 Actual <sup>(1)</sup>	2021 Guidance
Net Income	\$8.2	\$5.4 - \$6.9
Total Assets	\$751	\$710 - \$730
ROAA	1.09%	0.72%-0.93%
EPS (excluding Initial Redemption)		
- Basic	\$6.51	\$4.18 - \$5.42
- Diluted	\$3.79	\$2.43 - \$3.15
EPS (including Initial Redemption) <sup>(2)</sup>		
- Basic	\$6.51	\$4.61 - \$5.84
- Diluted	\$3.79	\$2.68 - \$3.40

(1) Guidance for 2020 was not provided due to the uncertainties related to the pandemic.

(2) Guidance for 2021 includes a \$545,000 discount to the preferred shares in the Initial Redemption and the effect on the weighted average diluted number of shares for the year assuming the redemption were completed on 1/1/21 to illustrate a full year impact.



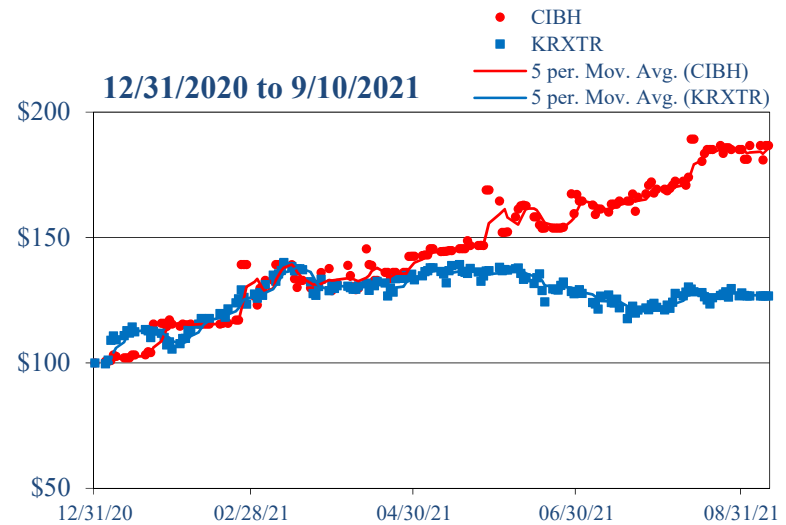
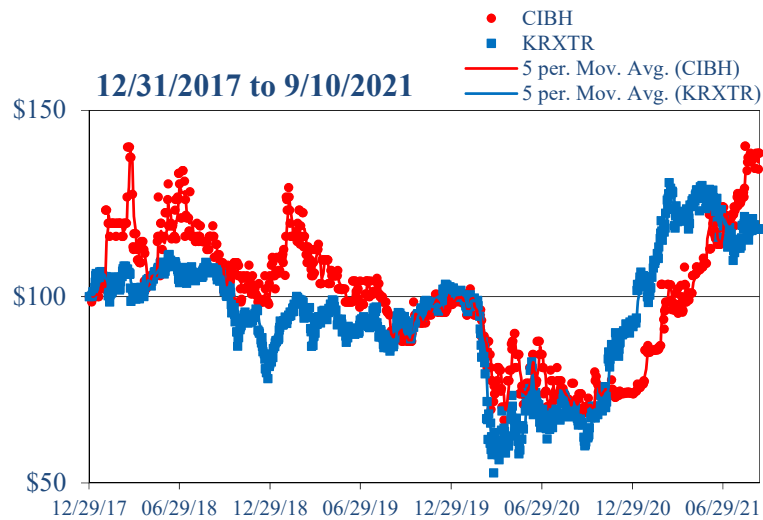
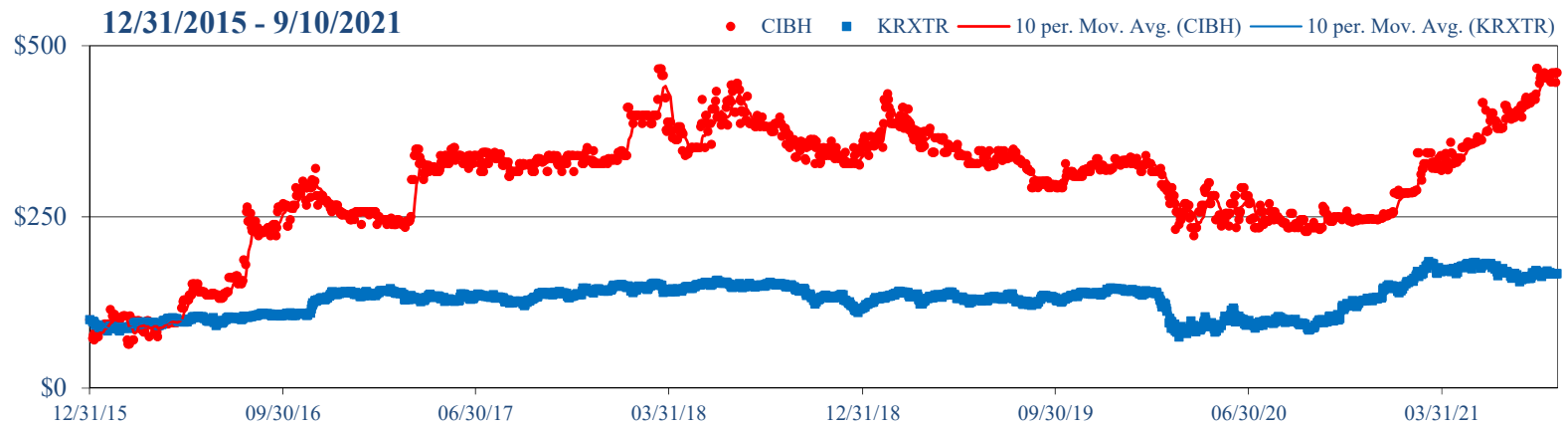
**CHAIRMAN'S PRESENTATION  
TO  
SHAREHOLDERS**

*Mark A. Elste*

*Chairman of the Board of Directors*

# STOCK PERFORMANCE

## \$100 Investment in CIBH and KRXTR



# STOCK PERFORMANCE

Period	Ending Price per Share <sup>(1)</sup>	Traded Stock Volume	Volume	Average Annual Total Return Since		
			Weighted Average Price YTD <sup>(1)</sup>	12/31/2009 <sup>(2)</sup>	12/31/2015 <sup>(2)</sup>	12/31/2017 <sup>(2)</sup>
12/31/2009	\$1.65	57,531	\$2.31			
12/31/2010	\$1.28	125,221	\$3.51	-23%		
12/31/2011	\$2.70	149,595	\$1.79	28%		
12/31/2012	\$3.00	130,045	\$4.01	22%		
12/31/2013	\$7.35	262,054	\$8.01	45%		
12/31/2014	\$7.02	134,107	\$7.88	34%		
12/31/2015	\$6.41	102,896	\$7.12	25%		
12/31/2016	\$16.20	190,057	\$12.09	39%	152%	
12/31/2017	\$15.75	152,913	\$20.03	33%	57%	
12/31/2018	\$23.10	102,732	\$23.44	34%	53%	47%
12/31/2019	\$20.85	79,490	\$21.47	29%	34%	15%
12/31/2020	\$15.80	227,714	\$16.43	23%	20%	0%
6/30/2021	\$26.41	135,135	\$21.08	27%	29%	16%

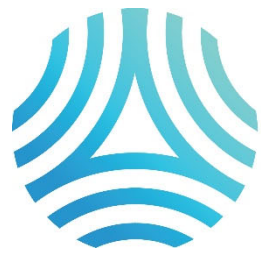
(1) Last stock price as reported on OTC Markets (OTCQB).

(2) Total return based on last stock price for CIBH as reported on OTC Markets (OTCQB).

Source: Bloomberg, L.P.

# BOOK VALUE

	2021 (YTD)	2020	2019	2018	2017	2016
<b>Tangible Book Value</b>	\$54.14	\$52.28	\$44.86	\$42.35	\$37.88	\$15.14
<b>Tangible Book Value Excluding DTA</b>	\$41.98	\$39.42	\$28.71	\$24.72	\$19.21	\$15.14
<b>Tangible Book Value Post Pref. Series B Conversion</b>	\$33.81	\$32.52	\$27.84	\$25.68	\$20.85	\$9.27



**cib marine**  
BANCSHARES INC

## SHAREHOLDERS' QUESTIONS

# DIRECTOR & MANAGEMENT STOCK OWNERSHIP

	Shares Held	% of Outstanding
<b>Directors &amp; Executive Management:</b>	108,318	8.42%
<b>Directors and all management*:</b>	160,271	12.46%

*as of 06/30/21*

\* Includes restricted stock and stock owned outright, but may not include shares owned by management that are held in nominee name.



**cib marine**  
BANCSHARES INC