



cib marine
BANCSHARES INC

2020 ANNUAL REPORT



Dear Shareholders:

As we reflect on 2020, our first thoughts are for the families, clients and communities that have been so tragically impacted by the COVID-19 pandemic. We have lost colleagues and loved ones during the last year and we'll never forget our business is about people serving people.

We are extremely proud of how our colleagues responded to the challenges presented in 2020, which resulted in significantly improved operating performance for the Company. Consolidated net income for the year was \$8.2 million, a 300% increase over 2019 results. These results were led by exceptionally strong mortgage originations; excellent commercial lending activity (including Paycheck Protection Program (PPP) loans); and significantly lower cost of funds achieved via adjustments to our deposit mix and repricing activity in a lower interest rate environment. In spite of the negative effects of the pandemic, we experienced overall improvement in asset quality with a decrease in past dues over 30 days and historically low levels of non-performing assets. However, due to deteriorated economic and credit environment factors related to the pandemic and its harsh effect on certain industries, we have increased our allowance for loan loss reserves to 1.69% of total loans.

The wide-ranging economic stimulus programs initiated since the beginning of the pandemic drove interest rates down to record low levels and helped support consumers and businesses through the ensuing "Lockdown Recession". We continue to monitor the negative impact of the Lockdown Recession on various business segments in our loan portfolio (restaurant, hotel, recreation, parking facilities, etc.). Thus far, the stimulus initiatives have at least postponed the worst of the impact on some of these businesses with the hope they will be able to recover once the lockdowns are lifted. We expect some industries will recover more quickly than others, but the long-term impact of the pandemic on consumer and business behavior is more difficult to predict. Accordingly, we are closely monitoring all segments of our loan portfolio, including commercial retail and office properties.

Unprecedented low interest rates led to increased mortgage activity throughout the year, although the first quarter results were negatively impacted by the pandemic. Our mortgage team responded quickly to the impact of the pandemic and was well prepared to meet the increase in mortgage demand. Mortgage loan originations increased from \$313 million to \$600 million and net mortgage banking revenue more than doubled compared to 2019. The increase in originations was largely led by refinance activity, although the home purchase market also expanded nicely.

In addition to assisting commercial clients in accessing over \$40 million of PPP loans, our Corporate Banking team originated an additional \$88 million in new commercial loans in 2020 representing a 20% increase over 2019, and they achieved a 20% year-over-year increase in commercial deposit balances. Our ability to quickly and efficiently handle the influx of PPP applications resulted in gaining many new banking relationships. Our Corporate Banking, Treasury Management, SBA, Retail Banking, Credit Administration and Loan Operations teams processed and funded all PPP loan applications presented - over \$43 million. Thanks to the preparedness of our IT team this all was accomplished while nearly three quarters of our staff worked remotely.

Our Government Guaranteed Lending Division's primary focus in 2020 became assisting clients with PPP loans and payments provided on all SBA loans under the CARES Act. In the fourth quarter,



J. Brian Chaffin, President & CEO, and Mark A. Elste, Chairman



Dawn DeRidder joined us as EVP, Director of Government Guaranteed Lending. Dawn brings over 25 years of experience in credit administration and business development in this specialized lending niche. Dawn's credit, business development and leadership skills are well suited to grow this important division in the years ahead.

The pandemic placed a particularly difficult strain on our Retail Banking employees, most of whom continued to work in our branch offices to service our clients' critical financial needs. We closed branch lobbies for periods of time, but provided the opportunity for clients to enter the branch by appointment, while providing most all branch services via our drive through facilities. We also enhanced our online and mobile banking capabilities to assist clients that prefer to access banking services through digital channels. In the early days of the pandemic, our retail staff reached out to many of our elderly clients to make sure they were safe and offered assistance to those in need - a testament to the character of our employees who live our slogan: "We just help."

In 2020, we continued with our growth and improvement initiative called "Project Falcon". Nearly 40% of our colleagues are involved in serving on one of the eight Project Falcon teams. These teams have developed strategies to improve operating results in many areas of the company. We've been very pleased how Project Falcon has been a catalyst to help engage the expertise and creative thinking of our CIBM colleagues.

2020 brought the completion of the modified Dutch auction plan, which began in 2018. We were able to repurchase approximately 26% of the original preferred shares outstanding at a weighted average price of approximately \$717 per share which, along with excellent earnings and asset quality, improved our capital position in 2020. As we have reported, for now, it appears our preferred stock repurchases have ceased. We continue to believe the repurchase of preferred shares at the right price is a good use of available capital and cash. However, unless there is a change in circumstances, we are prepared to pursue other investments that would prove accretive to shareholder value. We will look for opportunities that may include building or expanding wealth management services, mortgage lending or other commercial lending niches we feel complement our existing product base and expertise.

2021 has started with a continuation of high residential mortgage originations, solid pipelines for our Commercial and Government Guaranteed Lending Divisions, exceptionally strong liquidity, and a continuation of the downward trend in cost of funds. We expect some deterioration in current credit quality levels in 2021 and there is uncertainty created by potential changes in economic and fiscal policy by the federal government. We will continue to utilize Project Falcon to identify and implement strategies to continue to improve core banking services, banking margins and efficiencies, as well as look for new investment opportunities to increase shareholder value.

In 2020, we welcomed two new executive team members to our CIBM family. In addition to Dawn DeRidder, Scott Winkel joined CIBM in November 2020 and became Chief Credit Officer effective January 1, 2021. Scott is succeeding Paul Melnick who has made a tremendous impact on our company in shaping our credit culture over the past several years and we are grateful for his exceptional service. Effective January 1, 2021, Paul became EVP and Director of Special Assets to help with a smooth transition in the CCO role and manage troubled loans we anticipate will increase as a result of the pandemic. Please review the articles dedicated to these three executives later in this annual report.

We want to thank our team members across the Company for their hard work and dedication to serving our clients and the communities we live in, while upholding our core values of Service, Solutions and Integrity. In the midst of very difficult circumstances, our colleagues stepped up to ensure our clients were well served and generated the terrific earnings results achieved in 2020.

Sincerely,

Mark A. Elste
Chairman

J. Brian Chaffin
President & CEO



SELECTED UNAUDITED CONSOLIDATED FINANCIAL DATA

(Dollars in thousands, except share and per share data)	At or for the Years Ended December 31				
	2020	2019	2018	2017	2016
SELECTED STATEMENTS OF OPERATIONS DATA					
Interest and dividend income	\$26,996	\$27,948	\$26,203	\$23,527	\$20,949
Interest expense	4,814	8,647	6,422	4,126	2,997
Net interest income	22,182	19,301	19,781	19,401	17,952
Provision for (reversal of) loan losses	1,053	817	(1,185)	206	(548)
Net interest income after provision for (reversal of) loan losses	21,129	18,484	20,966	19,195	18,500
Noninterest income (1)	21,801	10,156	9,409	8,730	9,400
Noninterest expense	32,003	26,174	25,847	23,615	23,779
Income (loss) from continuing operations before income taxes	10,927	2,466	4,528	4,310	4,121
Income tax expense (benefit)	2,743	423	1,188	(22,644)	50
Net income (loss)	8,184	2,043	3,340	26,954	4,071
COMMON SHARE DATA (2)					
Basic net income (loss) (3)	6.51	1.92	4.24	22.28	3.37
Diluted net income (loss) (3)	3.79	1.08	2.20	11.10	1.71
Dividends	—	—	—	—	—
Tangible book value per share (4)	52.28	44.86	42.35	37.88	15.14
Book value per share (4)	47.19	39.66	36.77	30.61	7.88
Weighted average shares outstanding-basic	1,262,279	1,227,111	1,213,940	1,209,977	1,208,526
Weighted average shares outstanding-diluted	2,167,731	2,180,776	2,342,643	2,428,959	2,286,130
FINANCIAL CONDITION DATA					
Total assets	\$750,982	\$703,791	\$721,259	\$662,394	\$653,559
Loans	539,227	513,705	491,337	483,611	483,518
Allowance for loan losses	(9,122)	(8,007)	(7,947)	(7,701)	(7,592)
Investment securities	108,492	120,398	121,281	114,801	112,072
Deposits	586,373	530,190	536,931	478,633	483,097
Borrowings	51,310	73,847	86,710	84,217	96,944
Stockholders' equity	103,704	93,404	91,035	97,066	69,523

1. Noninterest income includes gains and losses on securities.
2. Common share data prior to September 14, 2020, is adjusted to reflect the 1-for-15 reverse split to allow for comparability between the pre- and post- reverse split periods.
3. Net income available to common stockholders in the calculation of earnings per share includes the difference between the carrying amount less the consideration paid for redeemed preferred stock of \$0.03 million, \$0.3 million and \$1.8 million for the years ended December 31, 2020, 2019 and 2018, respectively.
4. Tangible book value per share is the shareholder equity less the carry value of the preferred stock and less the goodwill and intangible assets, divided by the total shares of common outstanding. Book value per share is the shareholder equity less the liquidation preference of the preferred stock, divided by the total shares of common outstanding. Both book value measures are reported inclusive of the net deferred tax assets. As presented here, shares of common outstanding excludes unvested Restricted Stock Awards.

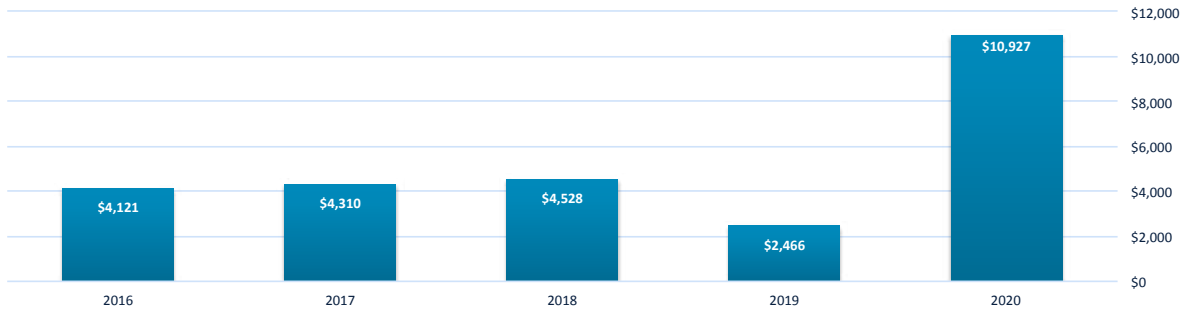


(Dollars in thousands, except share and per share data)	At or for the Years Ended December 31				
	2020	2019	2018	2017	2016
FINANCIAL RATIOS AND OTHER DATA					
Performance Ratios:					
Net interest margin (5)	3.11%	2.91%	3.05%	3.11%	3.01%
Net interest spread (6)	2.93	2.60	2.80	2.93	2.86
Noninterest income to average assets (7)	2.90	1.43	1.37	1.36	1.53
Noninterest expense to average assets	4.26	3.72	3.75	3.67	3.88
Efficiency ratio (8)	72.85	89.07	88.44	83.95	86.94
Earnings (loss) on average assets (9)	1.09	0.29	0.48	4.19	0.66
Earnings (loss) on average equity (10)	8.26	2.18	3.52	36.85	5.88
Asset Quality Ratios:					
Nonaccrual loans to total loans (11)	0.23%	1.09%	1.34%	0.69%	1.26%
Nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing to total loans (11)	0.40	1.38	1.62	1.02	1.60
Nonperforming assets, restructured loans and loans 90 days or more past due and still accruing to total asset (11)	0.54	1.35	1.45	1.13	1.67
Allowance for loan losses to total loans	1.69	1.56	1.62	1.59	1.57
Allowance for loan losses to nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing (11)	421.14	112.66	99.72	156.68	97.99
Net charge-offs (recoveries) to average loans	(0.01)	0.15	(0.29)	0.02	(0.02)
Capital Ratios:					
Total equity to total assets	13.81%	13.27%	12.62%	14.65%	10.64%
Total risk-based capital ratio	17.44	15.19	15.34	16.62	15.40
Tier 1 risk-based capital ratio	16.19	13.94	14.09	15.36	14.15
Leverage capital ratio	11.46	10.71	10.10	12.39	11.14
Other Data:					
Number of employees (full-time equivalent)	176	176	183	183	171
Number of banking facilities	11	11	11	11	11

5. Net interest margin is the ratio of net interest income to average interest-earning assets.
6. Net interest spread is the yield on average interest-earning assets less the rate on average interest-bearing liabilities.
7. Noninterest income to average assets excludes gains and losses on securities.
8. The efficiency ratio is noninterest expense divided by the sum of net interest income plus noninterest income, excluding gains and losses on securities.
9. Earnings on average assets are net income divided by average total assets.
10. Earnings on average equity are net income divided by average stockholders' equity.
11. Excludes loans held for sale.

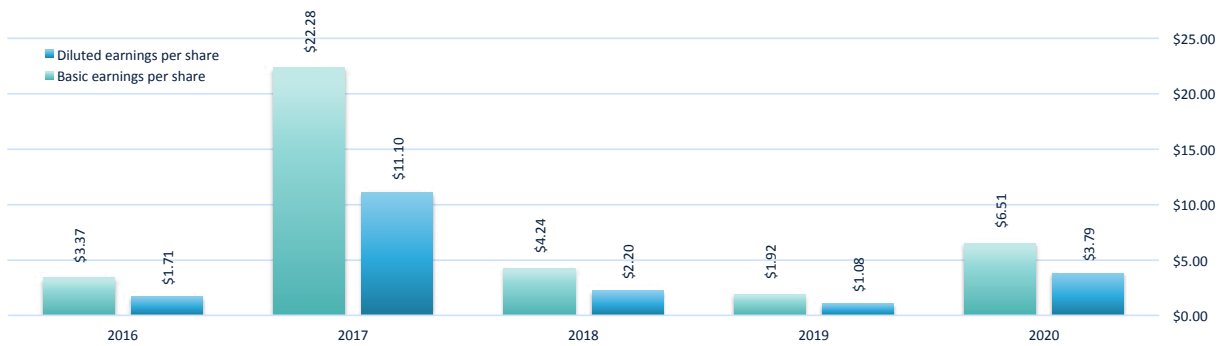


INCOME, BEFORE TAX (000s)



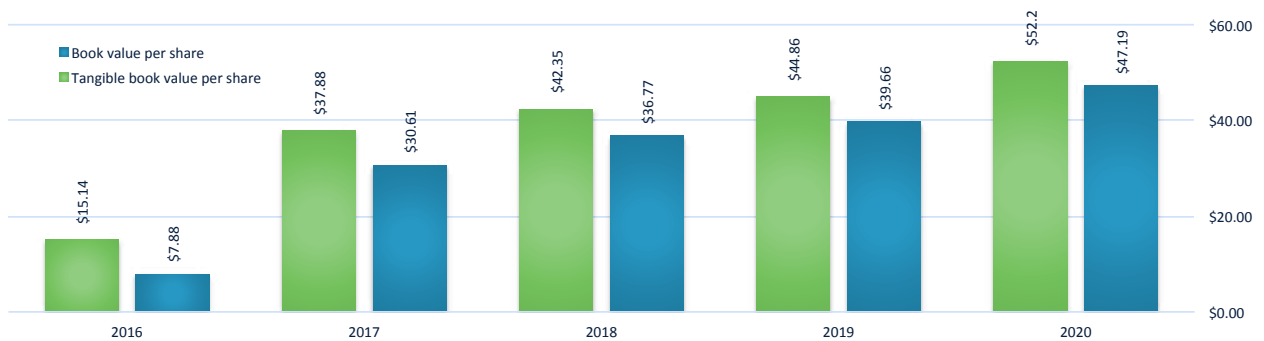
Income before tax was up more than \$6 million in 2020 from 2019 on strong Mortgage Division earnings; increases in earning assets, including loans held for sale and Paycheck Protection Plan loans; and lower cost of funds due to variable rate deposit changes and significant time deposit repricing as a result of maturities and the exercise of callable CD options.

EARNINGS PER SHARE, BASIC AND DILUTED



Earnings per share were \$6.51 basic and \$3.79 diluted in 2020, compared to \$1.92 and \$1.08, respectively, in 2019, on a post 1:15 reverse stock split basis which was effective September 14, 2020. The difference was due to stronger earnings in 2020.

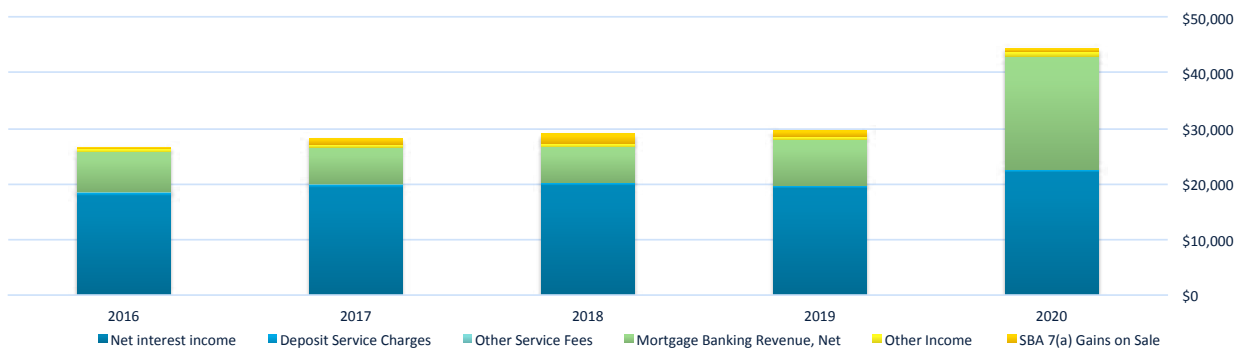
BOOK VALUE, TANGIBLE AND STATED



Book values per share, tangible and stated, surged higher on strong 2020 earnings and improved unrealized gains in available for sale securities due to lower interest rates. All years are on a post 1:15 reverse stock split basis which was effective September 14, 2020.

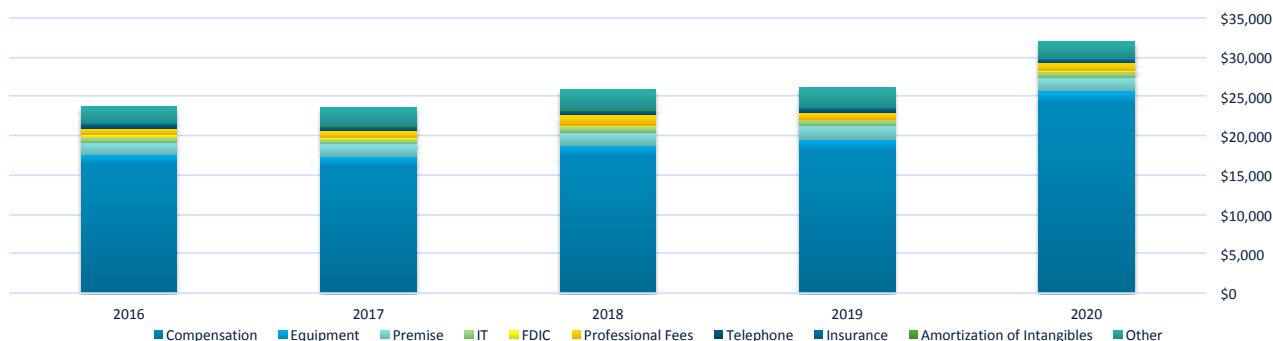


PRIMARY BANKING REVENUES (000s)



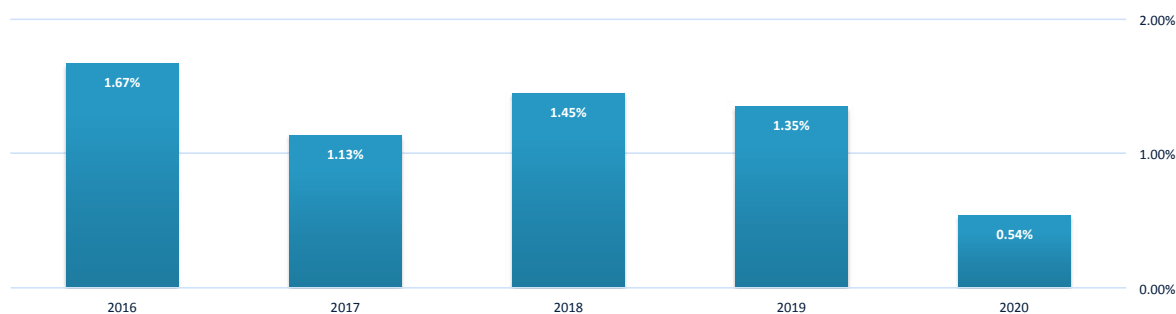
Mortgage banking and net interest income revenue trends are up. Mortgage banking reflects a significant amount of refinance lending activity due to lower interest rates and stronger margins. SBA 7(a) gains on sale were down for the year due to a focus on the SBA’s Paycheck Protection Program (PPP) and related lending activity at the bank. Fees earned in the PPP loans is reported as interest income over the life of the PPP loan unlike the immediate gains reported from the sale of an SBA 7(a) loan.

EXPENSES (000s)



Expense increases for 2020 from 2019 were overwhelmingly due to the increased compensation related to the higher mortgage lending activity. Mortgage Division compensation was up 75% compared to the prior year, compared to a 5% increase for the banking sector compensation, with most of the increase related to incentive pay based on performance. Most other expense categories had only modest positive and negative changes.

NON-PERFORMING ASSETS / TOTAL ASSETS



Non-performing assets including troubled debt restructures and 90 days past due accruing loans to total assets declined even further during 2020 to a new 15-year low for the Company. The improvement is due in part to the federal fiscal and monetary support directed at supporting the economy in the face of the national lock down recession following various state and local edicts issued in an attempt to slow the spread of COVID-19.



CIB MARINE BANCSHARES, INC. & CIBM BANK

BOARD OF DIRECTORS

Mark A. Elste, Chairman Director Since: 2011

**Chairman of the Boards of
CIB Marine Bancshares, Inc. & CIBM Bank**

Committees: Executive Loan, Investment Advisory (Chair) and Trust

Charles E. Baker Director Since: 2008

Retired Partner, Ernst & Young LLP

Committees: Audit, Compensation & Stock Option (Chair), and Nominating (Chair)

J. Brian Chaffin Director Since: 2015

**President & CEO,
CIB Marine Bancshares, Inc. & CIBM Bank**

Committees: Trust

Gina M. Cocking Director Since: 2019

Managing Director & CEO, Colonnade Advisors, LLC

Committees: Compensation & Stock Option and Executive Loan

JoAnn M. Cotter Director Since: 2019

Retired Partner, Wipfli LLP

Committees: Audit and Compensation & Stock Option

Mark D. Henderson Director Since: 2017

**Chief Information Officer & Vice Chancellor
of the University of Pittsburgh**

Committees: Audit (Vice Chairman) and Compensation & Stock Option

John P. Hickey, Jr. Director Since: 2007

**Retired President, CEO & Chairman of
CIB Marine Bancshares, Inc. & CIBM Bank**

Committees: Nominating

Gary L. Longman Director Since: 2004

Retired Partner, KPMG LLP

Committees: Audit (Chair), Compensation & Stock Option, and Trust

Charles D. Mires Director Since: 2011

**Retired Director of Fixed Income & Alternative
Strategies for private investment management firm**

Committees: Audit, Compensation & Stock Option, Investment Advisory, and Trust (Chairman)

Steven C. Palmitier Director Since: 2011

**President & COO, North American Company
for Life & Health Insurance and Midland National
Life Insurance Company**

Committees: Compensation & Stock Option and Nominating

Ronald E. Rhoades Director Since: 2010

President & CEO, Plastic Container Corp.

Committees: Audit, Compensation & Stock Option, and Nominating

THANK YOU CHUCK BAKER

CIB Marine's Board of Directors extends its thankfulness and appreciation to Mr. Chuck Baker who, after a dozen years of service, will retire from the Company's Board of Directors following the 2021 Annual Shareholder Meeting. Mr. Baker's talents were highlighted as a Financial Expert on the Company's Audit Committee through a variety of developments in the Company's history, including reorganization, management transitions, evolutions in lines of business, and recapitalization and stock repurchase plans. In addition, he provided valuable insight and leadership to the Board of Directors and management as the Chairman of both the Nominating and Compensation & Stock Option Committees. The Board wishes to express its gratitude to Mr. Baker for his dedication and service to the Company and its shareholders, and bids him a fond farewell.





EXECUTIVE MANAGEMENT

J. Brian Chaffin President & Chief Executive Officer	Lee W. Abner SVP & Director of Technology Services
Joanne M.P. Blaesing EVP & Director of Community Development	Michelle M. Bragstad SVP & Chief Compliance Officer
Dawn M. DeRidder EVP & Director of Government Guaranteed Lending	Gary A. Maughan EVP & Mortgage Banking Director
Paul C. Melnick EVP & Director of Special Assets	James P. Mullaney III EVP & Director of Corporate Banking
Daniel J. Rasmussen EVP, Chief Admin. Officer, General Counsel & Secretary	Patrick J. Straka EVP & Chief Financial Officer
Mark V. Wilmington EVP & Director of Retail Banking	Scott C. Winkel EVP & Chief Credit Officer

THANK YOU PAUL MELNICK



After more than forty years in the banking industry, CIBM Bank’s Paul Melnick announced his retirement from the position of Chief Credit Officer at the end of 2020. Paul joined the CIBM Bank family in 1999 as a VP of Commercial Lending and Correspondent Banking and worked his way through the lending and credit functions, ultimately assuming the title of Chief Credit Officer in 2011. Paul was instrumental in developing and implementing a new credit culture for the Bank, which has reduced non-accrual loans from over 12% to 1% and positioned the Bank well for the COVID-19 “Lockdown Recession”. Brian Chaffin, said of Mr. Melnick: “Paul’s dedicated

and disciplined approach to credit administration was critical to the improvements made at the Bank over the last ten years.”

We are pleased that Mr. Melnick has agreed to ease into retirement by remaining with us in a part-time capacity as Director of Special Assets. In this new position, he will concentrate his extensive credit risk management talents on problem loan work-out and ensuring a smooth transition to his successor, Mr. Scott Winkel.



CIB Marine Bancshares, Inc. (OTCQB: CIBH) is a Wisconsin corporation and registered bank holding company with its principal executive offices in Brookfield, Wisconsin, a suburb of Milwaukee.

CIB Marine Bancshares, Inc. was originally incorporated in the State of Illinois in 1985 as Sidney Bancorporation, Inc. In September 1987, a group of investors acquired Sidney Bancorporation and subsequently changed its name to Central Illinois Bancorp, Inc. On August 27, 1999, Central Illinois Bancorp reincorporated as a Wisconsin corporation and changed its name to CIB Marine Bancshares, Inc.

CIB Marine Bancshares, Inc. owns and operates CIBM Bank, an Illinois chartered commercial bank headquartered in Champaign, Illinois. The Mortgage Division of the bank, headquartered in Naperville, Illinois, serves all CIBM Bank markets. As of 2021, CIBM Bank had total assets of \$743 million, and operated eleven banking branches and five mortgage lending offices.

CIBM Bank offers a full array of traditional banking services, including a broad range of loan products, such as commercial loans, commercial real estate loans, commercial and residential construction loans, government guaranteed loans, one-to-four family residential real estate loans, home equity loans, consumer loans, and commercial and standby letters of credit; acceptance of demand, savings and time deposits; trust services, including cash managements; repurchase agreements; and other banking services.

BANK MANAGEMENT

CENTRAL ILLINOIS

- David J. Bates**
Senior Credit Officer
- Michael A. Dexter, Jr.**
Corporate Banker
- Melissa J. Halcomb**
Director of Human Resources
- Chad Howard**
Corporate Banker
- Judith A. Moon**
Workout Specialist
- Janet A. Nicholas**
Director of IT Client Services
- James C. Singleton**
Facilities Manager & Security Officer
- Todd J. Somers**
Treasury Operations Manager
- Linda L. Wolken**
Operations Manager
- Teresa L. Keen**
Retail Operations Supervisor
- Bette J. Prince**
Operations Specialist
- Karoline E. Seitz-Goddard**
Treasury Management Officer

CHICAGOLAND

- Michael T. Barbaglia**
Corporate Banker
- Barbara A. Carroll**
Cashier
- Daniel E. Michalski**
Corporate Banker
- Jeffrey G. Nickels**
Client Services Representative & Project Manager
- Raymond E. Vanna**
Network Engineer
- Scott D. Weller**
Corporate Banker

INDIANAPOLIS

- Cara N. Engel-Dalton**
Director of Marketing
- Kimberly J. Van Arsdale**
Treasury Management Officer
- Kenneth B. Yedlick**
Corporate Banker

MILWAUKEE

- Julie A. Berg**
Treasury Management Officer
- Bridget L. Condon**
Corporate Banker
- Annette F. Esteves**
Assistant Controller
- Gregory L. Huber**
Corporate Banker
- William J. Kadrach**
Corporate Banker
- Michael W. Klein**
Retail Market Manager
- Brian R. McNerney**
Corporate Banker
- Pamela J. Mitchell**
Loan Documentation Manager
- Elizabeth B. Neighbors**
Investor Relations Manager & Paralegal
- Jill E. Sikorski**
Loan Services Manager
- Christopher J. Wood**
Senior Credit Officer
- Christen B. Meyer**
Treasury Management Officer

CIBM MORTGAGE

- Lorraine Quintao**
Mortgage Operations & Compliance Manager

GOVERNMENT GUARANTEED LENDING

- Desa P. Phetchareun**
Gov't Guaranteed Lending Banker



WELCOME TO CIBM BANK

Dawn M. DeRidder

Director of Government Guaranteed Lending



With more than 35 years in the banking industry, Dawn DeRidder spent the last 20 years focused on government guaranteed lending, specifically Small Business Administration (SBA) lending. In addition to being an Indiana SBA Financial Services Champion of the Year Award recipient, she has extensive experience in mentoring SBA lenders in the field; developing procedures, guidelines, and training programs to improve efficiencies in underwriting and loan processing; and designing marketing campaigns to boost SBA lending volume. Her qualifications make her a superb addition to our organization as she continues to strengthen our Government Guaranteed Lending Division. Dawn is based in our Indianapolis, Indiana, branch.

Scott M. Winkel

Chief Credit Officer



Scott Winkel comes to CIBM Bank with 25 years of experience at every level of the banking industry in Southeastern Wisconsin. At his most recent employer, he quickly rose through the credit administration ranks to the title of Chief Credit Officer where he provided leadership for the development of and communication of a clear, consistent credit culture. His focus on long-term, dependable performance, and his familiarity with our Midwestern markets makes him an excellent match for CIBM and we are delighted to welcome him to our management team. Scott is based in our Brookfield, Wisconsin, branch.



CONGRATULATIONS

Bridget Condon, VP Corporate Banking

CIBM Bank's own Bridget Condon, VP Corporate Banking, was named one of the Milwaukee BizTimes' Notable Women in Commercial Banking in 2020. As a key member of CIBM Bank's Commercial Lending team, Bridget brings seasoned expertise and innovative solutions for her clients, with a particular focus on the Bank's Small Business Administration (SBA) loan programs. She also serves the Southeastern Wisconsin community through a variety of organizations, including the Wisconsin Women's Business Initiative Corporation, La Casa de Esperanza, and the SBA's Emerging Leaders and SCORE Mentor programs. Ms. Condon is a role model in our company and community because of her strong financial acumen and eagerness to meet any challenge head on.



NEW PEORIA LOCATION



7815 N. Knoxville Avenue • Peoria, IL 61614 • PHONE (309) 690-7017

In January 2020, CIBM Bank closed its bank branch located on Sheridan Road in Peoria, Illinois, and transferred all accounts and employees to its new branch on Knoxville Avenue. Anchoring one end of the Mt. Hawley Court retail center, this new branch is surrounded by a variety of restaurants, retail, office, and commercial establishments. Located at a light-controlled intersection on a multi-lane thoroughfare, the facility offers improved access for the Bank’s customers in a smaller, more cost-effective space. Please stop by to visit us soon!



Cameron Brown,
Champaign Branch Manager

COIN SHORTAGE 2020

The nation’s response to the COVID-19 pandemic resulted in a drastic change in consumers spending habits, increased electronic payment activity, and reduced US Mint production as we all sought to slow the spread of the virus. These changes resulted in a significant disruption in coin circulation and many businesses who rely heavily on making change for customers, like laundromats and grocery stores, had difficulties in obtaining enough coin for their daily operations. CIBM Bank responded to the disruption by announcing a coin drive and offering bonus payments to clients who deposited sizeable amounts of coin. Through our efforts, customers deposited tens of thousands of dollars in change and we were able to keep our coin-focused clients well-stocked.



ELECTRONIC ENHANCEMENTS

CIBM Bank has embraced new banking technologies that improve customer experience and bank efficiency. In 2020, this focus was on online and mobile banking, as well as safely servicing customer needs with no loss of customer service or personal attention.

We introduced virtual appointments, allowing new and existing customers to meet with our staff via video conferencing services. We added digital wallet for quick, secure, and contactless payments. With digital wallet, customers are able to connect their CIBM Bank debit card to Apple Pay™, Google Pay™, or Samsung Pay™. This feature allows customers to simply tap and go with their phone or watch at the point of sale. Card information is not stored on the device and is never shared with the merchant – making it more secure than actually swiping a card. We also made changes to allow clients to self-enroll in our mobile deposit feature through our CIBM Bank application rather than visiting a branch location to do so.

ClickSWITCH

CIBM Bank ran many successful retail banking campaigns in 2019 and 2020, but one problem persisted: potential customers were reluctant to change banks because of the perceived hassle of changing electronic payments. Welcome to ClickSWITCH.

ClickSWITCH helps make changing financial institutions speedy and painless. During the account opening process, we are able to move payroll, social security, and planned online bill pay transactions from the customer’s old bank to their new account with just a couple of clicks. We utilized ClickSWITCH as a key component of our checking account acquisition programs in 2020, gathering direct deposit information immediately at account opening and, in turn, generating higher balances and contributing to less attrition.

PROTECTING AGAINST COVID-19

Like the rest of the world, CIBM Bank staff adjusted to the new normal by quickly pivoting to drive-through and by-appointment-only activity in our branches during the strongest surges of the COVID-19 virus in our communities. We also outfitted all branches with an array of masks, hand sanitizer stations, plexiglass dividers, and socially distanced floor markings to ensure the health and safety of both our employees and customers.



Brookfield TellerLine



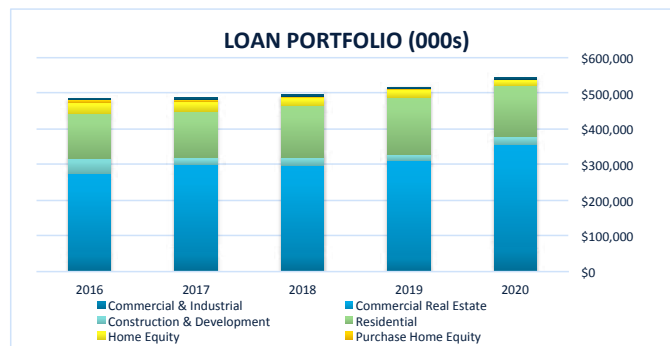
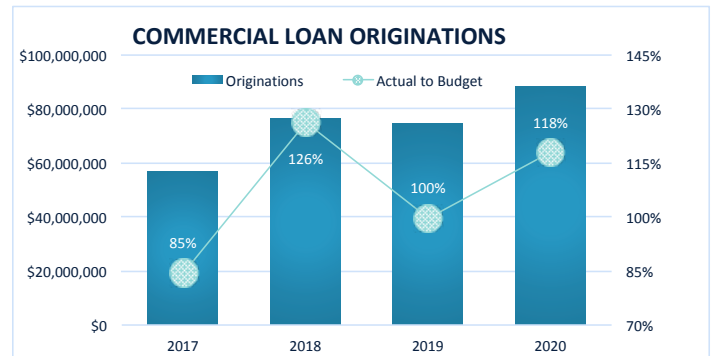
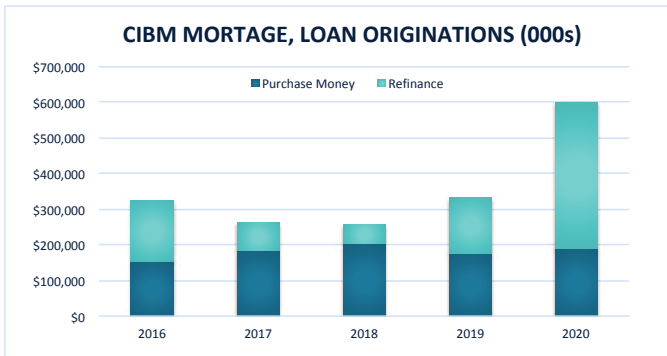
Champaign TellerLine



Greg Huber (CIBM), Pastor Dan Reehoff, and Jim Mullaney (CIBM)

DAYSPRING BAPTIST CHURCH, INC.

Dayspring Baptist Church, Inc. came to CIBM Bank several years ago after waiting months for their “big bank” to make progress on their loan for the acquisition and development of a church and school on 35 acres in Delafield, Wisconsin. CIBM Bank and Dayspring’s Loan Officer, Greg Huber, were able to promptly complete the financing request, and provide treasury management services to help them maintain efficiencies and manage cash flow as the church and school attendance levels continue to grow. In 2020, Dayspring was so pleased with CIBM Bank’s assistance in the PPP loan process, it referred its parent church, Quentin Road Bible Baptist Church (Lake Zurich, IL), to us for assistance as their Chicago-based lender struggled to meet their needs. We are truly excited and honored to continue working with Pastor Dan Reehoff and the Dayspring Baptist Church family as they grow and provide valuable resources and services to the local communities.





Jim Mullaney (CIBM), Zach Kulasa (Owner), Mike Hallman (Owner) & Dan Michalski (CIBM)

CHICAGOLAND HOME PRODUCTS, LLC

Chicagoland Home Products, LLC designs and installs high-quality custom closets, storage solutions & window coverings in all areas of your home – kitchen, garage, home office, and more. When their money center bank was slow to respond to their PPP inquiries, a friend put owners Zach Kulasa and Mike Hallman in touch with CIBM for assistance. We were able to guide them through the process and quickly secure a PPP facility and Treasury Management services to keep their business growing through a historically difficult time. Zach and Mike say they greatly value the attentive customer service they receive from CIBM Bank and Dan Michalski, and know they will receive a quick and knowledgeable response to any of their banking needs and questions.

PPP LENDING IN 2020

PPP Loans Originated (millions)	43.4
PPP Loans Outstanding (millions)	31.9
PPP Number of Loans Originated	347
PPP Gross Fees Received (millions)	1.6
PPP Fees Accreted to Income (millions)	0.8
PPP Fees Remaining to Accrete to Income (millions)	0.8

347

The number of PPP loans CIBM Bank has proudly approved totaling over \$43 million for small businesses

5,000+

The number of jobs these loans will support in our communities



COMMUNITY SERVICE...WE JUST HELP

CIBM Bank is committed to each of our banking communities and we proved that again in 2020. A global pandemic couldn't stop our employees from safely delivering services such as financial and home ownership education, volunteer tax preparation, and serving the needs of a variety of nonprofit boards and committees.



Our Wisconsin market collected donations from employees for the Ronald McDonald House Charities Eastern Wisconsin at its annual holiday celebration in February 2020.

As a community bank, **we understand our obligation to our neighbors and the community institutions we serve.**



Our Champaign Branch gathered food for the Community Service Center of Northern Champaign County in January 2020.



Our Urbana Branch team volunteered at the Eastern Illinois Foodbank to pack meals for distribution to the community in January 2020.

COVID RELIEF GRANTS

In addition to our traditional contributions to nonprofits and charities that provide vital assistance across our banking markets, CIBM Bank was pleased to be able to direct grant funds to over 15 small businesses and nonprofit organizations in our Wisconsin and Illinois markets through the Federal Home Loan Bank - Chicago's (FHLB) COVID-19 Relief Grant and Targeted Impact Fund Programs. Recipients of these grants were selected because of their outreach to those affected by the pandemic, as well as their efforts to provide and/or promote affordable housing for vulnerable populations.

It's our community. We just help.



PRODUCTS AND SERVICES

PERSONAL DEPOSIT PRODUCTS

- Interest-Bearing Checking and Savings (Acceleration BankingSM)
- Classic Checking
- High Performance Checking
- Alternative Checking
- Bonus Savings
- Planned Savings
- Kids Club Savings
- Money Market
- Certificates of Deposit
- Health Savings
- Coverdell Education Savings
- Traditional IRA
- Roth IRA
- Reciprocal Deposit (MIDAS)
- Simplified Employee Pension
- Online Banking
- eStatements
- Mobile Banking Application
- Deposit Anywhere
- Reward Debit Cards
- Credit Cards
- Digital Wallet
- Safe Deposit Boxes

BUSINESS DEPOSIT PRODUCTS

- Basic Business Checking
- Advantage Business Checking
- Premier Business Checking
- Reciprocal Deposit (MIDAS)
- Business Savings
- Money Market
- Certificates of Deposit

BUSINESS BANKING

- Remote Deposit Capture
- Remote/Mobile Deposit
- Lockbox
- Electronic Receivables
- ACH
- Controlled Disbursement
- Positive Pay
- ACH Positive Pay
- Zero Balance Accounts
- Direct Deposits
- Wire Access
- ACH Filters & Blocks
- Cash Concentration
- EFTPs
- Online Bill Pay
- Credit Cards
- Debit Cards
- Sweeps
- Merchant Services
- Repurchase Agreements
- U.S. Treasury Bills and Government Agency Discount Notes

RESIDENTIAL LENDING

- Single Family Mortgages (1-4 units)
- Home Equity Lines of Credit and Fixed Term Loans
- Affordable Home Loan Program
- Lot Loans
- Bridge Loans
- Construction Loans
- Construction-Permanent Loans

CONSUMER LENDING

- Auto Loans
- Personal Loans
- Overdraft Lines of Credit
- Empowerment Credit Building Loan

COMMERCIAL LENDING

- Equipment Financing
- Real Estate Financing
- Construction Loan Financing
- Working Capital Lines of Credit
- Small Business Loans (Fast TrackSM)
- Letters of Credit
- SBA/Government Guaranteed Loans

TRUST SERVICES

- Cash Management Strategies and SBA 7(a) Repo
- Investments



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BROOKFIELD

19601 W. Bluemound Road
Brookfield, WI 53045

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DANVILLE

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Danville, IL 61832

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WHEATON

330 S. Naperville Road
Wheaton, IL 60187

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ELM GROVE

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Elm Grove, WI 53122

Phone: (414) 607-6000

MONTICELLO

204 S. Market Street
Monticello, IL 61856

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CIBM MORTGAGE | www.cibmmortgage.com

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SHEBOYGAN

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Sheboygan, WI 53081

Phone: (920) 457-5626

DECATUR

140 S. Water Street, Suite 101
Decatur, IL 62523

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Indianapolis, IN 46250

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NAPERVILLE

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EAST LANSING

East Lansing, Michigan

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Via US Mail

P.O. Box 505000
Louisville, KY 40233-5000

Via Overnight

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Louisville, KY 40202

Phone: (800) 962-4284

www.computershare.com/investor

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FORWARD-LOOKING STATEMENTS

CIB Marine has made statements in this Annual Report that 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 elsewhere in this Annual Report and 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 contained or incorporated by reference in this document. 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.



Service | Solutions | Integrity



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