

CIB Marine Bancshares, Inc. (OTCQX: CIBH). This report provides additional detailed financial information for the quarter ended March 31, 2022. Please see our Shareholder Letter dated May 5, 2022, located at [www.cibmarine.com](http://www.cibmarine.com) for a summary description of our financial results.

**CIB MARINE BANCSHARES, INC.**  
**Net Interest Income (unaudited)**

	2022			2021		
	Average Balance	Interest Earned/Paid	Average Yield/Cost	Average Balance	Interest Earned/Paid	Average Yield/Cost
(Dollars in thousands)						
<b>Quarter Ended March 31,</b>						
<b>Interest-earning assets</b>						
Securities (1)	\$106,440	\$537	2.02%	\$107,857	\$555	2.06%
Loans held for sale (1)	8,282	58	2.83	32,556	175	2.18
Loans (1)(2)	535,701	5,254	3.98	535,118	5,524	4.19
Federal funds sold, reverse repos and interest-earning due from banks	74,604	30	0.16	43,009	11	0.11
Total interest-earning assets	725,027	5,879	3.28	718,540	6,265	3.53
Noninterest-earning assets	32,453			36,377		
Total assets	\$757,480			\$754,917		
<b>Interest-bearing liabilities</b>						
Interest-bearing deposits	\$503,977	\$350	0.28%	\$493,376	\$512	0.42%
Borrowed funds	32,256	62	0.78	45,550	24	0.21
Total interest-bearing liabilities	536,232	413	0.31	538,926	536	0.40
Noninterest-earning liabilities:						
Noninterest-bearing demand deposits	124,780			104,143		
Accrued interest and other liabilities	4,665			5,820		
Preferred equity	18,762			37,308		
Common equity	73,040			68,720		
Total stockholders' equity	91,802			106,028		
Total liabilities and stockholders' equity	\$757,480			\$754,917		
<b>Net interest-earning assets, interest income and net interest spread (1)(3)</b>	<b>\$188,794</b>	<b>\$5,466</b>	<b>2.97%</b>	<b>\$179,614</b>	<b>\$5,729</b>	<b>3.13%</b>
<b>Net interest margin (1)(4)</b>			<b>3.05%</b>			<b>3.23%</b>
<b>Ratio of average interest-earning assets to average interest-bearing liabilities</b>	<b>1.35</b>			<b>1.33</b>		

(1) Balance totals include respective nonaccrual assets.

(2) Interest earned on loans includes a nominal amount of amortized loan costs for all periods presented.

(3) Net interest spread is the yield on average interest-earning assets less the rate on interest-bearing liabilities.

(4) Net interest margin is the ratio of net interest income to average interest-earning assets.

Net interest income decreased by \$0.3 million during the first three months of 2022 compared to the same period of 2021. The primary reasons for the change is lower average balances in loans held for sale as mortgage production has declined due to higher mortgage interest rates and lower PPP net deferred fee accretions. The net interest margin declined by 18 basis points during the first three months of 2022 compared to the same period of 2021 with the yield on interest earnings assets declining by 25 basis points compared to 9 basis points in the cost of interest bearing liabilities. In addition to the decline in net deferred PPP fee accretions, the decline in the yield on interest-earning assets was the result of growth by \$32.6 million in average balances of low interest rate interest-earning due from bank accounts, resulting from the growth in certain interest-bearing liabilities including interest-bearing deposits and non-interest bearing deposit balances.

**CIB MARINE BANCSHARES, INC.**  
**Loans and Allowance for Loan and Losses**

	<b>Loan Portfolio Segments (unaudited)</b>					
	<b>March 31, 2022</b>		<b>December 31, 2021</b>		<b>March 31, 2021</b>	
	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>% of Total</b>
	<b>(Dollars in thousands)</b>					
Commercial	\$54,955	10.4%	\$59,699	11.0%	\$69,112	12.8%
Commercial real estate	300,010	56.8	307,229	56.6	298,402	55.2
Construction and development	19,275	3.6	18,629	3.4	23,157	4.3
Residential real estate	140,344	26.6	142,375	26.2	132,123	24.4
Home equity	12,949	2.5	14,084	2.6	16,078	3.0
Purchased home equity pools	698	0.1	950	0.2	1,530	0.3
Other consumer	213	0.0	232	0.0	318	0.0
Gross loans	528,444	100.0%	543,198	100.0%	540,720	100.0%
Deferred loan costs (fees)	768		621		(514)	
Loans	529,212		543,819		540,206	
Allowance for loan losses	(8,011)		(8,352)		(9,253)	
Loans, net	\$521,201		\$535,467		\$530,953	

	<b>Select Real Estate Loan Property Types (1) (unaudited)</b>					
	<b>March 31, 2022</b>		<b>December 31, 2021</b>		<b>March 31, 2021</b>	
	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>% of Total</b>
	<b>(Dollars in thousands)</b>					
Office	\$58,732	11.1%	\$62,172	11.4%	\$64,333	11.9%
Retail	55,252	10.5	58,694	10.8	44,488	8.2
Warehouse	17,799	3.4	18,752	3.5	22,689	4.2
Manufacturing	22,223	4.2	20,360	3.7	25,181	4.7
Hospitality	29,593	5.6	31,189	5.7	25,520	4.7
Nursing Home and Assisted Living	15,044	2.8	15,187	2.8	12,012	2.2
Multifamily Apartments	39,204	7.4	41,685	7.7	48,489	9.0
Restaurants and Food Service	20,337	3.8	18,535	3.4	17,882	3.3

(1) Select Real Estate Loan Property Types includes loans from the commercial real estate and construction and development segments with listed commercial property types that are 2.0% or more of total loans in the most recent period.

### Nonperforming Assets and Selected Asset Quality Ratios (unaudited)

	March 31, 2022	December 31, 2021	March 31, 2021
(Dollars in thousands)			
<b>Nonperforming assets</b>			
Nonaccrual loans:			
Commercial	\$—	\$—	\$—
Commercial real estate	157	157	233
Construction and development	—	—	—
Residential real estate	207	210	357
Home equity	346	370	647
Other consumer	—	—	—
	710	737	1,237
Loans held for sale	—	—	—
Total nonaccrual loans	710	737	1,237
Other real estate owned	403	403	1,875
Total nonperforming assets	\$1,113	\$1,140	\$3,112
<b>Restructured loans accruing</b>			
Commercial	\$—	\$—	\$—
Commercial real estate	—	—	62
Residential real estate	272	277	577
Home equity	—	—	—
Purchased home equity pools	97	136	139
Other consumer	—	—	—
Total restructured loans accruing	\$369	\$413	\$778
90 days or more past due still accruing	\$—	\$—	\$—
<b>Ratios</b>			
Nonaccrual loans to total loans (1)	0.13%	0.14%	0.23%
Other real estate owned to total assets	0.05	0.05	0.25
Nonperforming assets to total assets (1)	0.15	0.15	0.41
Nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing to total loans (1)	0.20	0.21	0.37
Nonperforming assets, restructured loans and 90 days or more past due and still accruing loans to total assets (1)	0.19	0.21	0.52

(1) Excludes loans held for sale from nonaccrual loans, nonperforming assets, restructured loans accruing and 90 days or more past due and still accruing loans.

### Allowance for Loan Losses (unaudited)

	Commercial	Commercial Real Estate	Construction and Development	Residential Real Estate	Home Equity	Purchased Home Equity Pools	Other Consumer	Total
(Dollars in thousands)								
<b>Quarter ended March 31, 2022</b>								
Balance at beginning of period	\$835	\$6,204	\$241	\$708	\$301	\$60	\$3	\$8,352
Provision for (reversal of) loan losses	(79)	(346)	(2)	1	(27)	126	2	(325)
Charge-offs	—	—	—	—	—	(89)	(4)	(93)
Recoveries	—	—	—	—	2	75	—	77
<b>Balance at end of period</b>	\$756	\$5,858	\$239	\$709	\$276	\$172	\$1	\$8,011
<b>Quarter ended March 31, 2021</b>								
Balance at beginning of period	\$914	\$6,005	\$812	\$824	\$439	\$122	\$6	\$9,122
Provision for (reversal of) loan losses	(100)	300	32	(64)	(48)	(100)	—	20
Charge-offs	—	—	—	—	—	—	—	—
Recoveries	—	—	—	1	21	89	—	111
<b>Balance at end of period</b>	\$814	\$6,305	\$844	\$761	\$412	\$111	\$6	\$9,253

The reversal of loan losses was \$325,000 for the first three months of 2022 versus a provision of \$20,000 for the same period of 2021, reflecting primarily environmental factors including lower COVID infection rates at March 31, 2022, compared to December 31, 2021 and lower loan balances.

CIB Marine may record recoveries in excess of charge-offs from time to time. Although it cannot be certain in advance due to a number of factors related to the determination of the provision for loan losses, a net recovery may result in a credit provision (i.e., a reversal of provisions for loan losses) in the period of the net recovery. A net

recovery has the potential to increase CIB Marine's net income by an amount up to the net recovery. However, there can be no certainty as to whether CIB Marine will experience improved credit quality or recoveries during future quarters so as to permit it to record further credit provisions or reversals of provisions for loan losses for any of the portfolio segments or in total.

**Past Due Accruing Loans (unaudited)**

	30-59 Days Past Due	60-89 Days Past Due	Greater Than 89 Days Past Due	Total Past Due	Loans Not Past Due	Total
(Dollars in thousands)						
<b><u>At March 31, 2022</u></b>						
Commercial	\$—	\$—	\$—	\$—	\$54,955	\$54,955
Commercial real estate	—	—	—	—	299,853	299,853
Construction and development	—	—	—	—	19,275	19,275
Residential real estate	599	—	—	599	139,538	140,137
Home equity	18	—	—	18	12,585	12,603
Purchased home equity pools	196	27	—	223	475	698
Other consumer	—	—	—	—	213	213
Deferred loan costs	1	—	—	1	767	768
Total	\$814	\$27	\$—	\$841	\$527,661	\$528,502
<b><u>At December 30, 2021</u></b>						
Commercial	\$—	\$—	\$—	\$—	\$59,699	\$59,699
Commercial real estate	—	—	—	—	307,072	307,072
Construction and development	—	—	—	—	18,629	18,629
Residential real estate	406	—	—	406	141,759	142,165
Home equity	—	43	—	43	13,671	13,714
Purchased home equity pools	26	—	—	26	924	950
Other consumer	—	—	—	—	232	232
Deferred loan costs	1	—	—	1	620	621
Total	\$433	\$43	\$—	\$476	\$542,606	\$543,082
<b><u>At March 31, 2021</u></b>						
Commercial	\$75	\$—	\$—	\$75	\$69,037	\$69,112
Commercial real estate	—	—	—	—	298,169	298,169
Construction and development	—	—	—	—	23,157	23,157
Residential real estate	729	—	—	729	131,037	131,766
Home equity	—	—	—	—	15,407	15,431
Purchased home equity pools	24	—	—	24	1,486	1,530
Other consumer	44	—	—	44	318	318
Deferred loan costs	(1)	—	—	(1)	(513)	(514)
Total	\$871	\$—	\$—	\$871	\$538,098	\$538,969

The \$0.4 million increase in past due loans from December 31, 2021, to March 31, 2022, was due primarily to an increase in 30-59 day past due residential real estate and purchase home equity pool loans.

## Commercial Loans at Higher Risk from COVID-19

Management has identified six sectors as the most susceptible to immediate increased credit risk from the impact of COVID-19: retail, office space, hotels, health and social services, restaurants, and recreation.

<b>At Risk Commercial Loan Sectors</b>									
	<b>Retail</b>	<b>Office (1)</b>	<b>Hotel</b>	<b>Health &amp; Social Services</b>	<b>Restaurants</b>	<b>Recreation</b>	<b>Total at Risk Sectors</b>	<b>Total Commercial Sector Loans</b>	<b>Percent</b>
<b>(Dollars in thousands)</b>									
<b>March 31, 2022</b>									
Commercial real estate	\$55,041	\$56,053	\$22,603	\$6,175	\$17,981	\$4,094	\$161,948	\$300,009	54%
Commercial and industrial	—	10,150	641	772	654	357	12,574	54,955	23
Commercial construction	210	2,679	6,990	1,595	2,356	—	13,830	19,275	72
<b>Total</b>	<b>\$55,251</b>	<b>\$68,882</b>	<b>\$30,234</b>	<b>\$8,542</b>	<b>\$20,991</b>	<b>\$4,451</b>	<b>\$188,352</b>	<b>\$374,239</b>	<b>50%</b>
<b>December 31, 2021</b>									
Commercial real estate	\$58,694	\$59,583	\$24,437	\$6,382	\$16,775	\$4,271	\$170,142	\$307,229	55%
Commercial and industrial	—	2,793	461	404	1,516	212	5,386	59,699	9
Commercial construction	—	2,589	6,753	1,476	1,759	—	12,577	18,629	68
<b>Total</b>	<b>\$58,694</b>	<b>\$64,965</b>	<b>\$31,651</b>	<b>\$8,262</b>	<b>\$20,050</b>	<b>\$4,483</b>	<b>\$188,105</b>	<b>\$385,557</b>	<b>49%</b>
<b>March 31, 2021</b>									
Commercial real estate	\$43,089	\$61,732	\$22,950	\$9,410	\$14,396	\$6,221	\$157,797	\$298,402	53%
Commercial and industrial	—	15,041	518	4,432	3,585	1,025	24,601	69,112	36
Commercial construction	1,399	2,601	2,570	0	3,486	—	10,057	23,157	43
<b>Total</b>	<b>\$44,488</b>	<b>\$79,374</b>	<b>\$26,038</b>	<b>\$13,872</b>	<b>\$21,467</b>	<b>\$7,246</b>	<b>\$192,455</b>	<b>\$390,671</b>	<b>49%</b>

(1) Office includes both office real estate secured loans and non-real estate secured commercial investment and property management loans. The at-risk commercial loan sectors were a (?) factor in determining the adequacy of allowance for loan losses.

CIB Marine is a cautious and selective lender in the at risk commercial loan sectors outlined in the table above. Since December 31, 2021, total at risk commercial sector balances has changed by less than \$0.2 million.

**CIB MARINE BANCSHARES, INC.**  
**Capital (unaudited)**

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(Dollars in thousands)						
<b>March 31, 2022</b>						
Total capital to risk-weighted assets						
CIB Marine Bancshares, Inc.(1)	\$92,402	17.52%				
CIBM Bank	78,023	14.81	\$42,148	8.00%	\$52,685	10.00%
Tier 1 capital to risk-weighted assets						
CIB Marine Bancshares, Inc.	\$76,119	14.43%				
CIBM Bank	71,420	13.56	\$31,611	6.00%	\$42,148	8.00%
Tier 1 leverage to average assets						
CIB Marine Bancshares, Inc.	\$76,119	10.27%				
CIBM Bank	71,420	9.64	\$29,634	4.00%	\$37,042	5.00%
Common Equity Tier 1 (2)						
CIBM Bank	\$71,420	13.56%	\$23,708	4.50%	\$34,245	6.50%
<b>December 31, 2021</b>						
Total capital to risk-weighted assets						
CIB Marine Bancshares, Inc.	\$82,846	15.53%				
CIBM Bank	78,086	14.66	42,624	8.00	\$53,280	10.00%
Tier 1 capital to risk-weighted assets						
CIB Marine Bancshares, Inc.	\$76,158	14.28%				
CIBM Bank	71,406	13.40	31,968	6.00	\$42,624	8.00%
Tier 1 leverage to average assets						
CIB Marine Bancshares, Inc.	\$76,158	10.22%				
CIBM Bank	71,406	9.59	29,792	4.00	\$37,240	5.00%
Common Equity Tier 1 (2)						
CIBM Bank	\$71,406	13.40%	\$23,976	4.50%	\$34,632	6.50%

- (1) During the first quarter of 2022, CIB Marine issued \$10 million in Subordinated Debentures that qualify as Tier 2 capital and included in total capital.
- (2) CIB Marine is a Small Bank Holding Company under Appendix C of Part 225 of the Federal Reserve regulation and, as a result, the consolidated CIB Marine is exempt from capital adequacy requirements.