

CIB Marine Bancshares, Inc. (OTCQX: CIBH). This report provides additional detailed financial information for the quarter and nine months ended September 30, 2025. Please see our Shareholder Letter dated November 6, 2025, at www.cibmarine.com for a summary description of our financial results.

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

	2025			2024		
	Average Balance	Interest Earned/Paid	Average Yield/Cost	Average Balance	Interest Earned/Paid	Average Yield/Cost
(Dollars in thousands)						
Quarter Ended September 30,						
Interest-earning assets						
Securities (1)	\$127,468	\$1,229	3.85%	\$122,451	\$1,183	3.87%
Loans held for sale (1)	8,398	123	5.81	19,504	300	6.10
Loans (1)(2)	657,369	9,347	5.64	713,316	10,573	5.90
Federal funds sold, reverse repos and interest-earning due from banks	6,099	81	5.26	15,809	227	5.71
Total interest-earning assets	799,334	10,780	5.36	871,080	12,283	5.61
Noninterest-earning assets	27,609			28,251		
Total assets	\$826,943			\$899,331		
Interest-bearing liabilities						
Interest-bearing deposits	\$604,694	\$4,772	3.13%	\$669,050	\$6,354	3.78%
Borrowed funds	42,563	424	3.95	32,201	353	4.37
Total interest-bearing liabilities	647,257	5,196	3.18	701,251	6,707	3.81
Noninterest-bearing liabilities:						
Noninterest-bearing demand deposits	90,871			99,275		
Accrued interest and other liabilities	7,974			8,016		
Preferred equity	—			13,806		
Common equity	80,841			76,983		
Total stockholders' equity	80,841			90,789		
Total liabilities and stockholders' equity	\$826,943			\$899,331		
Net interest-earning assets, interest income and net interest spread (1)(3)	\$152,077	\$5,584	2.17%	\$169,829	\$5,576	1.81%
Net interest margin (1)(4)		2.78%				2.55%
Ratio of average interest-earning assets to average interest-bearing liabilities	1.23			1.24		

	2025			2024		
	Average Balance	Interest Earned/Paid	Average Yield/Cost	Average Balance	Interest Earned/Paid	Average Yield/Cost
(Dollars in thousands)						
Nine Months Ended September 30,						
Interest-earning assets						
Securities (1)	\$124,673	\$3,565	3.81%	\$123,862	\$3,631	3.91%
Loans held for sale (1)	9,653	409	5.66	14,006	655	6.24
Loans (1)(2)	673,761	28,623	5.68	725,863	31,549	5.81
Federal funds sold, reverse repos and interest-earning due from banks	3,358	141	5.63	6,659	301	6.03
Total interest-earning assets	811,445	32,738	5.39	870,390	36,136	5.54
Noninterest-earning assets	28,057			29,561		
Total assets	\$839,502			\$899,951		
Interest-bearing liabilities						
Interest-bearing deposits	\$601,349	\$14,596	3.25%	\$672,615	\$19,047	3.78%
Borrowed funds	58,122	1,793	4.13	40,135	1,397	4.65
Total interest-bearing liabilities	659,471	16,389	3.32	712,750	20,444	3.83
Noninterest-bearing liabilities:						
Noninterest-bearing demand deposits	92,616			93,698		
Accrued interest and other liabilities	7,615			6,592		
Preferred equity	—			13,806		
Common equity	79,800			73,105		
Total stockholders' equity	79,800			86,911		
Total liabilities and stockholders' equity	\$839,502			\$899,951		
Net interest-earning assets, interest income and net interest spread (1)(3)	\$151,974	\$16,349	2.07%	\$157,640	\$15,692	1.71%
Net interest margin (1)(4)		2.69%				2.41%
Ratio of average interest-earning assets to average interest-bearing liabilities	1.23			1.22		

- (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 was nominally higher for the quarter compared to the same quarter of the prior year, primarily due to a 23 basis point increase in the net interest margin—driven by a 62 basis point improvement in the cost of interest-bearing liabilities that more than offset a 26 basis point decline in the yield on earning assets—partially offset by a \$72 million decline in average interest earning assets.

Net interest income increased by \$0.7 million for the nine months ended September 30, 2025, compared to the same period of the previous year, primarily the result of a 28 basis point increase in the net interest margin—driven by a 51 basis point improvement in the cost of interest-bearing liabilities that more than offset a 15 basis point decline in the yield on earning assets—partially offset by a \$60 million decline in average interest earning assets.

CIB MARINE BANCSHARES, INC.
Loans and Allowance for Credit Losses on Loans

	Loan Portfolio Segments (unaudited)					
	September 30, 2025		December 31, 2024		September 30, 2024	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
	(Dollars in thousands)					
Commercial	\$89,840	13.7%	\$95,961	13.8%	\$94,145	13.3%
Commercial real estate	348,899	53.3	350,485	50.4	356,609	50.5
Construction and development	25,521	3.9	32,712	4.7	44,038	6.2
Residential real estate	170,410	26.1	198,181	28.5	192,733	27.3
Home equity	19,721	3.0	18,165	2.6	18,233	2.6
Purchased home equity pools	191	0.0	249	0.0	276	0.1
Other consumer	30	0.0	42	0.0	43	0.0
Gross loans	654,612	100.0%	695,795	100.0%	706,077	100.0%
Deferred loan costs (fees)	1,008		1,298		1,233	
Loans	655,620		697,093		707,310	
Allowance for credit losses on loans	(8,721)		(8,790)		(8,973)	
Loans, net	\$646,899		\$688,303		\$698,337	

	Select Real Estate Loan Property Types (1) (unaudited)					
	September 30, 2025		December 31, 2024		September 30, 2024	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
	(Dollars in thousands)					
Office	\$38,854	5.9%	\$41,875	6.0%	\$47,573	6.7%
Retail	74,718	11.4	73,269	10.5	74,132	10.5
Warehouse	36,509	5.6	38,701	5.6	36,189	5.1
Manufacturing	32,207	4.9	42,176	6.1	42,046	6.0
Hospitality	30,964	4.7	24,787	3.6	25,453	3.6
Nursing Home and Assisted Living	9,778	1.5	14,692	2.1	14,787	2.1
Multifamily Apartments	57,673	8.8	51,471	7.4	53,645	7.6
Restaurants and Food Service	22,415	3.4	21,935	3.2	24,611	3.5
Educational	14,311	2.2	14,755	2.1	15,893	2.3

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

Management continues to be committed to maintaining reasonable and prudent loan portfolio diversification, in part represented by our commercial property type loans in the portfolio. These property types are primarily distributed across our core lending markets in Illinois, Indiana, and Wisconsin.

	Nonperforming Assets and Selected Asset Quality Ratios (unaudited)		
	September 30, 2025	December 31, 2024	September 30, 2024
	(Dollars in thousands)		
Nonperforming assets			
Nonaccrual loans:			
Commercial	\$5,769	\$5,100	\$2,568
Commercial real estate	—	—	—
Construction and development	—	—	—
Residential real estate	—	—	1
Home equity	476	551	561
Other consumer	—	—	—
	6,245	5,651	3,130
Loans held for sale	—	—	—
Total nonaccrual loans	6,245	5,651	3,130
Other real estate owned	—	200	211

Nonperforming Assets and Selected Asset Quality Ratios (unaudited)			
	September 30, 2025	December 31, 2024	September 30, 2024
	(Dollars in thousands)		
Nonperforming assets			
Total nonperforming assets	\$6,245	\$5,851	\$3,341
Loan modifications to borrowers experiencing financial difficulty and still accruing			
Commercial	\$3,776	\$3,915	\$4,015
Commercial real estate	1,823	—	1,823
Residential real estate	240	2,207	—
Home equity	—	—	—
Purchased home equity pools	52	53	—
Other consumer	—	—	—
Total loan modifications to borrowers experiencing financial difficulty and still accruing	\$5,891	\$6,175	\$5,838
90 days or more past due still accruing	\$3,500	\$76	\$2,525
Ratios			
Nonaccrual loans to total loans (1)	0.95%	0.81%	0.44%
Other real estate owned to total assets	0.00	0.02	0.02
Nonperforming assets to total assets (1)	0.75	0.68	0.38
Nonaccrual loans, loan modifications to borrowers experiencing financial difficulty and loans 90 days or more past due and still accruing to total loans (1)	2.38	1.19	1.62
Nonperforming assets, loan modifications to borrowers experiencing financial difficulty and 90 days or more past due and still accruing loans to total assets (1)	1.87	0.98	1.32
(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.			

As of September 30, 2025, non-accrual loans primarily consisted of two relationships within the transportation industry, loan modifications to borrowers experiencing financial difficulty were comprised primarily of a large commercial loan in the transportation industry and a commercial real estate relationship in the food service industry, and 90 days or more past due and still accruing loans included one commercial real estate loan in the manufacturing industry.

Under the NAICS category of Transportation and Warehousing, CIB Marine had a total of \$14.9 million in outstanding loan balances as of September 30, 2025. This includes a mix of air, local and long-distance trucking, and other categories.

CIB Marine continues to retain qualified professional firms to conduct annual loan reviews, supplementing our existing audit functions for lending activities. For more than 10 years, these reviews have found minimal variations related to the accuracy and timeliness of CIB Marine's loan gradings and classifications. The loan reviews account for 40% or more of commercial loan balances and focus primarily on larger credit relationships, loans that are a part of large NAICS concentrations, problem loans, and new loans. In addition, at least 10% of residential loans originated for sale or portfolio are evaluated by a qualified professional firm for accuracy and completeness of documentation, regulatory compliance, underwriting standards, and other matters as required by Fannie Mae and Federal Housing Authority quality assurance guidelines.

The allowance for credit losses on loans covers the entirety of the portfolio, including all non-performing, loan modifications to borrowers experiencing financial difficulty, and 90 days or more past due and still accruing loans. The allowance is based on current expected credit loss accounting standards and includes the estimated effects of independent economic forecasts and a variety of qualitative factors, including past due loans and loan classifications on future loan loss estimates. In addition, certain loans, like collateral dependent loans, are evaluated individually for losses based on their collateral valuations with the results included in the allowance for credit losses on loans as outlined in the table below. There are circumstances where certain independently evaluated loans are more than adequately covered by the discounted collateral and, therefore, have little or no allowance for credit losses. More

information is provided on these matters in CIB Marine's annual audited financial statements, CIBM Bank's quarterly Call Report filings, and other available public information.

Allowance for Credit Losses on Loans (unaudited)								
Commercial	Commercial Real Estate	Construction and Development	Residential Real Estate	Home Equity	Purchased Home Equity Pools	Other Consumer	Total (1)	
(Dollars in thousands)								
Quarter ended September 30, 2025								
Balance at beginning of period	\$691	\$5,422	\$774	\$1,779	\$119	\$8	\$—	\$8,793
Provision for (reversal of) credit losses on loans (1)	133	(38)	(135)	(44)	20	(15)	6	(73)
Charge-offs	—	—	—	(5)	—	(2)	(6)	(13)
Recoveries	—	—	—	—	—	14	—	14
Balance at end of period	\$824	\$5,384	\$639	\$1,730	\$139	\$5	\$—	\$8,721
Quarter ended September 30, 2024								
Balance at beginning of period	\$617	\$5,312	\$1,034	\$2,018	\$94	\$8	\$—	\$9,083
Provision for (reversal of) credit losses on loans (1)	19	29	(108)	(76)	24	(11)	4	(119)
Charge-offs	—	—	—	—	—	—	(4)	(4)
Recoveries	—	—	—	—	1	12	—	13
Balance at end of period	\$636	\$5,341	\$926	\$1,942	\$119	\$9	\$—	\$8,973
Allowance for Credit Losses on Loans (unaudited)								
Commercial	Commercial Real Estate	Construction and Development	Residential Real Estate	Home Equity	Purchased Home Equity Pools	Other Consumer	Total (1)	
(Dollars in thousands)								
Nine Months ended September 30, 2025								
Balance at beginning of period	\$689	\$5,451	\$575	\$1,952	\$117	\$6	\$—	\$8,790
Provision for (reversal of) credit losses on loans (1)	153	(67)	64	(210)	22	(85)	8	(115)
Charge-offs	(18)	—	—	(12)	—	(2)	(8)	(40)
Recoveries	—	—	—	—	—	86	—	86
Balance at end of period	\$824	\$5,384	\$639	\$1,730	\$139	\$5	\$—	\$8,721
Nine Months ended September 30, 2024								
Balance at beginning of period	\$692	\$5,099	\$1,207	\$2,003	\$126	\$9	\$—	\$9,136
Provision for (reversal of) credit losses on loans (1)	(1)	317	(281)	(61)	(13)	(43)	12	(70)
Charge-offs	(55)	(75)	—	—	—	—	(12)	(142)
Recoveries	—	—	—	—	6	43	—	49
Balance at end of period	\$636	\$5,341	\$926	\$1,942	\$119	\$9	\$—	\$8,973

(1) The provision for (reversal of) credit losses on loans here excludes provisions made for the allowance for unfunded commitments.

CIB Marine had a \$73,000 reversal of provision to the allowance for credit losses on loans ("ACLL") during the third quarter of 2025, compared to a \$119,000 provision to the ACLL for the same period in 2024. The reversal of provision during the most recent quarter was primarily the result of a \$10 million decline in loan portfolio balances from the second quarter of 2025 as well as improved economic conditions and modestly improved economic forecasts. CIB Marine also had a \$16,000 reversal of provision to the allowance for unfunded commitments ("AUC") during the third quarter of 2025, compared to a \$5,000 provision to the AUC in the same period of 2024. The primary reason for the recent reversal was also due to improved economic conditions and modestly improved economic forecasts.

CIB Marine had a \$115,000 reversal of provision to the ACLL during nine months ended September 30, 2025, compared to a \$70,000 reversal for the same period in 2024. The primary reason for the reversal of provision during the recent period was a \$41 million decline in outstanding loan balances offset in part by an increase in allowance for individually evaluated loans, many of which are included in our non-accrual loan listing. CIB Marine also had a \$77,000 provision to the AUC during the nine-month period ended September 30, 2025, compared to a \$61,000 reversal of provision to the AUC in the same period of 2024. The primary reasons for the increase in the AUC

during the recent period included changing composition and qualitative factors comprising the unfunded commitments.

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 credit losses, a net recovery may result in a reversal of provisions for credit losses on loans in the period of the net recovery. A net recovery has the potential to increase CIB Marine's 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 permitting it to record further reversals of provisions for credit 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 Accruing Loans
(Dollars in thousands)						
<u>At September 30, 2025</u>						
Commercial	\$3,736	\$—	\$—	\$3,736	\$80,335	\$84,071
Commercial real estate	—	—	3,494	3,494	345,405	348,899
Construction and development	4,270	—	—	4,270	21,251	25,521
Residential real estate	—	—	—	—	170,410	170,410
Home equity	127	88	—	215	19,030	19,245
Purchased home equity pools	—	—	—	—	191	191
Other consumer	—	—	—	—	30	30
Deferred loan costs	13	—	6	19	989	1,008
Total	\$8,146	\$88	\$3,500	\$11,734	\$637,641	\$649,375
<u>At December 31, 2024</u>						
Commercial	\$158	\$—	\$—	\$158	\$90,703	\$90,861
Commercial real estate	—	1,208	—	1,208	349,277	350,485
Construction and development	—	—	—	—	32,712	32,712
Residential real estate	971	308	—	1,279	196,902	198,181
Home equity	18	—	76	94	17,520	17,614
Purchased home equity pools	—	—	—	—	249	249
Other consumer	—	—	—	—	42	42
Deferred loan costs	2	3	—	5	1,293	1,298
Total	\$1,149	\$1,519	\$76	\$2,744	\$688,698	\$691,442
<u>At September 30, 2024</u>						
Commercial	\$—	\$12	\$2,521	\$2,533	\$89,045	\$91,578
Commercial real estate	—	—	—	—	356,609	356,609
Construction and development	168	—	—	168	43,871	44,039
Residential real estate	—	262	—	262	192,471	192,733
Home equity	169	—	—	169	17,503	17,672
Purchased home equity pools	18	—	—	18	257	275
Other consumer	—	—	—	—	43	43
Deferred loan costs	1	—	4	5	1,227	1,232
Total	\$356	\$274	\$2,525	\$3,155	\$701,026	\$704,181

CIB Marine's past due loans increased \$9.0 million from December 31, 2024, to September 30, 2025. The increase was primarily in commercial segments, including one commercial real estate in the manufacturing industry that was more than 90 days past due, a commercial loan that is also a loan modification to a borrower experiencing financial difficulty, and a construction and development loan. The loans are on accrual and collection actions are underway to resolve the related issues.

CIB MARINE BANCSHARES, INC. **Uninsured Deposits (unaudited)**

CIB Marine's subsidiary bank, CIBM Bank, estimated its uninsured deposit balances were \$143 million, or 20% of total deposits, on September 30, 2025; compared to \$137 million, or 20%, on December 31, 2024; \$150 million, or 20%, on December 31, 2023; and \$178 million, or 28%, on December 31, 2022. CIBM Bank offers several products to reduce uninsured deposits, including fully FDIC insured reciprocal deposit products, a non-deposit uninsured collateralized government repo sweep product (the latter is included in Borrowings in the balance sheet) or, for municipal entities, Federal Home Loan Bank of Chicago letters of credit or collateralization arrangements with government securities.

CIB MARINE BANCSHARES, INC.
Capital (unaudited)

	Actual Amount	Ratio	For Capital Adequacy Purposes Amount	Ratio	To Be Well Capitalized Under Prompt Corrective Provisions Amount	Ratio
(Dollars in thousands)						
September 30, 2025						
Total capital to risk-weighted assets						
CIB Marine Bancshares, Inc.	\$90,747	13.90%				
CIBM Bank	90,631	13.88%	\$52,237	8.00%	\$65,296	10.00%
Tier 1 capital to risk-weighted assets						
CIB Marine Bancshares, Inc.	72,788	11.15%				
CIBM Bank	82,459	12.63%	\$39,178	6.00%	\$52,237	8.00%
Tier 1 leverage to average assets						
CIB Marine Bancshares, Inc.	\$72,788	8.88%				
CIBM Bank	82,459	10.06%	\$32,791	4.00%	\$40,988	5.00%
Common Equity Tier 1 (1)						
CIBM Bank	\$82,459	12.63%	\$29,383	4.50%	\$42,442	6.50%
December 31, 2024						
Total capital to risk-weighted assets						
CIB Marine Bancshares, Inc.	\$88,287	13.02%				
CIBM Bank	\$86,961	12.82%	\$54,273	8.00%	\$67,841	10.00%
Tier 1 capital to risk-weighted assets						
CIB Marine Bancshares, Inc.	\$70,041	10.33%				
CIBM Bank	\$78,475	11.57%	\$40,704	6.00%	\$54,273	8.00%
Tier 1 leverage to average assets						
CIB Marine Bancshares, Inc.	\$70,041	8.14%				
CIBM Bank	\$78,475	9.12%	\$34,412	4.00%	\$43,015	5.00%
Common Equity Tier 1						
CIBM Bank	\$78,475	11.57%	\$30,528	4.50%	\$44,096	6.50%

- (1) 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.

CIB MARINE BANCSHARES, INC.
Deferred Tax Assets and the Preservation and Use of Deferred Tax Assets (unaudited)

The net value of the deferred tax assets (“DTAs”) was \$11.7 million on September 30, 2025, compared to \$13.0 million at December 31, 2024. This was comprised primarily of net operating loss carryforwards (“NOLs”). At December 31, 2024, the total deferred tax asset value was \$15.9 million, with \$7.5 million from federal NOLs available after application of Section 382 limitations from the reorganization in 2009, and \$8.4 million from state NOLs which are further reduced on net by a \$7.0 million valuation allowance. The remainder of the DTAs at that time was comprised of those related to our allowance for credit losses, net unrealized loss in securities available for sale, other items and other loss reserves. These were reduced by other deferred tax liabilities of \$1.0 million for a net DTAs of \$13.0 million at December 31, 2024.

Federal NOLs with Internal Revenue Code Section 382 limitations applied in 2009 as a result of the CIB Marine reorganization expire in varying amounts through 2029 and those without such limitations at this time expire in varying amounts through 2035.

State NOLs are generally available without limitations, however, due to the many states in which state NOLs are available and the varying expiration dates for the use of those state NOLs, based on the current and forecasted income attributable to those respective states, there was a valuation allowance of \$7.0 million on December 31, 2024. This valuation allowance is related in part to changes over time in the attribution of our taxable income to the various states. Many states with historical NOLs no longer have assets or revenues sufficient to produce state taxable income to utilize the respective NOLs before expiration.

Considering the federal NOLs, as an example, using the average taxable income between 2017 and 2024, it would take 7 years to utilize all the remaining available federal NOLs.

The valuation allowance can change based on many factors, including actual earnings, future earnings projections, and changes in state and federal tax laws – such as those that occurred in 2023 in Wisconsin. More detail on the topic of DTAs and NOLs is available in “Note 22 – Income Taxes” in our audited financial statements.

We continue to remind our common and preferred shareholders that if they accumulate 5% or more of Company common and/or preferred stock versus their lowest ownership percent over a 3-year test period, they could, by themselves or in combination with others, cause a cumulative 50% ownership change. Such an event would trigger certain Internal Revenue Code Section 382 limitations that could severely limit our ability to fully use remaining net operating loss carryforwards prior to their expiration dates, thereby reducing the value of the Company’s net deferred tax assets resulting in an impairment expense for a portion of the deferred tax assets and a reduction in stockholder’s equity.

On September 30, 2025, 5% of the total value of Company stock was approximately \$2.5 million, which is the equivalent of approximately 67,330 shares of common stock at the last reported traded price of \$36.50 as of September 30, 2025, as listed on OTCQX. CIB Marine currently has a CIBH stock repurchase program in place for the year 2025 with the goal of acquiring a total of \$1 million in CIBH stock in the open market. Under the repurchase program, \$0.7 million was acquired during the nine months ended September 30, 2025, and the remainder is expected to be acquired during the second half of the year. The effect of this will be to reduce the number of shares that represent 5% of the total value of issued and outstanding stock.

CIB MARINE BANCSHARES, INC. **Parent Company Financial Statements (unaudited)**

The condensed financial statements of the parent company only, are presented as follows:

Condensed Balance Sheets

	At September 30, 2025	At December 31, 2024	2023
	(Dollars in thousands)		
Assets			
Cash and due from affiliated bank	\$298	\$1,612	\$7,136
Investments in subsidiaries	83,635	78,713	80,564
Deferred tax assets, net	7,606	7,468	7,230
Income tax receivable	204	144	139
Other assets	12	97	97
Total assets	<u>\$91,755</u>	<u>\$88,034</u>	<u>\$95,166</u>
Liabilities (1)			
Accrued interest payable	\$54	\$166	\$166
Long-term borrowings-subordinated debt	9,787	9,762	9,729
Other liabilities	125	145	196
Total liabilities	<u>9,966</u>	<u>10,073</u>	<u>10,091</u>
Stockholders' Equity			
Preferred stock	—	—	13,806
Common stock	1,386	1,372	1,349
Capital surplus	182,003	181,708	181,282
Accumulated deficit	(97,591)	(99,487)	(105,335)
Accumulated other comprehensive income, net	(2,808)	(5,098)	(5,493)
Treasury stock at cost	(1,201)	(534)	(534)
Total stockholders' equity	<u>81,789</u>	<u>77,961</u>	<u>85,075</u>
Total liabilities and stockholders' equity	<u>\$91,755</u>	<u>\$88,034</u>	<u>\$95,166</u>

- (1) CIB Marine has a \$2 million line of credit at a rate of Prime less 50 basis points and maturing December 30, 2026. Management believes CIB Marine to be in compliance with all covenants, conditions and agreements for the loan. CIB Marine has not drawn any principal on the line of credit to date.

Condensed Statements of Operations and Comprehensive Income

	Nine Months Ended Years Ended		
	September 30,	December 31,	
	2025	2024	2023
	(Dollars in thousands)		
Dividend Income			
Dividends from subsidiary (1)	\$—	\$1,600	\$—
Total dividend income	—	1,600	—
Interest Expense			
Long-term borrowings-subordinated debt	362	483	483
Total interest expense	362	483	483
Net interest expense	(362)	1,117	(483)
Noninterest income			
Change in equity in undistributed earnings of subsidiaries (1)	2,632	4,754	1,734
Gain (loss) on sale of assets, net	—	—	—
Other income	2	2	3
Total noninterest income (loss)	2,634	4,756	1,737
Noninterest expense			
Compensation and employee benefits	—	—	—
Professional services	303	302	254
Insurance	66	88	65
Other	204	284	280
Total noninterest expense	573	674	599
Income before income taxes	1,699	5,199	655
Income tax benefit	(198)	(243)	(225)
Net income	1,897	5,442	880
Preferred stock dividends	—	—	—
Discount from repurchase of preferred stock	—	406	—
Net income allocated to common stockholders	\$1,897	\$5,848	\$880
Other comprehensive income:			
Net income	\$1,897	\$5,442	\$880
Other comprehensive income	2,290	395	1,352
Comprehensive income	\$4,187	\$5,837	\$2,232

- (1) During the year 2024, subsidiary CIB Marine Capital, LLC distributed \$1.6 million in the form of a dividend and subsidiary CIBM Bank distributed \$7.0 million in the form of a return of capital stock and surplus to parent company CIB Marine Bancshares, Inc.

Condensed Statement of Cash Flows

	Nine Months Ended Years Ended		
	September 30,	December 31,	
	2025	2024	2023
	(Dollars in thousands)		
Cash Flows from Operating Activities:			
Net income	\$1,897	\$5,442	\$880
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Change in equity in undistributed earnings of subsidiaries	(2,632)	2,242	(1,726)
Amortization expense-subordinated debt	25	33	33
Change in deferred tax assets, net	(138)	(238)	(220)
Decrease in interest receivable and other assets	335	(8,153)	476
Increase (decrease) in other interest payable and other liabilities	(133)	(50)	12
Net cash used in operating activities	(646)	(724)	(545)
Cash Flows from Investing Activities:			
Return of capital from subsidiary	—	8,600	—
Dividends from subsidiary	—	—	—
Net cash provided by investing activities	—	8,600	—
Cash Flows from Financing Activities:			
Issuance of common stock	—	—	—
Treasury stock purchase	(668)	—	—
Preferred shares repurchase	—	(13,400)	—
Net increase in long-term borrowings-subordinated debt	—	—	—
Net cash used in investing activities	(668)	(13,400)	—
Net increase (decrease) in cash and cash equivalents	(1,314)	(5,524)	(545)
Cash and cash equivalents, beginning of year	1,612	7,136	7,681
Cash and cash equivalents, end of year	\$298	\$1,612	\$7,136