



FOR IMMEDIATE RELEASE
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CIB MARINE BANCSHARES, INC. ANNOUNCES 2020 RESULTS

BROOKFIELD, Wis. – CIB Marine Bancshares, Inc. (the “Company” or “CIBM”) (OTCQB: CIBH), the holding company of CIBM Bank, announced its unaudited results of operations and financial condition for the fourth quarter and full year of 2020. Strong mortgage operations and higher net interest income resulted in net income of \$2.3 million for the quarter ending December 31, 2020, compared to a loss of \$0.4 million for the same period in 2019 and, for the twelve months ending December 31, 2020, net income of \$8.2 million compared to \$2.0 million for the same period in 2019. Income before taxes for 2020 was \$10.9 million compared to \$2.5 million for 2019.

A summary of financial results for the quarter and twelve months ended December 31, 2020, is attached. Select highlights include:

- The tangible book value for the common stock increased 16.6% over the course of 2020 from \$44.85 per share at December 31, 2019, to \$52.28 per share at December 31, 2020, primarily the result of higher earnings, with improved unrealized net gains on securities and discounts on repurchased preferred stock contributing as well.
- The return on average assets and efficiency ratio for the year 2020 were 1.09% and 73% respectively, compared to 0.29% and 89%, respectively, for the same period in 2019.
- Net mortgage banking revenue was up 148% from \$8.2 million during 2019 to \$20.3 million in 2020. Lower interest rates supported a surge in mortgage originations in 2020 resulting in \$600 million in residential loans – almost double the \$330 million in residential loans originated in 2019. Further, 65% of 2020 residential loan originations were refinance loans, compared to 47% of 2019 originations.
- Net interest income was up 15% in 2020 from \$19.3 million during 2019 to \$22.2 million in 2020. The primary reasons for the increase include: (i) higher average balances in loans held for sale and Paycheck Protection Program (PPP) loans, (ii) a 75 basis point reduction in the cost of interest bearing liabilities due to the lower interest rate environment, and (iii) the collection of principal plus interest on a large non-performing commercial real estate loan.

- Expenses were up \$5.8 million, from \$26.2 million in 2019 to \$32.0 million in 2020, primarily as a result of a \$5.6 million increase in compensation in the Mortgage Banking Division due to higher mortgage loan production that created a \$12.9 million increase in division revenues. Mortgage Division compensation counted for 54% of total compensation in 2020, compared to 41% in 2019. On a combined basis, all other expenses excluding compensation were down \$0.2 million for 2020 compared to 2019, primarily the result of lower travel and entertainment and collection expenses.
- COVID-19 and the related “Lockdown Recession” resulted in significant volumes of new types of banking activity. CIBM Bank originated approximately 350 government guaranteed PPP loans, totaling \$43 million, in 2020. At December 31, 2020, PPP loan balances were paid down to \$32 million, primarily by the Small Business Administration (SBA) as a result of loan forgiveness applications filed for borrowers. On average, such forgiveness applications represent 99% of the original loan balance per loan. In 2020, PPP loan fees received from the SBA and deferred were \$1.6 million, with \$0.8 million accreted into interest income due to level yield accretion over the original weighted average term (approximately two years) and accelerations as a result of \$11 million in early payoffs related to loan forgiveness payments, and the remaining \$0.8 million in outstanding deferred fees to be recorded into future income. Net of related deferred costs, original and accreted net deferred fees were \$1.1 million and \$0.6 million, respectively, with a remaining \$0.5 million of net deferred fees to be recorded in future income. As of December 31, 2020, there were an additional \$9 million in PPP loan forgiveness applications being processed, with the majority of the remaining PPP loan forgiveness applications expected to be received in the first half of 2021.
- As of December 31, 2020, there were \$24.5 million in outstanding loan balances from 31 loans granted a COVID-19 loan payment still in an active deferral period, representing 5% of total outstanding loan portfolio balances. Of the loans with active COVID-19 loan payment deferrals, 37% are from the hospitality industry, 15% are from the recreation and entertainment industry, 8% of the balances are from 1-4 family mortgage loans, and the remainder from a mix of other industries harmed by COVID-19 lockdowns.
- Provisions for loan losses were \$1.1 million for the twelve months ended December 31, 2020, compared to \$0.8 million for the same period of 2019. The primary reason for the increase is environmental and qualitative factors as well as certain borrower credit deterioration primarily from those industries hardest hit by COVID-19 and the related Lockdown Recession (i.e., restaurants and hospitality).
- Non-performing assets, restructured loans, and loans 90 days or more past due and still accruing

to total assets and nonaccrual loans to total loans were 0.54% and 0.23%, respectively; compared to 1.35% and 1.09%, respectively, at December 31, 2019. The improvements during 2020 were due to certain loan level improvements including a successful large commercial real estate loan collection.

Mr. J. Brian Chaffin, President and CEO of CIBM, commended his team's work stating, "Our 2020 results are largely attributable to our staff's ability to quickly respond to the rapidly changing set of circumstances in 2020 - from nearly doubling mortgage loan production in response to a dramatic increase in demand; to implementing an effective PPP loan program to ensure access to funding for small businesses in our communities; to quickly executing a variety of strategies in response to the lower rate environment in order to reduce the Company's cost of funds by more than many of our peers; to commercial loan production in excess of pre-COVID19 goals. The Board of Directors and I are extremely proud of the way our team members, both front line and back office, came together to organize, plan, and effectively execute on many different operating fronts as our world seemed to change on a daily basis."

Looking forward to 2021, he added, "We are focused on meeting the needs of our communities through participation in emerging government economic support plans such as the new PPP program, as well as continuing our "Project Falcon" initiatives geared toward new deposit generation and operating efficiencies. In addition, we will continue to monitor developments at the state and federal level, mindful of the economic uncertainties related to the pandemic and their potential effect on credit quality, as well as new regulations and higher taxes that may be in the offing for 2021 and the years ahead, with possible adverse impact to our clients and banking operations."

Mr. Chaffin also announced, "Our Chief Credit Officer, Paul Melnick, has announced his intent to retire in 2021 and his successor, Mr. Scott Winkel, assumed the duties of Chief Credit Officer, effective January 1, 2021. As part of our transition plan, Paul will continue assisting the bank as the Director of Special Assets, where he will focus on problem loan work-outs and coordinate a smooth transition of the Credit Administration function." Mr. Chaffin continued, "Scott joined CIBM Bank in 2020 with more than 25 years of banking and credit administration experience. We are delighted to welcome him to our executive management team and fortunate to have someone with his knowledge and familiarity with our banking markets on board. Over the next six months, Scott and Paul will be working closely to ensure long-term, consistent performance and maintain our strong credit culture."

CIB Marine Bancshares, Inc. is the holding company for CIBM Bank, which operates eleven banking offices and five mortgage loan offices in Illinois, Wisconsin and Indiana. More information on the Company is available at www.cibmarine.com, including recent shareholder letters, links to regulatory financial reports, and audited financial statements.

FORWARD-LOOKING STATEMENTS

CIB Marine has made statements in this release 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 elsewhere in this Earnings Release 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.

CIB MARINE BANCSHARES, INC.
Selected Unaudited Consolidated Financial Data

	At or for the						
	Quarters Ended					12 Months Ended	
	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	(Dollars in thousands, except share and per share data)						
Selected Statement of Operations Data:							
Interest and dividend income	\$ 6,489	\$ 7,202	\$ 6,669	\$ 6,636	\$ 6,820	\$ 26,996	\$ 27,948
Interest expense	765	1,017	1,343	1,689	2,030	4,814	8,647
Net interest income	5,724	6,185	5,326	4,947	4,790	22,182	19,301
Provision for loan losses	101	501	249	202	715	1,053	817
Net interest income after provision for loan losses	5,623	5,684	5,077	4,745	4,075	21,129	18,484
Noninterest income (1)	6,566	8,104	4,489	2,642	2,249	21,801	10,156
Noninterest expense	9,317	9,056	7,308	6,322	6,879	32,003	26,174
Income (loss) before income taxes	2,872	4,732	2,258	1,065	(555)	10,927	2,466
Income tax expense (benefit)	565	1,322	575	281	(180)	2,743	423
Net income (loss)	\$ 2,307	\$ 3,410	\$ 1,683	\$ 784	\$ (375)	\$ 8,184	\$ 2,043
Common Share Data (2):							
Basic net income (loss) per share (3)	\$ 1.82	\$ 2.69	\$ 1.36	\$ 0.63	\$ (0.30)	\$ 6.51	\$ 1.92
Diluted net income (loss) per share (3)	1.06	1.56	0.79	0.36	(0.30)	3.79	1.08
Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tangible book value per share (4)	52.28	50.35	47.25	46.05	44.86	52.28	44.86
Book value per share (4)	47.19	45.27	42.00	40.95	39.66	47.19	39.66
Weighted average shares outstanding - basic	1,267,582	1,267,582	1,266,174	1,248,270	1,243,095	1,262,277	1,227,111
Weighted average shares outstanding - diluted	2,181,140	2,181,868	2,160,201	2,155,313	2,155,302	2,167,730	2,180,776
Financial Condition Data:							
Total assets	\$ 750,982	\$ 793,604	\$ 793,151	\$ 705,473	\$ 703,791	\$ 750,982	\$ 703,791
Loans	539,227	546,351	535,692	513,992	513,705	539,227	513,705
Allowance for loan losses	(9,122)	(9,037)	(8,483)	(8,107)	(8,007)	(9,122)	(8,007)
Investment securities	108,492	107,351	113,303	120,105	120,398	108,492	120,398
Deposits	586,373	593,370	566,811	531,999	530,190	586,373	530,190
Borrowings	51,310	87,994	120,233	68,950	73,847	51,310	73,847
Stockholders' equity	103,704	101,271	97,347	95,841	93,404	103,704	93,404
Financial Ratios and Other Data:							
Performance Ratios:							
Net interest margin (5)	3.14%	3.30%	2.96%	3.04%	2.86%	3.11%	2.91%
Net interest spread (6)	3.01%	3.16%	2.76%	2.78%	2.55%	2.93%	2.60%
Noninterest income to average assets (7)	3.43%	4.12%	2.36%	1.51%	1.28%	2.90%	1.43%
Noninterest expense to average assets	4.86%	4.60%	3.86%	3.67%	3.88%	4.26%	3.72%
Efficiency ratio (8)	75.77%	63.38%	74.61%	83.74%	97.57%	72.85%	89.07%
Earnings (loss) on average assets (9)	1.20%	1.73%	0.89%	0.45%	-0.21%	1.09%	0.29%
Earnings (loss) on average equity (10)	8.83%	13.51%	6.97%	3.32%	-1.56%	8.26%	2.18%
Asset Quality Ratios:							
Nonaccrual loans to loans (11)	0.23%	0.32%	0.92%	0.97%	1.09%	0.23%	1.09%
Nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing to total loans (11)	0.40%	0.49%	1.07%	1.25%	1.38%	0.40%	1.38%
Nonperforming assets, restructured loans and loans 90 days or more past due and still accruing to total assets (11)	0.54%	0.60%	1.02%	1.24%	1.35%	0.54%	1.35%
Allowance for loan losses to total loans (11)	1.69%	1.65%	1.58%	1.58%	1.56%	1.69%	1.56%
Allowance for loan losses to nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing (11)	421.14%	338.59%	147.79%	126.26%	112.66%	421.14%	112.66%
Net charge-offs (recoveries) annualized to average loans (11)	0.01%	-0.04%	-0.09%	0.08%	0.21%	-0.01%	0.15%
Capital Ratios:							
Total equity to total assets	13.81%	12.76%	12.27%	13.59%	13.27%	13.81%	13.27%
Total risk-based capital ratio	17.44%	16.13%	15.49%	15.36%	15.19%	17.44%	15.19%
Tier 1 risk-based capital ratio	16.19%	14.87%	14.23%	14.11%	13.94%	16.19%	13.94%
Leverage capital ratio	11.46%	11.20%	10.82%	11.08%	10.71%	11.46%	10.71%
Other Data:							
Number of employees (full-time equivalent)	176	176	177	177	176	176	176
Number of banking facilities	11	11	11	11	11	11	11

(1) Noninterest income includes gains and losses on securities.

(2) Common share data prior to September 14, 2020, is adjusted to reflect the 1:15 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 \$0.3 million for the third quarter and 12 months ended 2019 and \$0.03 million for the 2nd quarter and 12 months ended 2020.

(4) Tangible book value per share is the stockholder 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 stockholder equity less the liquidation preference of the preferred stock, divided by the total shares of common outstanding. Book value measures are reported inclusive of the net deferred tax assets. As presented here, shares of common outstanding excludes unvested restricted stock awards.

(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.

CIB MARINE BANCSHARES, INC.
Consolidated Balance Sheets (unaudited)

	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
(Dollars in Thousands, Except Shares)					
Assets					
Cash and due from banks	\$ 29,927	\$ 30,544	\$ 9,120	\$ 9,006	\$ 8,970
Reverse repurchase agreements	-	8,208	18,117	3,622	11,196
Securities available for sale	106,014	104,866	110,818	117,640	117,972
Equity securities at fair value	2,478	2,485	2,485	2,465	2,426
Loans held for sale	42,977	67,496	83,997	24,988	16,928
Loans	539,227	546,351	535,692	513,992	513,705
Allowance for loan losses	(9,122)	(9,037)	(8,483)	(8,107)	(8,007)
Net loans	530,105	537,314	527,209	505,885	505,698
Federal Home Loan Bank Stock	3,140	3,140	2,948	2,947	2,587
Premises and equipment, net	4,682	4,667	4,679	4,769	4,274
Accrued interest receivable	2,050	2,075	1,973	1,610	1,486
Deferred tax assets, net	16,292	18,547	19,325	19,509	20,069
Other real estate owned, net	1,875	2,103	2,334	2,335	2,396
Bank owned life insurance	4,802	4,774	4,745	4,718	4,691
Goodwill and other intangible assets	131	137	142	148	154
Other assets	6,509	7,248	5,259	5,831	4,944
Total Assets	\$ 750,982	\$ 793,604	\$ 793,151	\$ 705,473	\$ 703,791
Liabilities and Stockholders' Equity					
Deposits:					
Noninterest-bearing demand	\$ 92,544	\$ 91,134	\$ 90,450	\$ 67,459	\$ 70,175
Interest-bearing demand	59,679	61,262	54,288	47,760	45,512
Savings	243,888	225,724	205,470	196,797	204,976
Time	190,262	215,250	216,603	219,983	209,527
Total deposits	586,373	593,370	566,811	531,999	530,190
Short-term borrowings	51,310	54,052	77,273	68,950	73,847
Long-term borrowings	-	33,942	42,960	-	-
Accrued interest payable	246	398	447	543	603
Other liabilities	9,349	10,571	8,313	8,140	5,747
Total liabilities	647,278	692,333	695,804	609,632	610,387
Stockholders' Equity					
Preferred stock, \$1 par value; 5,000,000 authorized shares at both December 31, 2020 and December 31, 2019; 7% fixed rate noncumulative perpetual issued; 40,690 shares of series A and 3,201 shares of series B; convertible; \$43.9 million aggregate liquidation preference	37,308	37,308	37,308	37,490	37,490
Common stock, \$1 par value; 75,000,000 authorized shares; 1,282,362 and 18,868,329 issued shares; 1,268,293 and 18,657,282 outstanding shares at December 31, 2020 and December 31, 2019, respectively. (1)(2)	1,282	1,282	19,240	19,162	18,868
Capital surplus (2)	179,188	179,090	161,032	160,990	161,175
Accumulated deficit	(115,569)	(117,875)	(121,285)	(122,969)	(123,753)
Accumulated other comprehensive income, net	2,029	2,000	1,586	1,702	158
Treasury stock, 14,791 shares on December 31, 2020 and 221,902 shares prior at cost (2)	(534)	(534)	(534)	(534)	(534)
Total stockholders' equity	103,704	101,271	97,347	95,841	93,404
Total liabilities and stockholders' equity	\$ 750,982	\$ 793,604	\$ 793,151	\$ 705,473	\$ 703,791

(1) Both issued and outstanding shares as stated here exclude 59,842 shares and 815,395 shares of unvested restricted stock awards at December 31, 2020 and 2019, respectively.

(2) Effective September 14, 2020, the Company executed a reverse stock split of 1 share for every 15 shares outstanding. Fractional shares were remitted cash at the then-current market value of \$15.75 per share.

CIB MARINE BANCSHARES, INC.
Consolidated Statements of Operations (Unaudited)

	At or for the					12 Months Ended	
	Quarters Ended						
	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	(Dollars in thousands)						
Interest Income							
Loans	\$ 5,577	\$ 6,054	\$ 5,540	\$ 5,703	\$ 5,793	\$ 22,874	\$ 23,289
Loans held for sale	331	537	451	119	195	1,438	529
Securities	564	573	661	763	764	2,561	3,246
Other investments	17	38	17	51	68	123	884
Total interest income	6,489	7,202	6,669	6,636	6,820	26,996	27,948
Interest Expense							
Deposits	735	942	1,263	1,512	1,856	4,452	7,637
Short-term borrowings	30	38	54	177	174	299	1,010
Long-term borrowings	0	37	26	0	0	63	0
Total interest expense	765	1,017	1,343	1,689	2,030	4,814	8,647
Net interest income	5,724	6,185	5,326	4,947	4,790	22,182	19,301
Provision for loan losses	101	501	249	202	715	1,053	817
Net interest income after provision for loan losses	5,623	5,684	5,077	4,745	4,075	21,129	18,484
Noninterest Income							
Deposit service charges	91	89	88	96	98	364	377
Other service fees	37	36	36	20	23	129	102
Mortgage banking revenue, net	6,387	7,741	3,990	2,177	2,112	20,295	8,174
Other income	165	226	266	265	129	922	623
Net gains on sale of securities available for sale	0	0	0	0	0	0	0
Unrealized gains (losses) recognized on equity securities	(6)	0	20	39	(11)	53	71
Net gains (loss) on sale of SBA loans	55	(55)	87	437	166	524	1,024
Net gains (losses) on sale of assets and (writedowns)	(163)	67	2	(392)	(268)	(486)	(215)
Total noninterest income	6,566	8,104	4,489	2,642	2,249	21,801	10,156
Noninterest Expense							
Compensation and employee benefits	7,015	7,329	5,451	4,421	4,701	24,216	18,142
Equipment	402	352	379	363	394	1,496	1,417
Occupancy and premises	452	390	407	460	460	1,709	1,773
Data Processing	178	177	155	164	157	674	648
Federal deposit insurance	49	48	47	0	(10)	144	133
Professional services	322	162	242	298	320	1,024	865
Telephone and data communication	82	71	67	68	81	288	328
Insurance	62	58	55	54	59	229	234
Other expense	755	469	505	494	717	2,223	2,634
Total noninterest expense	9,317	9,056	7,308	6,322	6,879	32,003	26,174
Income (losses) from operations before income taxes	2,872	4,732	2,258	1,065	(555)	10,927	2,466
Income tax expense (benefit)	565	1,322	575	281	(180)	2,743	423
Net income (loss)	2,307	3,410	1,683	784	(375)	8,184	2,043
Preferred stock dividend	0	0	0	0	0	0	0
Discount from repurchase of preferred stock	0	0	33	0	0	33	308
Net income (loss) allocated to common stockholders	\$ 2,307	\$ 3,410	\$ 1,716	\$ 784	\$ (375)	\$ 8,217	\$ 2,351