



FOR IMMEDIATE RELEASE
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FOR INFORMATION CONTACT:
J. Brian Chaffin, President & CEO
(217) 355-0900
brian.chaffin@cibmbank.com

CIB MARINE BANCSHARES, INC. ANNOUNCES SECOND QUARTER 2024 RESULTS

BROOKFIELD, Wis. – CIB Marine Bancshares, Inc. (the “Company” or “CIB Marine”) (OTCQX: CIBH), the holding company of CIBM Bank (the “Bank”), announced its unaudited results of operations and financial condition for the quarter and six months ended June 30, 2024. During the quarter, net interest income increased \$0.2 million from the prior quarter, the Mortgage Division earned \$0.2 million, and CIBM Bank completed a sale-leaseback transaction with a gross purchase price of \$6.6 million and a net gain on sale of \$4.5 million.

Net income for the quarter was \$3.8 million, or \$2.79 basic and \$2.06 diluted earnings per share, compared to \$1.2 million, or \$0.88 basic and \$0.64 diluted earnings per share, for the same period of 2023. Net income for the six months ended June 30, 2024, was \$4.0 million, or \$2.94 basic and \$2.17 diluted earnings per share, compared to \$1.4 million, or \$1.06 basic and \$0.77 diluted earnings per share, for the same period of 2023. Excluding the effects of the non-recurring sale-leaseback transaction gain on sale, net income was \$0.5 million, or \$0.34 basic and \$0.25 diluted earnings per share, for the quarter and \$0.6 million, or \$0.8 basic and \$0.35 diluted earnings per share, for the six-month period.

Financial highlights for the quarter include:

- The Bank completed a sale-leaseback transaction with a gross purchase price of \$6.6 million for the office real estate used by CIBM Bank’s Bloomington, Champaign, and Urbana, Illinois, branches. The transaction resulted in a net gain on sale of \$4.5 million and \$3.3 million net of tax. The sale of the real estate to a third party will not impact banking services, which will continue at each branch under a 15-year lease.
- Compared to the prior quarter, net interest income was up \$0.2 million and net interest margin was up 9 basis points as the 12 basis point increase in average yields on earning assets outpaced a subdued 3 basis point increase in the cost of funds. Net interest income was down \$0.4 million for the quarter ended June 30, 2024, and down \$1.3 million for the six months ended June 30, 2024, compared to the same periods of 2023, due to the rise in cost of funds versus yields on assets over those time periods.

- Loan portfolio balances decreased \$17 million over the quarter and decreased \$3 million since December 31, 2023, due to higher loan rates and the Company's balance sheet management strategy, with further balance declines likely in the future. Deposits decreased \$3 million for the quarter and increased \$42 million from December 31, 2023, as lower-cost fundings were used to reduce higher-cost brokered deposits and short-term borrowings from the Federal Home Loan Bank of Chicago ("FHLB"). Cost of funds pressures were diminished for the quarter as FHLB borrowings were reduced to zero and the Bank's liquidity profile continued to improve as the loan to deposit ratio declined from 98% at December 31, 2023, to 92% at June 30, 2024.
- As of June 30, 2024, non-performing assets, modified loans to borrowers experiencing financial difficulty, and loans 90 days or more past due and still accruing to total assets and nonaccrual loans to total loans ratios were 1.14% and 0.47%, respectively, compared to 0.90% and 0.50%, respectively, on December 31, 2023, and 0.13% and 0.02%, respectively, on June 30, 2023. The primary reason for the increase in the ratios over the time period is due to four credit relationships with borrowers in the transportation industry, including two added during the second quarter of 2024.
- Also, as of June 30, 2024, the allowance for credit losses on loans ("ACLL") to loans was 1.26% compared to an allowance for loan and lease losses of 1.27% on December 31, 2023, and 1.39% on June 30, 2023. The ACLL depends on third-party economic forecasts and qualitative factors. Over the course of 2023 and the second quarter of 2024, those forecasts for gross domestic product and unemployment have generally improved while certain qualitative factors related to loan performance have trended up, resulting in a lower ACLL to loans ratio.
- For the six months ended June 30, 2024, Banking Division net income was \$4.6 million, up from \$2.3 million in the same period in 2023. Mortgage Division net loss was \$0.2 million, improved from a \$0.5 million loss in the same period in 2023 due to cost saving actions and despite production being down due to housing market challenges.

Mr. J. Brian Chaffin, CIB Marine's President and CEO, commented, "Operating results from our Banking and Mortgage Divisions have improved from quarter to quarter as highlighted above, although it continues to be a challenging environment for both areas. Attentive management of our cost of funds and liability structure has led to improved net interest margins from the prior quarter and we are working toward continued improvement. Our targeted expense controls set in motion in late 2023 and early 2024 have supported improved operating results."

He concluded, "We are pleased to report on the outcome of our sale-leaseback transaction. Along with balance sheet management and improving operating results, this is an important step forward in meeting our goal of redeeming the preferred stock."

CIB Marine Bancshares, Inc. is the holding company for CIBM Bank, which operates nine banking offices in Illinois, Wisconsin, and Indiana, and has mortgage loan officers and/or offices in ten states. 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					6 Months Ended	
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	June 30, 2024	June 30, 2023
	(Dollars in thousands, except share and per share data)						
Selected Statement of Operations Data:							
Interest and dividend income	\$ 12,052	\$ 11,801	\$ 11,328	\$ 10,117	\$ 9,152	\$ 23,853	\$ 17,624
Interest expense	6,897	6,840	6,190	5,180	3,643	13,737	6,244
Net interest income	5,155	4,961	5,138	4,937	5,509	10,116	11,380
Provision for (reversal of) credit losses	10	(28)	135	(140)	(246)	(18)	(87)
Net interest income after provision for (reversal of) credit losses	5,145	4,989	5,003	5,077	5,755	10,134	11,467
Noninterest income (1)	6,904	1,627	1,824	2,368	3,298	8,531	4,708
Noninterest expense	6,904	6,421	6,669	7,007	7,457	13,325	14,262
Income before income taxes	5,145	195	158	438	1,596	5,340	1,913
Income tax expense	1,361	17	1,050	59	431	1,378	520
Net income (loss)	\$ 3,784	\$ 178	\$ (892)	\$ 379	\$ 1,165	\$ 3,962	\$ 1,393
Common Share Data:							
Basic net income (loss) per share	\$ 2.79	\$ 0.13	\$ (0.67)	\$ 0.28	\$ 0.88	\$ 2.94	\$ 1.06
Diluted net income (loss) per share	2.06	0.10	(0.67)	0.21	0.64	2.17	0.77
Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tangible book value per share (2)	55.36	52.59	53.35	52.05	52.47	55.36	52.47
Book value per share (2)	53.61	50.84	51.58	50.28	50.70	53.61	50.70
Weighted average shares outstanding - basic	1,356,255	1,341,181	1,334,163	1,333,889	1,318,470	1,348,440	1,313,564
Weighted average shares outstanding - diluted	1,833,881	1,820,498	1,813,207	1,814,716	1,815,604	1,826,911	1,809,445
Financial Condition Data:							
Total assets	\$ 901,634	\$ 897,595	\$ 899,060	\$ 874,247	\$ 819,521	\$ 901,634	\$ 819,521
Loans	719,129	736,019	722,084	688,446	647,823	719,129	647,823
Allowance for credit losses on loans	(9,083)	(9,087)	(9,136)	(8,947)	(8,999)	(9,083)	(8,999)
Investment securities	123,814	119,300	131,529	130,476	114,661	123,814	114,661
Deposits	768,984	772,377	727,565	644,165	613,808	768,984	613,808
Borrowings	28,222	32,120	76,956	138,469	113,950	28,222	113,950
Stockholders' equity	89,008	85,091	85,075	83,313	83,876	89,008	83,876
Financial Ratios and Other Data:							
Performance Ratios:							
Net interest margin (3)	2.38%	2.29%	2.41%	2.43%	2.90%	2.34%	3.06%
Net interest spread (4)	1.71%	1.63%	1.79%	1.85%	2.42%	1.67%	2.62%
Noninterest income to average assets (5)	3.09%	0.73%	0.78%	1.15%	1.68%	1.91%	1.21%
Noninterest expense to average assets	3.09%	2.87%	3.00%	3.31%	3.77%	2.98%	3.68%
Efficiency ratio (6)	57.19%	97.20%	97.13%	95.06%	84.35%	71.34%	88.65%
Earnings (loss) on average assets (7)	1.69%	0.08%	-0.40%	0.18%	0.59%	0.88%	0.36%
Earnings (loss) on average equity (8)	17.92%	0.84%	-4.21%	1.78%	5.53%	9.38%	3.35%
Asset Quality Ratios:							
Nonaccrual loans to loans (9)	0.47%	0.48%	0.50%	0.50%	0.02%	0.47%	0.02%
Nonaccrual loans, modified loans to borrowers experiencing financial difficulty, loans 90 days or more past due and still accruing to total loans	1.38%	1.04%	1.07%	0.56%	0.11%	1.38%	0.11%
Nonaccrual loans, modified loans to borrowers experiencing financial difficulty, loans 90 days or more past due and still accruing to total assets	1.14%	0.89%	0.90%	0.49%	0.13%	1.14%	0.13%
Allowance for credit losses on loans to total loans (9)	1.26%	1.23%	1.27%	1.30%	1.39%	1.26%	1.39%
Allowance for credit losses on loans to nonaccrual loans, modified loans to borrowers experiencing financial difficulty and loans 90 days or more past due and still accruing (9)	91.24%	118.77%	118.59%	231.01%	1283.74%	91.24%	1283.74%
Net charge-offs (recoveries) annualized to average loans (9)	0.03%	0.03%	0.01%	-0.01%	-0.02%	0.03%	-0.02%
Capital Ratios:							
Total equity to total assets	9.87%	9.48%	9.46%	9.53%	10.23%	9.87%	10.23%
Total risk-based capital ratio	13.90%	13.07%	13.24%	13.58%	14.25%	13.90%	14.25%
Tier 1 risk-based capital ratio	11.27%	10.48%	10.62%	10.91%	11.49%	11.27%	11.49%
Leverage capital ratio	8.93%	8.50%	8.62%	8.93%	9.43%	8.93%	9.43%
Other Data:							
Number of employees (full-time equivalent)	172	177	193	194	206	172	206
Number of banking facilities	9	9	9	9	10	9	10

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

(2) 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.

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

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

(5) Noninterest income to average assets excludes gains and losses on securities.

(6) The efficiency ratio is noninterest expense divided by the sum of net interest income plus noninterest income, excluding gains and losses on securities.

(7) Earnings on average assets are net income divided by average total assets.

(8) Earnings on average equity are net income divided by average stockholders' equity.

(9) Excludes loans held for sale.

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

	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
(Dollars in Thousands, Except Shares)					
Assets					
Cash and due from banks	\$ 10,690	\$ 7,727	\$ 9,491	\$ 9,203	\$ 14,444
Reverse repurchase agreements	-	-	-	-	-
Securities available for sale	121,687	117,160	129,370	128,413	112,532
Equity securities at fair value	2,127	2,140	2,159	2,063	2,129
Loans held for sale	17,897	8,048	9,209	15,011	14,726
Loans	719,129	736,019	722,084	688,446	647,823
Allowance for credit losses on loans	(9,083)	(9,087)	(9,136)	(8,947)	(8,999)
Net loans	710,046	726,932	712,948	679,499	638,824
Federal Home Loan Bank Stock	2,238	2,328	2,709	4,645	2,818
Premises and equipment, net	1,569	3,550	3,602	3,675	3,879
Accrued interest receivable	3,230	3,271	2,983	2,748	2,036
Deferred tax assets, net	14,840	14,849	14,753	16,815	16,790
Other real estate owned, net	283	375	375	375	375
Bank owned life insurance	6,340	6,291	6,247	6,204	6,160
Goodwill and other intangible assets	64	64	64	70	76
Other assets	10,623	4,860	5,150	5,526	4,732
Total assets	\$ 901,634	\$ 897,595	\$ 899,060	\$ 874,247	\$ 819,521
Liabilities and Stockholders' Equity					
Deposits:					
Noninterest-bearing demand	\$ 95,457	\$ 87,621	\$ 89,025	\$ 88,674	\$ 93,487
Interest-bearing demand	86,728	92,092	90,232	73,086	82,484
Savings	244,595	261,998	256,059	254,211	247,339
Time	342,204	330,666	292,249	228,194	190,498
Total deposits	768,984	772,377	727,565	644,165	613,808
Short-term borrowings	18,477	22,383	67,227	128,748	104,238
Long-term borrowings	9,745	9,737	9,729	9,721	9,712
Accrued interest payable	2,145	1,982	1,883	1,491	963
Other liabilities	13,275	6,025	7,581	6,809	6,924
Total liabilities	812,626	812,504	813,985	790,934	735,645
Stockholders' Equity					
Preferred stock, \$1 par value; 5,000,000 authorized shares at both June 30, 2024 and December 31, 2023; 7% fixed rate noncumulative perpetual issued; 14,633 shares of series A and 1,610 shares of series B; convertible; \$16.2 million aggregate liquidation preference	13,806	13,806	13,806	13,806	13,806
Common stock, \$1 par value; 75,000,000 authorized shares; 1,372,053 and 1,349,392 issued shares; 1,357,984 and 1,335,323 outstanding shares at June 30, 2024 and December 31, 2023, respectively. (1)	1,372	1,369	1,349	1,349	1,349
Capital surplus	181,486	181,380	181,282	181,144	181,050
Accumulated deficit	(101,373)	(105,157)	(105,335)	(104,443)	(104,822)
Accumulated other comprehensive income, net	(5,749)	(5,773)	(5,493)	(8,009)	(6,973)
Treasury stock, 14,791 shares on June 30, 2024 and December 31, 2023 (2)	(534)	(534)	(534)	(534)	(534)
Total stockholders' equity	89,008	85,091	85,075	83,313	83,876
Total liabilities and stockholders' equity	\$ 901,634	\$ 897,595	\$ 899,060	\$ 874,247	\$ 819,521

(1) Both issued and outstanding shares as stated here exclude 47,321 shares and 48,308 shares of unvested restricted stock awards at June 30, 2024 and December 31, 2023, respectively.

(2) Treasury stock includes 722 shares held by subsidiary bank CIBM Bank.

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

	At or for the							
	Quarters Ended					6 Months Ended		
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	June 30, 2024	June 30, 2023	
	(Dollars in thousands)							
Interest Income								
Loans	\$ 10,582	\$ 10,394	\$ 9,752	\$ 8,718	\$ 7,942	\$ 20,976	\$ 15,063	
Loans held for sale	213	142	200	227	155	355	239	
Securities	1,217	1,231	1,330	1,132	985	2,448	2,016	
Other investments	40	34	46	40	70	74	306	
Total interest income	<u>12,052</u>	<u>11,801</u>	<u>11,328</u>	<u>10,117</u>	<u>9,152</u>	<u>23,853</u>	<u>17,624</u>	
Interest Expense								
Deposits	6,466	6,227	5,071	3,918	3,076	12,693	5,440	
Short-term borrowings	310	493	998	1,141	445	803	563	
Long-term borrowings	121	120	121	121	122	241	241	
Total interest expense	<u>6,897</u>	<u>6,840</u>	<u>6,190</u>	<u>5,180</u>	<u>3,643</u>	<u>13,737</u>	<u>6,244</u>	
Net interest income	5,155	4,961	5,138	4,937	5,509	10,116	11,380	
Provision for (reversal of) credit losses	10	(28)	135	(140)	(246)	(18)	(87)	
Net interest income after provision for (reversal of) credit losses	<u>5,145</u>	<u>4,989</u>	<u>5,003</u>	<u>5,077</u>	<u>5,755</u>	<u>10,134</u>	<u>11,467</u>	
Noninterest Income								
Deposit service charges	67	66	74	101	76	133	155	
Other service fees	1	(5)	3	6	11	(4)	27	
Mortgage banking revenue, net	2,166	1,209	1,397	1,984	1,636	3,375	2,644	
Other income	273	163	165	132	171	436	281	
Net gains on sale of securities available for sale	0	0	0	0	0	0	0	
Unrealized gains (losses) recognized on equity securities	(14)	(18)	96	(66)	(34)	(32)	0	
Net gains (loss) on sale of SBA loans	0	202	0	0	0	202	151	
Net gains on sale of assets and (writedowns)	4,411	10	89	211	1,438	4,421	1,450	
Total noninterest income	<u>6,904</u>	<u>1,627</u>	<u>1,824</u>	<u>2,368</u>	<u>3,298</u>	<u>8,531</u>	<u>4,708</u>	
Noninterest Expense								
Compensation and employee benefits	4,700	4,289	4,369	4,631	5,101	8,989	9,651	
Equipment	457	462	493	484	504	919	979	
Occupancy and premises	391	436	415	490	404	827	842	
Data Processing	208	212	224	245	221	420	420	
Federal deposit insurance	219	199	170	123	150	418	237	
Professional services	219	199	243	271	317	418	595	
Telephone and data communication	51	56	66	57	56	107	117	
Insurance	80	81	79	82	68	161	156	
Other expense	579	487	610	624	636	1,066	1,265	
Total noninterest expense	<u>6,904</u>	<u>6,421</u>	<u>6,669</u>	<u>7,007</u>	<u>7,457</u>	<u>13,325</u>	<u>14,262</u>	
Income from operations before income taxes	5,145	195	158	438	1,596	5,340	1,913	
Income tax expense	1,361	17	1,050	59	431	1,378	520	
Net (loss) income	<u>3,784</u>	<u>178</u>	<u>(892)</u>	<u>379</u>	<u>1,165</u>	<u>3,962</u>	<u>1,393</u>	
Preferred stock dividend	0	0	0	0	0	0	0	
Discount from repurchase of preferred stock	0	0	0	0	0	0	0	
Net income (loss) allocated to common stockholders	<u>\$ 3,784</u>	<u>\$ 178</u>	<u>\$ (892)</u>	<u>\$ 379</u>	<u>\$ 1,165</u>	<u>\$ 3,962</u>	<u>\$ 1,393</u>	